United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, THURSDAY, JUNE 13, 1996 No. 87

House of Representatives

The House met at 10 a.m.

The Reverend Colin Kelly III, Trinity-on-the-Hill Episcopal Church, Los Alamos, NM, offered the following prayer:

Gracious God, bless these men and women of the House of Representatives. Endow them with wisdom, courage, and strength to know and to do Your will. Inspire them to rise above differences and see common tasks with Your vision.

We pray for the President of these United States, and all in authority, that they may always remember to look in trust to You as they fulfill their daily responsibilities.

We pray also for all the people of our country. We seek justice, freedom, and peace. Help us always to remember that freedom comes with responsibility and peace comes at the price of lives sacrificed. Give us Your peace.

Purify our hearts, O God, and renew a right spirit within us. Through Christ Jesus we pray. Amen.

THE JOURNAL

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

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

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Oklahoma [Mr. WATTS] come forward and lead the House in the Pledge of Allegiance.

Mr. WATTS of Oklahoma led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain fifteen 1-minutes on each side.

WELCOMING THE REVEREND COLIN P. KELLY III

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

Mr. RICHARDSON. Mr. Speaker, it gives me great pleasure to formally welcome and introduce today's guest chaplain, the Reverend Colin P. Kelly III of Trinity-on-the-Hill Episcopal Church in Los Alamos, NM.

Reverend Kelly has had a long and distinguished career of service to his congregants and to this Nation. A West Point graduate, he served his country in Germany and at Fort Riley, KS. After receiving a master of divinity degree from Philadelphia Divinity School, he returned to active duty military for extensive pastoral experience. Among his duties, he served as assistant chaplain at the Military Academy and also served as division chaplain at Fort Carson where he supervised 21 Army chaplains who were responsible for the spiritual welfare of over 16,000 soldiers and their families.

After retiring from the Army, he settled in Los Alamos where he assumed duties as rector of Trinity-on-the-Hill Episcopal Church. He is married to Sue Ellen Kelly who just joined him on this mission to Washington and they have five children.

While we in New Mexico know and respect Colin P. Kelly III for his pastoral duties, others around the country might recognize his name—his father was a World War II hero. Colin P. Kelly, Jr., was shot down over the Philippines in December 1941, shortly after the attack on Pearl Harbor. He had engaged the enemy in what was the first strike back by the United States in World War II.

In recognition of the outstanding service offered by the Kelly family to this great Nation, it is only fitting that Reverend Kelly be given the opportunity to offer his prayers before the House. I urge my colleagues to join me in welcoming and honoring Reverend Colin P. Kelly III.

HEALTH INSURANCE

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

Mr. GINGRICH. Mr. Speaker, I simply wanted to rise to note that we are on the verge of a historic achievement. We have a bill which will extend guaranteed portability of health insurance to every American in the health insurance system. That is, you will never again have to worry about changing jobs. You will never again have job lock because of a precondition. You will never again have to worry about a precondition stopping you from getting health insurance once you are in the system. You can change jobs; you can

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move around; you can do what you need to do.

This is a vital, vital improvement for the people of America. It is the No. 1 concern of working Americans in health care.

In addition, this bill includes lower cost insurance for family farms, for small businesses, and for the self-employed; that is, the groups that have the lowest level of insurance participation, those who are the least covered by insurance.

We have developed a medical savings account plan which allows them to buy lower cost health insurance to cover any kind of major illness they might have. So this is a win/win. It is better health coverage for families already in the insurance system because it eliminates preconditions, and it is lower cost health insurance for the self-employed family farms and small businesses.

I simply hope that the liberals in the Senate who are blocking it will get out of the way and allow the American people to have better health insurance with better coverage at lower cost.

THE IRS

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

Mr. TRAFICANT. Mr. Speaker, the IRS does not tolerate mistakes. The IRS expects taxpayers to have every single receipt. But check this out. The GAO did an audit of the IRS, and guess what they found; the IRS cannot even tell the difference between income taxes and Social Security taxes. Also, the IRS cannot account for $3 billion of spending. Also, the IRS says taxpayers owe $130 billion in overdue taxes, but the GAO says they could find no proof of that.

Just think about it. If you could not account for massive spending, if your books were in a shambles, what would the IRS do to you, Mr. Speaker? You would be guilty, guilty, guilty. They would take you to court and you would have to prove yourself innocent.

Beam me up. No wonder the American people are taxed off. I think Congress should take the IRS, handcuff them to a chain-link fence, and flog them with their own damn Tax Code.

That is what the Congress should do. Yield back the balance of the taxes.

WHITE HOUSE AND CONFIDENTIAL FBI FILES

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

Mr. CHABOT. Mr. Speaker, yesterday we learned that among those former Reagan and Bush officials whose confidential FBI background files have been pawed through by the Clinton White House is a distinguished Cincinnatian, Mr. Joseph W. Hagin.

The search of Mr. Hagin's file is noteworthy not only because Joe is a well respected member of my community but also because the White House initially had said that it had only gotten through files from A through G. Mr. Hagin's last name, of course, begins with the letter ''H'' and I'm willing to bet that the FBI is good enough to have figured that out.

Now Mr. Speaker, President Clinton has said that the White House never should condone an enemies list and that all of this vast intrusion into the privacy of former public servants is simply the result of administration incompetence. I sure hope that's the case. But I can understand why some of the victims are skeptical. After all this administration had turned the Justice Department over to a political crony named Webster Hubble who now stands convicted of various felonies. And the administration had done little to quell suspicion that the FBI was urged to target and harass Mr. Billy Dale. The President has apologized to Billy Dale. He also should apologize to Mr. Hagin.

The whole thing stinks to high heaven.

HEALTH CARE REFORM

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

Mr. PALLONE. Mr. Speaker, I heard what Speaker GINGRICH said about the health care reform bill. My concern is that what he mentioned really is very far from the truth. The fact of the matter is the Democrats and Republicans want to see a bill passed that would increase portability and eliminate preeexisting conditions as a factor. But the Republican leadership has insisted on the poison pill of MSA's medical savings accounts.

The effect of including medical savings accounts in this legislation is basically to drive up the cost of insurance for the average person. Instead of expanding the opportunities of health care coverage and eliminating the ranks of the uninsured, by including medical savings accounts only the healthy and the wealthy will be able to take advantage of that. The cost for the average person of health insurance will go up. Instead of having more people covered by health insurance, the effect is that there will be less and less people covered by health insurance because they will not be able to afford the higher premiums.

The poison pill in MSA's is still there. The suggestion by the Speaker that somehow this legislation, if it includes the MSA's is going to solve the health care problem, is not true.

BUREAUCRATIC SNAFUS

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

Mr. HEFLEY. Mr. Speaker, the Clinton administration is quickly becoming a litany of bureaucratic snafus and mistakes. Clinton responds to all of these mishaps the same way—''I was not aware of any wrongdoing.'' Notice that Clinton never says that the charges are completely false, they are just someone else's fault not his.

When Bill Clinton campaigned it was ''I didn't inhale.''

When Whitewater developed, it was ''I am not aware of any wrongdoing.''

Finally, as the X-files scandal has developed, Clinton's response: ''It appears to have been a completely honest bureaucratic snafu.''

Mr. Speaker, I believe it was a completely bureaucratic snafu. But this administration has had far too many snafus to fool the American people into believing that these are all honest bureaucratic snafus. It is time for this administration to start taking a small measure of responsibility for its unethical actions. The people want honesty and integrity from the President.

EXTREME, EXTREMER, AND EXTREMIST

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

Mr. SCHUMER. Mr. Speaker, the election in the Senate yesterday gives the American people some idea of where the Republican Party is going. The three top leaders in the Senate now, like the three top leaders in the House, are far over on the far right extreme, far away from the mainstream American. Not a single moderate Republican is in the House leadership or the Senate leadership. That relates to what the Speaker came to talk about today.

Americans want portability. They want portability in health care. They do not know about any newfangled proposal on MSA's that have come up because some big insurance magnet is pushing it with big contributions. Move portability without any of these other ideological bells and whistles, and you will help the American people. I say, in conclusion, we now have three leaders in the House and Senate: extreme, extremer, extremist. Do not let that vitiate the kind of mainstream health care policy that the American people want.

ABUSIVE CLINTON ADMINISTRATION

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

Mr. WATTS of Oklahoma. Mr. Speaker, I was born in Eufaula, OK, on November 18, 1957. I graduated from Oklahoma University in May 1981. I was married on May 7, 1977, to Frankie Jean Jones.

I had three fights when I was in the third grade, and I was 3 and 0 for the year. My high school football coach was Paul Bell. My high school basketball coach was Perry Anderson, and my college football coach was Barry Switzer.

□ 1015

Mr. Speaker, in order to prevent taxpayers' hard-earned dollars from being wasted on this type of information from my FBI background check, I thought I would voluntarily hand this over to the White House. By giving this to the White House, they would be able to save time and money on helping us to save to balance the budget.

I would like to point out to this Chamber that valuable taxpayer money has been wasted time and time again by this White House on politically motivated shenanigans such as these FBI files, their travel office and helicopter follies to golf courses by White House personnel.

Mr. Speaker, these problems will continue to happen. I urge my colleagues and the American people to realize that this abuse of our Government by this administration and their liberal buddies is not the first, nor will it be the last.

REPUBLICANS MORE INTERESTED IN REDUCING TAXES FOR THE WEALTHY THAN REDUCING THE DEFICIT

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

Mr. VOLKMER. Mr. Speaker, Members of the House, the cat is out of the bag. The radical Republican extremists are not in favor of reducing the deficits. They do want a tax cut, a massive tax cut, for the wealthy. We saw it last night.

Mr. Speaker, if my colleagues listened to the chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], he never once in this closing argument for that budget, never once, mentioned the word ''deficit.'' In fact, under their budget, the reason he did not, under their budget next year the deficit goes up; the following year, the deficit goes up. It does not go down. They need to do that in order to give tax cuts for the wealthy.

The spending cut for Medicare; where is that going to go? The spending cuts for food stamps; where is that going to go? Tax cuts for the wealthy, not to reduce the deficit, because the deficit is going to go up.

Mr. Speaker, they are more interested in reducing taxes for wealthy than they are in reducing the deficits. I say let us reduce the deficits before we give any tax cuts for anybody. That is my position. Let us get a balanced budget first. Then we reduce the deficits.

BROKEN ARMS AND BROKEN PROMISES

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

Ms. DELAURO. Mr. Speaker, late last night the House passed the 1997 budget, after an intense battle. The Republican leadership spent an entire day twisting arms to get the votes they needed. The result: A House Chamber filled with broken arms and, most important, broken promises.

Some freshman Republicans who came to Washington to balance the budget ended up voting to actually increase the deficit. Two in particular, Representatives COOLEY and CUBIN, actually voted ''no'' on passing the budget and then switched their votes. They were joined by two other switchers, Representatives ALLARD and METCALF. Clearly there was a lot of pressure in this Chamber yesterday.

Pressure to approve a budget that increases the deficit, cuts the Medicare Program by $168 billion over a 6-year period to pay for tax breaks for the wealthy, limits student loans, taxes working families, and closes rural hospitals.

Now the drama of the budget battle is over and the Republican leadership has made one thing explicitly clear: Promises can be made and promises can be broken.

PARLIAMENTARY INQUIRIES

Mr. WALKER. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Pennsylvania will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, is it within the rules of the House for Members to ascribe motivation to other Members and identify them by name?

The SPEAKER pro tempore. Political motivations can be suggested, but not personal motivations.

Mr. WALKER. And the use of names is an appropriate kind of behavior on the House floor?

The SPEAKER pro tempore. There is nothing per se a violation by using another Member's name in describing a political action or motive. However, tradition has been to refer to Members by the State of origin rather than by personal names.

Mr. WILLIAMS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Montana will state his parliamentary inquiry.

Mr. WILLIAMS. Mr. Speaker, is it within the rules of the House for Members during 1-minutes to question the motivation of the President?

The SPEAKER pro tempore. Again, in debate it would be allowable to question political motivation. What the gentleman raised as a parliamentary inquiry was on personal motivation.

Mr. WILLIAMS. Mr. Speaker, is it within the rules for a Member of the House during 1-minutes, or at any other time, to question whether or not a President is acting within the law in his own or her own personal activities?

The SPEAKER pro tempore. The Chair will not make a judgment on what the charges may be or the motivations behind that, but the Members should refrain from personalities in debate.

Mr. WILLIAMS. I would encourage that as well.

WHAT IF A REPUBLICAN PRESIDENT WERE ACCUSED OF RAIDING FBI FILES?

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

Mrs. SEASTRAND. Mr. Speaker, the other day in the Washington Post, Mary McGrory brought up a point about the Filegate controversy that I thought was very relevant. What if this had been a Republican administration? Think about it, Mr. Speaker; every member of the liberal media would be at their wits end. CNN would have special Filegate music and would break in every 10 minutes with a special report. Dan Rather and Peter Jennings would be breathless in their zeal to find out the truth about what was going on in the White House.

''60 Minutes'' and ''20/20'' would do special interviews with the people whose FBI files were investigated. They would ask sensitive questions like, ''How does it feel to have your FBI file looked into by the White House?''

But this is not what is happening, Mr. Speaker. Of course, there is media coverage of Filegate, I do not deny that. But there is a different standard applied to liberal Democrats by the media. If a Republican President were accused of raiding FBI files of Democrats, the liberal media would be in absolutely apoplexy.

AFRICAN-AMERICAN CHURCHES UNDER SIEGE IN AMERICA

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in the 1960's, as the civil rights journey, bloody though it might have been, unfolded in this Nation the eyes of most of America were riveted on those who were seeking simply freedom. Today we are under siege as the most recent church burned in Enid, OK. African-American churches across this Nation are under siege through the tragedy of church burnings. Some of my colleagues have disdained to call this political. I cry out in outrage.

As a cosponsor of the Church Arson Prevention Act, I asked the Speaker of the House in posthaste to bring this to the floor. In joining the gentlewoman from North Carolina who sponsored a resolution for this Nation to denounce this tragedy, I asked for its immediate attention in this House, and I ask America not to sleep at night while these tragedies are occurring, for I ask whether or not our colleagues are willing to entertain the possible loss of

life. I ask America to have a day of prayer this coming Sunday to join for peace and freedom and the end of racial hostilities and this tragedy and blight on the Constitution of the United States of America.

BART SIMPSON AND THE WHITE HOUSE: ''I DIDN'T DO IT''

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

Mr. TIAHRT. Mr. Speaker, Bart Simpson said, ''I didn't do it, nobody saw me, you can't prove anything.''

Mr. Speaker, that is what we are hearing out of the White House when it comes to the files that were requested from the FBI: I did not do it. Bernard Nussbaum says, and he was White House counsel, he says he did not request these FBI files; yet 341 of them were sent to the White House on a letter with his name on it: Nobody saw me. The President says he did not read the files.

But that is kind of what the gentleman from Texas, DICK ARMEY, said: ''That is like the President saying he did not inhale.''

You can't prove anything. That is because the White House is withholding 2,000 pages of information related to Travelgate documents, which is what spurred the request for the FBI files to begin with.

Mr. Speaker, it is time for the White House to come clean about Travelgate and about Filegate because the American people deserve to know the truth about what is going on within those walls.

TIME FOR THE WHITE HOUSE TO COME CLEAN ON THE FBI FILE SEARCH

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

Mr. GUTKNECHT. Mr. Speaker, it is interesting that the gentlewoman from Colorado [Mrs. SCHROEDER] talks about the Nixon White House, because as far as the latest White House blunder the President's silence has been almost deafening. The unanswered questions keep piling up, and the President still has not taken responsibility. What was the White House doing with over 340 private citizens' FBI files? How did these files just happen to be of members of the former Bush and Reagan administration? And why is the President not taking responsibility for these actions?

Mr. Speaker, once again we have a case of feigned innocence by higher-ups at the White House, but this is one time too many that lower level staffers have had to take the blame for major mixups. The excuses are running thin, the coverup game has gone on a little too long. It is time for the White House and the President to come clean about the FBI search. The American people demand no less.

CONCERN ABOUT REPUBLICAN BUDGET PRIORITIES

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

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. WARD. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I just wanted to state that the President of the United States did apologize yesterday, and I think it is very important to have that on the record.

Mr. WARD. Mr. Speaker, I rise today to express my concern over the majority's priorities. Last night the budget resolution was passed by a slim margin, changing Medicare in ways that will hurt our working families, raising tax on our working families and limiting direct student loans.

□ 1030

Today I hear that Medicaid is on the chopping block in the Committee on Commerce. I have one question to ask my colleague on the other side of the aisle: How far will you go, attacking the elderly, the poor, our children, and the disabled?

Completely repealing the Medicaid Program will mean that 18 million children will lose their health coverage if we turn what is now a responsibility and commitment on the part of the Federal Government into a State block-granted program. Four million seniors and disabled will lose their guaranteed coverage needed for doctor and hospital care. I ask, when will this stop?

AN APOLOGY BY THE PRESIDENT IS NOT ENOUGH

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

Mr. WALKER. Mr. Speaker, the gentlewoman from Colorado suggested an apology from the President of the United States is enough; enough, when 340 people have had their lives stripped bare for purely political reasons, their FBI files open for purely political reasons, and an apology is enough.

Mr. Speaker, that is not enough, particularly when we have an FBI official today who tells us about the situation as it may relate to the Nixon administration. He says, ''Some Presidents have made good use of FBI background investigations and some, to their regret, have not. But never before has any administration used background investigations of another President's political staff. FBI employees knew it would be wrong to give raw FBI files on political opponents to the other party. In fact, they knew it would be illegal, each disclosure a violation of the Federal Privacy Act.''

We are talking about a very serious matter, Mr. Speaker. It deserves full investigation. I am shocked to hear Democrats who came to this floor, time and time again, telling us how Reagan administration officials should be investigated, Bush administration officials should be investigated, how telling us that an apology by the President is enough.

STUPID IS AS STUPID DOES

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, in 1981, President Reagan convinced Congress to increase military spending and cut taxes for the wealthy, claiming this would balanced the budget by 1983. Well, 1983 came along and our deficit exploded to $207 billion in just the first 2 years of the Reagan administration.

Yesterday, Mr. Speaker, Republican leaders did the exact same thing. The Republican budget resolution passed last night actually increases the deficit by $40 billion over the next 2 years, just to pay for—you guessed it—tax breaks and star wars.

In summary, Mr. Speaker, Republican leaders shut down the Government twice just so they could increase the deficit by $40 billion, leaving real deficit reduction to future congresses.

As Forrest Gump said, Mr. Speaker, ''stupid is, as stupid does.''

THE LIBERAL DEMOCRATS IN THIS HOUSE WERE RESPONSIBLE FOR OUR HUGE DEFICITS, NOT THE REAGAN ADMINISTRATION

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

Mr. WELDON of Florida. Mr. Speaker, I want to address the comments of the gentlewoman who just spoke. The Reagan administration was not responsible for those huge deficits. It was this House, the liberal Democrats in this House, who repeatedly served up to that President increasing levels of spending, the creation of new programs and new departments, which President Reagan repeatedly vetoed those appropriations bills, and it resulted in the Government being closed down. Yes; the Government was closed down 17 times during the Reagan and Bush administrations. Why? Because the liberal Democrats in the House wanted to spend more money.

Mr. Speaker, for the first time, we have a House of Representatives that wants to spend less and a liberal Democrat President in the White House who is closing down the Government with his vetoes because he wants to spend more money. We need to set the record straight for the American people. Those deficits that were created in the 1980's were created while Federal revenues to the Treasury increased $600 billion. It is because this House of Representatives spent $800 billion more

over that time period, creating the hugest deficits this Nation has ever known.

WE MUST INVEST IN EDUCATION, NOT STEAL FROM IT

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

Ms. ESHOO. Mr. Speaker, I rise this morning to comment on more than one thing. First, Mr. Speaker, make no mistake about it, I say to the American people, the deficit was increased last night with the vote that was taken.

Something extraordinary happened in the 14th Congressional District, just as something extraordinary happened last night in this Chamber, but it is far more positive. It happened a week ago this last Tuesday, June 2, where the voters of the 14th Congressional District, in community after community, voted and passed four school bond measures.

Mr. Speaker, this is extraordinary, not only for what I said, but in California there is a requirement that there be a two-thirds vote, a two-thirds vote in order to make that happen. So the people of my congressional district, Mr. Speaker, understand that we will end up with many deficits in this country if we do not, in fact, invest in education.

On Sunday, Tomorrow's Leaders Today, in Sunnyvale, CA, graduated 36 young people by investing in their education. Mr. Speaker, take notice from the people of the 14th Congressional District: Education, education, education. Invest in it, do not steal from it.

IT IS TIME TO FIX THE PROBLEMS WITH MEDICAID AND MEDICARE

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

Mr. HASTERT. Mr. Speaker, it is interesting to hear our friends on the other side of the aisle talk about an increase in the deficit, where we all know the deficits have been increased, driven by entitlements, Medicaid and Medicare.

Mr. Speaker, sometimes we can stick our heads in the sand or put our hands over our eyes and not see the problems, but I think it also pairs up with a philosophy on this other side of the aisle that big government does better, big government knows more; that we should not let people at home in our States, our elected representatives, our Governors, happen to fashion those Medicare plans or Medicaid plans that fit best in their own States.

Also, Mr. Speaker, somebody putting their hands over their eyes and saying there is not really a problem with Medicare, it is only going to go broke a year or two earlier than we thought it was going to go broke; it is only $100 billion more in debt than we thought it was going to be last year. That is what the President's own board of trustees said. It is time that somebody fixes it. We should not have this class warfare or geriatric warfare that tries to come from the other side of the aisle.

CLASS WARFARE CREATED BY REPUBLICAN PRIORITIES AND LEGISLATION

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

Mr. GEJDENSON. Mr. Speaker, class warfare began when the Republicans took control of this House, when they decided it was a higher priority to cut taxes for the wealthiest 1 percent in America and leave seniors and children behind. They want to take seniors and leave them in a position where Medicare will no longer cover their health bills. They will walk in and the Government may pay half, $10,000 for a hip replacement, and then the senior will be billed the remainder of $5,000 or $10,000. They want kids not to be able to get a college education unless they are part of that 1 percent.

Where was the assault on welfare on the other side when corporate welfare was on the table, when subsidies to billionaire corporations and multimillionaire farmers were on the floor? The other side refused to look at their welfare. When it comes to senior citizens and the health care they paid for and the health care they have a right to expect, that is what they want to cut. They have declared war on the classes in this society.

THE BEGINNING OF FILEGATE, AND REQUESTING THE HOUSE OF REPRESENTATIVES TO ACT TO OBTAIN ADDITIONAL FILES

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

Mr. MICA. Mr. Speaker, I serve on the Committee on Government Reform and Oversight. Members have heard speeches today about filegate. I just wanted to tell my colleagues how this started. This started as a result of our inquiry into travelgate, which was an examination of misuse of the FBI, and also of the IRS, by the White House.

As Members will recall, we asked for the release of documents that we found out about by accident, and we got 1,000 pages. That is how we found out about this. We stopped a contempt proceeding without receiving the other 2,000 pages. I think it is time that we bring that contempt citation back before the House of Representatives and get the rest of the information about this disaster.

Mr. Speaker, I read this matter and I thought I was reading about the KGB, the way this operation took place. I ask the House to immediately take action, and if necessary, enact a contempt citation and obtain this information.

THE HOUSE-PASSED BUDGET RESOLUTION IS INHUMAN TO CHILDREN

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

Mr. MCDERMOTT. Mr. Speaker, last night we passed a budget resolution in this House which is predicated on the passage of welfare reform. I sat in the Committee on Ways and Means as we took away the economic security for children and women in this country.

I want to use just the example of the State of Washington. If today every one of the 100,000 people on welfare said, ''I am going to quit being shiftless and not caring, and I am going to go down and get a job,'' they would meet the 173,000 people who are on unemployment in our State. If we count all those people, it is about 200,000 people in the State of Washington today that do not have a job.

Last year we created people 44,000 jobs. Those 44,000 jobs clearly are not going to take care of the 200,000 people who would be standing in line asking for a job. Their children would have no guarantee of food and no guarantee of health care. That budget resolution was inhuman to kids in this country.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Agriculture; the Committee on Commerce; the Committee on Economic and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on National Security; the Committee on Resources; the Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and there are no objections to these requests.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SHIPBUILDING TRADE AGREEMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 448 and rule XXIII, the Chair declares the House in the Committee of the Whole House on

the State of the Union for the consideration of the bill, H.R. 2754.

□ 1041

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2754) to approve and implement the OECD Shipbuilding Trade Agreement, with Mr. GUTKNECHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

The gentleman from Texas [Mr. ARCHER], the gentleman from Florida [Mr. GIBBONS], the gentleman from South Carolina [Mr. SPENCE], and the gentleman from California [Mr. DELLUMS] will each be recognized for 15 minutes.

The Chair understands the Committee on Ways and Means will use all its time first.

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

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must take a moment to commend our colleague, the gentleman from Florida. SAM GIBBONS, for his hard work, leadership, and expertise, not only on this bill but on all of the trade bills that we have worked on together for so many years. SAM, you have been a rock, a solid free trader, and over these years, you have been a real leader in forcing open markets, reducing trade barriers, and thereby creating greater opportunity for all working Americans in the next century. That is what this is all about: economic improvement and opportunity for all American workers.

I realize that this may be the last time that we will be here on the floor together working to achieve freer trade and opportunity for working Americans. I, for one, am going to miss your leadership, your vision, and your expertise, your experience, your unsurpassed knowledge in these trade issues.

Mr. Chairman, I strongly support H.R. 2754 to implement the OECD agreement on shipbuilding negotiated by the administration. It has taken us over 6 years from the beginning of the negotiations to get to this point. We are presented with a unique opportunity to allow U.S. shipyards to compete in a global market without losing out to companies from countries that are only too willing to provide billions of dollars in subsidies.

This is a good agreement that accommodates the priorities of a broad bipartisan cross-section of the House. It adds a new trade remedy to our arsenal for U.S. shipbuilders that are injured by unfair pricing of ships around the world. It preserves our national security interest, and it preserves the Jones Act.

□ 1045

We may continue our Title XI: Loan Guarantee Program, although under the international standards set forth in the agreement. Our trading partners have to give up far more than we do. In fact, our trading partners, many of them have already approved this agreement and others are in the process of approving it and looking to us and what we are going to do today.

There is strong bipartisan support for the agreement. The Committee on Ways and Means, which has primary jurisdiction, approved it by a vote of 27–4. The administration is strongly in support, as well, because it accurately reflects the negotiated agreement.

I am opposed to the one amendment that will be offered to this bill because it is clearly inconsistent with the agreement. In extending the time period in which we can offer title XI loan guarantees that exceed the terms of the agreement, the amendment would put us in direct violation of the international standards set forth in the agreement.

This amendment is being presented as a compromise because it would keep the current title XI program in effect for only 30 months, yet would not go so far as to maintain the current program indefinitely. But whatever the justification, it represents a clear and unmistakable violation of the agreement. In fact, our trading partners, in a matter of hours after the ink was dry on this amendment, wrote to tell us in no uncertain terms that they view the amendment as violating the agreement.

In implementing this agreement we are hamstrung by the fact that we do not have fast track procedures in place that limit amendments once the legislation has been formally introduced. Nevertheless, we must show our trading partners that we have the ability to implement agreements that are negotiated by representatives of this country.

If we fail to implement the agreement, or if we adopt the amendment which is inconsistent with the agreement, we lose twice. First, we will have lost the considerable opportunity to enable U.S. shipbuilders to reenter the worldwide commercial market and to compete on a level playing field. Second, such an outcome will reflect poorly upon the credibility of the United States.

Ours was the country that initiated the negotiations on behalf of its industry in the first place and was the driving force during the 5-year negotiating process. We must not lose our reputation as a country that is able to implement the agreements that it negotiates and signs. The negotiations must end at the negotiating table and any congressional concern should be taken up at that point. We cannot redo our agreements in the implementation process.

Accordingly, I believe that it is important to the future of our trade goals that we want to accomplish that we implement the agreement cleanly and quickly, without amendment. If Members vote for H.R. 2754 and against the amendment, they can be assured they are voting for faithful implementation of the agreement that the administration negotiated.

Mr. Chairman, I yield the balance of my time for distribution to the gentleman from Illinois [Mr. CRANE].

The CHAIRMAN. Without objection, the Chair will recognize the gentleman from Illinois to control the balance of the time.

There was no objection.

Mr. GIBBONS. Mr. Chairman, I yield myself 3 minutes.

First let me thank the gentleman from Texas [Mr. ARCHER] for his generous comments about my service.

Let me say that the debate here today goes far past this agreement. One of the reasons we have such a difficult time in international agreements is because the rest of the world says to America, ''As soon as we agree with you on something, you will unravel it in the ratification process.'' Let me make it clear that on this agreement, every other nation that is involved has already ratified this agreement and we face a deadline of tomorrow on ratifying this agreement.

I want to talk about the Bateman amendment, with no animosity to the gentleman from Virginia [Mr. BATEMAN] or any of the supporters of his amendment. But the Bateman amendment, if adopted, will kill this agreement. The evidence is in yesterday's RECORD if my colleagues want to read it, all of the signatories of this agreement that said they will back out if we ratify the Bateman amendment, and tomorrow is the deadline.

So this is a crucial historic point for this Congress. Can we enter into an international agreement without unraveling it here on the floor?

The Bateman amendment itself, it adopted, will be ineffective. The Bateman amendment itself hangs on the slim gossamer thread of a standstill arrangement that is in the basic agreement and tomorrow is the deadline on the basic agreement. So if we signify today that we are not going ahead with this agreement as negotiated, the Bateman amendment stands no chance of having any influence upon shipbuilding in America.

The standstill agreement is something that is common to every international agreement. That is, when we sign those agreements, all nations agree to not escalate the practice that we are outlawing.

At best the Bateman amendment will be ineffective. At worst it will kill the agreement. We must vote down the Bateman amendment.

The people that the gentleman from Virginia [Mr. BATEMAN] represents have had some 7 years to adjust to the changes that are coming about. The position he attempts to ratify and move forward is only short-term. On its face it looks reasonable, but there is more at stake than just the reasonableness of the Bateman amendment here. It is

the credibility of America in negotiating an international agreement. We cannot negotiate then with anyone. People will refuse to negotiate any agreements with us if we are going to unravel them here on the floor. That is the issue that is before us today.

Please vote ''no'' on the Bateman amendment and support this agreement when it comes up for final ratification.

Mr. Chairman, I rise in strong support of H.R. 2754, the OECD Shipbuilding Trade Agreement Act. This legislation would implement under U.S. law an international agreement reached after 5 long years of negotiations carried out by both the Bush and Clinton administrations. The agreement would eliminate the destructive pattern of heavy Government subsidies and chronic predatory pricing that has long characterized the global commercial shipbuilding industry.

H.R. 2754 was favorably reported by the Ways and Means Committee on March 21 by a bipartisan vote of 27 to 4. It was also favorably reported as an amendment in the nature of a substitute by the National Security Committee by voice vote on May 29. Unfortunately, several key provisions of the National Security Committee's version of the legislation are inconsistent with the agreement. These provisions will be offered as a National Security Committee amendment by Mr. BATEMAN. Make no mistake about it, the Bateman amendment, if enacted into law, will kill the agreement.

The administration strongly supports this legislation as does the Shipbuilders Council of America. The Shipbuilders Council includes 17 companies operating 44 shipyards in 13 States across the country. In addition to SCA members, a large coalition of leading shippers, ports, and U.S.-flag operating companies support the agreement, including the American Waterways Shipyard Conference, the American Association of Port Authorities, the American Institute of Merchant Shipping, and the Labor Management Maritime Committee.

THE OECD SHIPBUILDING AGREEMENT ON H.R. 2754—THE KEY ELEMENTS

To give Members an idea of what is contained in the OECD Shipbuilding Agreement and H.R. 2754, I would like to briefly outline the key elements of the agreement and H.R. 2754, which implements that agreement.

Generally speaking, the OECD agreement contains four major elements—

First, the elimination of virtually all subsidies granted either directly to shipbuilders or indirectly through ship operators;

Second, an injurious pricing code designed to prevent dumping in the commercial shipbuilding industry;

Third, a comprehensive discipline on Government financing for exports and domestic ship sales designed to avoid trade-distortive financing; and

Fourth, an effective and binding dispute settlement mechanism.

H.R. 2754 would implement the OECD Shipbuilding Agreement under U.S. law. By enacting H.R. 2754 into law, Congress would approve the agreement and make the necessary statutory changes to conform U.S. law to the agreement.

Title I would establish a new title VIII to the Tariff Act of 1930, as amended, in order to create an injurious-pricing mechanism applicable to commercial shipbuilding, analogous to current U.S. antidumping law.

Title II would eliminate the current 50-percent repair duty for repairs made to U.S.-flag vessels repaired in a country party to the agreement. Title II would also amend certain provisions of the Merchant Marine Act of 1936 to bring U.S. law into conformity with the agreement. In this regard, title II would amend the operational differential subsidies, capital construction fund, capital reserve fund, and cargo preference programs so that such programs would be available both to U.S.-built vessels as well as to vessels built in countries party to the agreement. Title II would also amend the title XI loan guarantee program to bring its terms into conformity with the agreement.

Title III contains a revenue offset provision in the amount of $36 million over 5 years by amending the penalty provisions for failure to file a disclosure of exemption for shipping income of foreign persons.

THE BATEMAN AMENDMENT

The Bateman amendment contains those provisions of the National Security-reported bill not included as original text in the version of H.R. 2754 being considered by the House today. I strongly oppose the Bateman amendment because it will effectively kill the OECD agreement. I would like to focus on the two key provisions of the Bateman amendment that are inconsistent with the agreement.

The first inconsistent provision would extend the current title XI loan guarantee program for an additional 30 months. The current title XI program, passed in 1994, provides Government guarantees to finance the purchase of a ship for up to 87.5 percent of the ship's value over 25 years. The agreement, however, only allows financing for up to 80 percent of the ship's value over 12 years. By passing H.R. 2754 without the Bateman amendment, the United States will continue to operate title XI financing on these terms.

Unfortunately, if this provision of the Bateman amendment is enacted into law, it will scuttle the agreement. I have received letters from the chairman of the OECD negotiating group and high level officials from the EU, Japan, and Norway stating that continuation of the current title XI program is inconsistent with the agreement and therefore unacceptable. The administration also objects to this provision. We have had a temporary advantage with the current title XI program because every signatory to the agreement has been operating since the agreement was signed in December 1994 under a standstill, pending ratification of the agreement. If the agreement is not faithfully implemented, our trading partners will match, or better, our current title XI program and go back to providing other subsidies as well.

The second inconsistent provision in the Bateman amendment would be contrary to the section of the agreement the United States negotiated to preserve the home build requirements of the Jones Act. Under the agreement, every country, except the United States, agreed to eliminate their home build requirements for ships operating in the coastwise trades. The United States took a full and permanent exception for the Jones Act, which means that the Jones Act will never be touched by the agreement. In exchange for protecting fully the Jones Act, however, the United States had to agree to a mechanism that would adjust downward, in certain circumstances, benefits that U.S. shipyards benefiting from the Jones Act would be entitled to under the agreement. Conceptually, the notion is that U.S. shipyards that receive increasing benefits because of exempted Jones Act contracts would be entitled to correspondingly fewer benefits under the provisions of the agreement in order to maintain an overall balance of advantages under the agreement. Given that potential Jones Act contracts are probably less than 1 percent of total worldwide ship tonnage built every year, U.S. shipyards benefiting from the Jones Act would potentially have to give up 1 percent of the international market. This trade-off seemed reasonable in order to fully exempt the Jones Act from the agreement. Unfortunately, the Bateman amendment would unilaterally negate this section of the agreement.

CONCLUSION

Mr. Chairman, the OECD Shipbuilding Agreement took 5 long, hard years of negotiations. It is our best hope for creating a level playing field internationally for our commercial shipbuilders. Without this agreement, we will be back where we started some 15 years ago—with massive subsidies and unfair pricing practices by our trading partners. I strongly urge this House to oppose the Bateman amendment and to vote in favor of H.R. 2754. Nothing less will save this agreement.

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

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2754, the Shipbuilding Trade Agreement Act. This legislation would implement the OECD Agreement on Shipbuilding. H.R. 2754, and the agreement it implements, are the culmination of many years of effort to level the playing field worldwide for the shipbuilding industry. I sponsored H.R. 2754, along with my colleagues, Mr. GIBBONS and Ms. DUNN, and Ways and Means favorably reported this legislation by an overwhelming bipartisan vote of 27 to 4. I strongly believe that this agreement will open up trade in shipbuilding for our industry by eliminating virtually all government subsidies and creating equitable terms of competition in the international shipbuilding market for U.S. shipbuilders. The agreement represents the best chance that our industry has to compete on a worldwide basis without having to contend with the huge subsidies offered by other governments to their shipbuilding industries.

In addition, the agreement and implementing bill would provide a new remedy to U.S. shipyards that have been injured by unfair pricing. Unless this legislation is passed, our shipyards will not have access to this valuable remedy, which would force offending shipyards to pay a charge in the amount of injurious pricing or face significant trade restrictions.

Of course, any international agreement must be fair and balanced, and I personally took care to assure that the agreement is truly symmetrical and that no special deals were cut to the detriment of the U.S. shipping industry. Any subsidies that are grandfathered under the agreement are limited and mainly in the form of worker

assistance related to reducing capacity within these countries. Of course, capacity reduction benefits shipbuilding industries worldwide.

You will hear debate today that we should not cut back our title XI loan guarantee program to conform to the agreement because it would take away the one subsidy that our shipyards have. Do not be misled by this argument. If we do not implement this agreement out of fear of having to scale back on our title XI and other programs, we will permit our trading partners to increase the level of subsidies that they provide to their industries to a level far beyond any U.S. subsidies—and the U.S. industry will not be able to compete under those circumstances. The simple fact is that it is highly unlikely that Congress will vote to increase subsidies for the U.S. shipbuilding industry to make it more competitive with highly subsidized foreign shipyards. As a result, the only way our industry can be competitive is to force its competitors to give up their subsidies and their ability to engage in unfair pricing practices. That is precisely what this agreement does.

You will also hear debate today that we should simply reject the agreement we have and return to the negotiating table in an attempt to cut an even better deal for our industry. This argument is misguided as well. The agreement took 5 years to conclude and was the product of hard bargaining and concessions on all sides. Our trading partners are giving up billions of dollars in subsidies. The biggest change that we have to make is to change the terms of our loan guarantee program. Our trading partners have told us that if we do not implement this agreement in a timely manner, support for the agreement in their countries will erode and vanish. In fact, I have letters from the European Community, Japan, Norway, and the OECD itself stating that renegotiating the agreement is simply impossible. If we fail, we will return to the days when the foreign industries are heavily subsidized but the U.S. industry is not.

You will also hear that this bill forces us to eliminate our title XI program in order to comply with the agreement. That is not the case. We are able to retain title XI, although we have to scale it back to meet the agreement requirements, just as every other signatory must do. We can even maintain the same funding levels as we currently have.

Opponents to the agreement are raising the specter that our national defense is somehow at risk unless we adopt the amendment. That is simply untrue. The agreement itself contains an exception that allows a government to back away if it believes its national security interests are at stake. The Department of Defense has also sent us a letter stating, and I quote, that ''the agreement will not adversely affect our national security.'' Mr. Chairman, if our own Defense Department can make such a bold statement, it is powerful evidence that the agreement does not threaten our national security.

Mr. Chairman, the shipbuilding agreement represents a good deal. In an effort to save our shipbuilding industry and in the spirit of bipartisanship, I urge my colleagues to vote for H.R. 2754.

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

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MCDERMOTT].

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

Mr. MCDERMOTT. Mr. Chairman, I rise in support of H.R. 2754, the Shipbuilding Trade Agreement Act, and in opposition to the Bateman amendment.

I think the chairman and the ranking member have made the arguments, but I think it is important to say that this implements under U.S. law an international agreement that sets out the most effective subsidy discipline ever included as part of a multilateral trade agreement. It also creates under U.S. law an unfair pricing remedy similar to our antidumping laws for ships engaged in international trade.

Mr. Chairman, this bill is unique. It has bipartisan support both from the Bush and the Clinton administrations and from the Democrats and the Republicans in the House of Representatives. Supporters of this legislation include a diverse coalition of maritime interests in this country, including the Shipbuilders Council whose membership includes 17 companies operating 44 shipyards in 13 States. This agreement will create the necessary conditions for our commercial shipyards to begin to compete once again in the world shipbuilding industry. Foreign subsidies have completely forced U.S. shipbuilders out of the international market to the point that today U.S. yards have less than 1 percent of the world market. The Bateman amendment is inconsistent with the agreement and will kill it and should be rejected. If we do not pass H.R. 2754, we will be back to where we were in the 1980's. Our trading partners will continue their subsidizing ways and we will continue to engage in predatory pricing practices with impunity.

Mr. Chairman, I urge my colleagues to reject the Bateman amendment and pass H.R. 2754.

Mr. CRANE. Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

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

Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 2754, in opposition to the Bateman amendment, and also to thank SAM GIBBONS who for so many years has been active in these very sensitive negotiations which involve not just shipbuilding today but shipbuilding tomorrow.

□ 1100

We are all pleased that America now is going into an era of peace, that we are moving swiftly from defense into commercial shipping, and that we now are going to have to make certain that we can have a plane, an equal, a flat playing field as we move forward in economic competition with other shipbuilders, and that is exactly what this agreement has done.

It prevents other countries from manufacturing, making ships, and dumping them on our markets for less than the price that they actually paid for it. It really sets the rules for all of the countries that have sat down and realized that there are pluses and minuses in every agreement. The subsidies that we have now, sure, we can continue those, which are higher than other countries, but that does not mean that other countries cannot change if there is no agreement and put in for deeper subsidies.

So what we are talking about is a war between which country is prepared to subsidize this industry more than the other. We know that we have the expertise, we have the ability to excel, and all we ask is that other governments play by the same rules.

It took 5 years for the Bush administration, the Clinton administration, and for other countries to try to figure out what is in their best interests, and that is what international treaties are all about. It means that those who have an advantage now will not have that advantage next year.

So I think that after all of these years, we cannot have America say, yes, we agree; yes, we spent time at the table; but here again we find some people that believe that they got a little edge now but are not looking at the long picture as to where America will be if we do not restrict other countries from depending on subsidies and allow us to depend on our expertise, our experience, our high-technology, and know that those people, whether they are in military vessels or not can succeed in a fair market.

Mr. CARDIN. Mr. Chairman, I rise in strong support of H.R. 2754 and against the Bateman amendment, which would basically defeat the bill.

First, I really want to compliment the gentleman from Florida, Congressman GIBBONS, for the work that he has done for so many years to bring us to this point by bringing forward legislation in this Chamber that have brought our European friends to the table so that we could enter into this agreement. We are here today because of his good work and we all appreciate that very much.

Mr. Chairman, the Port of Baltimore was once a great center for commercial shipbuilding. During the Second World War we were producing the Liberty ships after just a few days of work. We had many commercial shipyards located in the harbor area of Baltimore.

Well, today, we have one major commercial shipbuilding yard that remains, and that yard basically competes for repair work.

The reason why Baltimore lost its shipbuilding was not because it was inefficient; it lost its shipbuilding because of international subsidies. Other countries were willing to put up tremendous subsidies for their shipbuilding and we in this Nation thought that was wrong and we protested and protested, but the jobs were lost in this country.

If we can return to an even playing field, remove the international subsidies, we can compete. We are finding commercial shipbuilding coming back in this Nation, but it will only come back if we remove the international subsidies. We cannot outcompete the Europeans and Korea and Japan in the amount of subsidies that they will put forward to their shipbuilding. We want a level playing field. This bill gives us that level playing field.

If the Bateman amendment is adopted, we have lost this opportunity to eliminate the international subsidies in this area. Let our communities rebuild commercial shipbuilding. Support this legislation and vote against the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes for purposes of control to the gentleman from Florida [Mr. GIBBONS].

The CHAIRMAN. Without objection, the gentleman from Florida [Mr. GIBBONS] will control 2 additional minutes.

There was no objection.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding me that time, and I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, I thank the distinguished chairman of the subcommittee and to the ranking member of the Committee on Ways and Means for yielding me this time.

Mr. Chairman, I just want to say a couple of words on this bill in favor of it and against the proposed amendment. This is not a perfect solution, but I think it is clear it is the best we are going to be able to do under these circumstances, and the alternatives, really, are quite a bit worse, unraveling this entire structure.

I mainly want to focus on a provision that has received very little attention and it relates to what is called injurious pricing mechanisms. We have fought long and hard in international agreements to make sure that there are some strong antidumping provisions.

These provisions are most beneficial to companies in the United States and their workers because it is the United States which has been the place where other countries have tried to dump. We have had open markets, and other countries have tried to take advantage of that.

This bill incorporates, in essence, the work that we have been doing all these years to try to have a strong antidumping regimen. And as I said, in this case, it is framed somewhat differently because we are talking about ships, but the thrust of it is the same under the terminology ''injurious pricing mechanism.''

So this is a step forward. It is the best we can do, and it is surrounded by provisions that will try to prevent other countries injuring our shipbuilding by essentially dumping or undercutting through unfair price mechanisms.

Mr. Chairman, I urge support of the bill and opposition to the amendment.

Mr. GIBBONS. Mr. Chairman, I yield myself 1 minute.

I regret that the debate is arranged such as it is today because I would like to have had the gentleman from Virginia [Mr. BATEMAN] and others participate in this debate so that we could respond to issues that are bound to be raised. So let me raise some of the issues.

First of all, they will say that this agreement does not play fairly with the United States. The United States had no subsidies or practically had no subsidies when we entered into this agreement. In 1981, here on this floor in the Gramm-Latta amendment, we abolished practically all the subsidies that could be found. One little subsidy slipped through, that is the title XI subsidy. It just was not seen and was not operative at that time, and we did not take any advantage of it.

Because of the standstill arrangement in this agreement, we were able to exploit the title XI subsidy and some small contracts were garnered by some of the big navy yards in this country. But the big navy yards are not really the huge commercial builders in this country. They represent a very small part of the commercial capacity. The commercial capacity and the Navy capacity is really somewhat different because of specialization of labor and work.

So we face it today. The gentleman from Virginia [Mr. BATEMAN] is trying to defend his big Navy yard. I do not blame him; I would too if I had one of those things. But most of the commercial shipbuilders are in non-Navy yards and they are the ones that will profit, along with the yard that the gentleman from Virginia represents. It will also profit from all of this arrangement if we can get it into position.

The problem is we have delayed so long, because of the legislative process in Congress, getting this matter to the floor, all the other nations have already ratified the agreement. We have had to seek extension, and our extension runs out tomorrow, and this agreement is in the best interest of the greatest number of Americans. We are having to give up very little.

The gentleman from Virginia [Mr. BATEMAN] only wants to extend his slight preference fore another 30 months. Sounds reasonable on its face. The only trouble is the other nations of the world just do not trust us. Every time we bring agreements to the floor for ratification, we have to bring them under a fast track procedure or they will unravel here on the floor.

This agreement was not brought back under a fast track arrangement and, therefore, it is being unraveled on the floor by what looks like harmless little amendments, and that is what the issue is here today.

All of the industrialized nations that build ships have already served notice on us in writing that if we adopt the Bateman amendment today this agreement is dead. Let me repeat that. All of the other signatories to this pact have agreed to this proposal, and they have served notice on us in writing that if we agree to the Bateman amendment this whole agreement is dead.

We do not have any choice. And it would not be a good choice anyway, because if the Bateman amendment ever becomes law the standstill arrangement that is in this pact will have expired and other nations can meet or match or better the Bateman subsidies. It will not work.

Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. STUDDS] for a colloquy.

Mr. STUDDS. Mr. Chairman, I want to engage the manager of the bill, the distinguished gentleman from Illinois [Mr. CRANE], for one moment.

When the agreement was negotiated, it was agreed that U.S. shipbuilders would have a full 3 years to deliver vessels financed with favorable lending terms under title XI. This is critical to many of our shipyards, including one in my district. Since we are late in passing implementing legislation, some have suggested our yards will have only 2 or 2.5 years to deliver the vessels.

I know the U.S. Trade Representative has taken steps to make sure that our yards have a full 3 years from the effective date of the agreement to deliver the so-called subsidized vessels. I wanted to confirm that this is the understanding of the gentleman from Illinois and that he can give us his assurance that he will do everything he can to ensure U.S. yards have the 3-year delivery window.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, my understanding is if before July 15 this were to occur, that it would be in order, but that ultimately is an administration decision, and I have no input whatsoever that they would have any objections to that.

Mr. STUDDS. I appreciate that.

My second point is MarAd has a number of title XI applications in the pipeline, ones submitted many months ago and are substantially completed. Is it the gentleman's understanding that MarAd will be allowed to offer the favorable terms, depending on title XI applications which are substantially complete, and to work with me to ensure that applications, such as that

from the Quincy shipyard, are eligible for the favorable terms before the agreement enters into effect?

Mr. CRANE. That is my understanding. As I say, it would be an administration interpretation, but I do not think there would be a problem.

Mr. STUDDS. Mr. Chairman, I thank the gentleman, and I thank the gentleman from Florida for the time.

Mr. CRANE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Florida [Mr. GIBBONS] has expired; the gentleman from Illinois [Mr. CRANE] yields back the balance of his time.

The gentleman from South Carolina [Mr. SPENCE] will be recognized for 15 minutes and the gentleman from California [Mr. DELLUMS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. SPENCE. Mr. Chairman, now it is time to hear the other side of the story. Today I rise to express my support not for the OECD shipbuilding trade agreement, or H.R. 2754, but for the amendment that will be offered by my colleague, the gentleman from Virginia [Mr. BATEMAN].

H.R. 2754, the Shipbuilding Trade Agreement Act, would implement the Organization for Economic Cooperation and Development, or OECD, agreement on shipbuilding. This agreement, which was signed in December 1994 by the United States and other major shipbuilding countries, eliminates most shipbuilding subsidies provided by signatory countries to their shipbuilding industry or ship operators.

□ 1115

The OECD agreement also includes provisions designed to eliminate anticompetitive pricing practices which would have allowed some countries to sell ships on the open market at unfairly low prices.

Many Members of the House, and certainly the Committee on National Security, consider the base bill to be seriously flawed. Many believe that the agreement negotiated by the administration contains loopholes that will allow foreign shipyards to continue to receive subsidies, while we will have abolished our successful loan guarantee program for struggling U.S. shipbuilders.

Many believe that the OECD agreement does not give America's major shipyards, most of which have primarily been in the business of building U.S. Navy ships, sufficient time to transition form military to commercial work.

Still others are concerned that the agreement will adversely affect the Jones Act and could prevent shipyards from building vessels for domestic shipping without penalty.

Finally, many are concerned that the existing OECD agreement does not allow the United States adequate flexibility to protect its national security interests and to exempt from the agreement ships that serve military purposes. In short, many Members believe that the agreement negotiated by the administration is seriously flawed.

The Bateman amendment, which was agreed to in the Committee on National Security and enjoys strong bipartisan support, attempts to correct many of the flaws I have described. In the debate ahead, the gentleman from Virginia [Mr. BATEMAN] and others will address the constructive fixes his amendment proposes for the title XI program, the Jones Act, and important definitional issues. It is an important amendment that deserves Members' attention and support.

Suffice it to say, Mr. Chairman, H.R. 2754 is a flawed bill that would implement an imperfect agreement. Regardless of how Members feel about voting on final passage of this bill, I strongly encourage my colleagues to vote in favor of the Bateman amendment, which goes a long way toward protecting our national security interests.

Mr. Chairman, I ask unanimous consent that I be permitted to yield the remainder of my general debate time to the gentleman from Virginia [Mr. BATEMAN] and that he be permitted to manage and control such debate time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DELLUMS. Mr. Chairman, I yield myself 7 minutes.

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

Mr. DELLUMS. Mr. Chairman, I too join the gentleman from Florida in his concern with respect to the nature of this process. We were told that the Committee on Ways and Means wanted to exercise their option to debate on this matter for the first 30 minutes, otherwise this gentleman would have been more than willing to engage in significant debate because I think this is an important issue.

Obviously, the bill before us is designed to put the Congress in the position to ratify an agreement, the purpose of which is to end subsidies, Government subsidies, in the shipbuilding industry across the world.

There have been great allusions to the amendment that will be offered by the gentleman from Virginia [Mr. BATEMAN]. They have suggested that in offering the amendment, the ratification of this amendment would kill the agreement. Let us step back for a moment.

First of all, we believe that what we are being asked to agree to is a flawed agreement. Congress does, indeed, have a role in this process to ratify. Are we simply rubber stamps, or do we have the option to exercise our intellectual and political responsibilities in this matter? If we do, then it seems to me that it is perfectly within our right and prerogatives to offer an amendment. Now, that is the nature of the process, otherwise why have the agreement here?

We think that it is indeed flawed. The stakeholders in this issue, the workers, the union people, the shipbuilders looked at this agreement and said long term they agree with the purpose. But the problem with this agreement is in the transition. We believe that the U.S. shipbuilders have been grossly disadvantaged.

Now, we believe that in offering this amendment and accepting this amendment, it would be not unlike many other exceptions and exemptions from other countries, and I will point them out in a moment. If we pass it, they will simply go back with the exception, exemption, and renegotiate, because it is in the world's collective interest to stop subsidies. Other countries, other governments do not wish to continue. That is the imperative. That is the self-interest that will drive everyone back.

Now, are we doing something different, Mr. Chairman, than any other country? Example: Foreign governments were granted the following subsidy packages and the authority to continue paying out existing subsidies for ships delivered up until January 1, 1999: Spain, $1.4 billion in restructuring aid; Portugal, $110 million in restructuring aid; Belgium, $74 million in restructuring aid; South Korea, restructuring aid amount unknown, but based on information we have received it includes the $750 million plus government bailout of Daeoo Shipyard begun in 1990.

With respect to France, unknown at this time in terms of the overall amount, but special offers are currently being made by other Members of the European Community to gain France's support for the agreement; minimally, $480 million. Germany: Germany has a package for exemption. Germany's package to modernize, restructure and cover the loss of the shipyards in former East Germany, we believe that that figure adds up to approximately $4 billion.

So, what the United States is asking in comparison to these other countries, they went back in, Mr. Chairman, and renegotiated these exceptions and these exemptions. Title XI did not just happen; it just did not sneak in through the back-door. The distinguished gentleman from Mississippi [Mr. TAYLOR] and this gentleman, during the time when this party was in control of the Congress, put $50 million in loan guarantees in title XI because we saw that we cannot specialize in these shipyards because not enough work is being done.

So we took DOD money, put it into loan guarantees, leveraged it. Do my colleagues know what happened? Shipbuilding began on a commercial level in this country unprecedented in the last one or two decades.

Now, Mr. Chairman, we are simply saying that we would like to be on a level playing field. Ultimately, let us end all subsidies, but in the transition give us the opportunity to make the transition correctly. Leave title XI in for 3 years. That simply puts us on a level playing field, not only at the end of the day but in the transition period.

Now, we need to understand Mr. Chairman, 90 percent of the American workers in this country work in the top six shipyards in America. So if my colleagues care about working-class people, if they care about the working people in this country, they work in the top six yards in America.

There is no such thing anymore as specialized shipbuilding. We do not do as much. At one point we were moving toward a 600-ship Navy. The cold war is over, the military budget is coming down, and we are battling over how fast and how deep that it does come down. Shipbuilding is coming down in terms of military activity, so where do we have to balance that out? With commercial development.

We simply say at the end of the day, my conclusion is this. We are simply asking for what other signatories went in and renegotiated. This is not going to kill this agreement. It is in everybody's interest to get to the table.

We are simply saying let us not be fools. Let us go in intelligently, with our self-interest involved, and let us make this decision here. That is what our responsibility is. We have a fiduciary responsibility to the American people. Let us carry it out. If the other countries do not particularly like this, then let us ask them, ''Why did you ratify these other exceptions?'' They will not do it. They will come back to the table because it is in their self-interest.

Mr. Chairman, I hope my colleagues will support the Bateman amendment. Without it, it seems that this agreement is not supportable.

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

Mr. BATEMAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to first associate myself with the splendid remarks of the gentleman from California [Mr. DELLUMS], who I think has very well articulated what is before the House today. Let me say, in order to try and reinforce and to place this debate in context, that I heard today that the amendments which I will offer are reasonable and they are modest, and yet I am told that we will unravel the agreement if this House, in pursuit of what it conceives to be sound public policy for the United States of America, were to adopt those amendments.

This presumably is a meaningful process. If this agreement is flawed, and I put it to my colleagues that it is very seriously flawed, then we should not approve it and implement it.

Mr. Chairman, I am not asking this House to reject this amendment. I am asking this House to adopt amendments which would remove the flaws and the warps from this agreement so that it at least is arguably in the best interest of the people of the United States and our national security.

To do less, Mr. Chairman, would in my view be an abdication of our responsibility. Much has been said about how long this agreement was in process of negotiation. I think there is something that needs to be said about that.

During the course of the Bush administration, no agreement could be struck, and the reason it could not be struck is because there was an insistence on the part of this country that we protect and preserve the Jones Act for our domestic internal trade.

This agreement does not protect the Jones Act, as least according to all of the people who have said my amendment undermines the agreement, because we make it explicit by my amendment that the Jones Act shall not be affected because that is what the U.S. Trade Representative told us.

But now even they are saying the Bateman amendment, by making it explicit that the Jones Act will be protected, is going to unravel the agreement. This is not a treaty or an agreement that I think has been dealt with very uprightly in terms of what it does and does not include. Clearly, we should insist through my amendment that we preserve the Jones Act inviolate.

To say that we should have no interim transition provisions protecting our shipbuilding is, I think, again a terrible mistake, especially when we look at it in the context that has been pointed out, that numerous other parties who are signatories to this agreement were taken care of by transition provisions for their shipyards while we have none.

Our trade representative came back after he signed this agreement in December and admitted to me that they had not even sought any transition provisions for this country's shipbuilders, even though the other parties to this agreement had been subsidized to the tune of as much as $8 billion a year when we were not subsidizing at all, and yet they sought no concession or transition provision for American shipbuilders.

Mr. Chairman, that is why this agreement is flawed. That is why it needs the amendments.

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

Mr. BATEMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. QUILLEN].

Mr. QUILLEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the National Security Committee amendment to H.R. 2754. The amendment offered by the National Security Committee will mitigate the damage this shipbuilding trade agreement will have on our national security interests and our defense shipbuilding industrial base. No commercial trade agreement should place restrictions on our domestic Jones Act trade. The Jones Act fleet and the industrial base sustained through construction of ships for this trade is an essential arm of our military in a contingency.

During the Gulf war, shipyards worked around the clock to activate moth-balled ships to transport our tanks and helicopters to our forward deployed troops, and the mariners who operated our Jones Act fleet in peacetime were called upon to crew these military reserve vessels. The Department of Defense has stated that the Jones Act is essential to our national security interests. The House National Security Committee amendment will ensure that the Jones Act ship construction and operating requirement is not jeopardized by this agreement.

It will also clarify that noncombatant military auxiliary and sealift ships are not covered by this agreement. No commercial trade agreement should restrict the U.S. Department of Defense from procuring surge and prepositioning sealift ships needed to meet our Army and Marine Corps requirements. This was not the intent of these negotiations; however, this will be the case unless the National Security Committee amendment is passed.

I also support the 30-month extension of our title XI ship loan guarantee program which has enabled our navy shipbuilders to transition back into the business of building large ocean-going commercial ships. This commercial work has created 4,000 jobs in our shipyards, and helped to sustain our critical Navy shipbuilding base during a historical low in Navy shipbuilding orders. This limited extension of title XI is very modest compared to the 3- and 4-year transition subsidies granted to foreign signatories of this trade agreement—subsidies above and beyond their already massive subsidies.

I urge my colleagues to vote for the National Security Committee amendment.

□ 1130

The CHAIRMAN. The Chair advises that the gentleman from Virginia [Mr. BATEMAN] has 5½ minutes remaining, and the gentleman from California [Mr. DELLUMS] has 8 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I thank the distinguished Member for yielding the time.

No one comes here to increase the deficit. No one comes here to dismantle America's might. But just last night, the new majority voted for a budget for the next 2 years that increases the annual operating deficit and in turn the national debt. Today we are going to have a choice of whether or not we are going to dismantle America's industrial might. I have to my left, and I hope the television camera can show

this, one of the 66 jewels of America's industrial might. It is so huge that this 990-foot warship appears to be but a toy when compared to that overall industrial facility. It is called Ingalls Shipbuilding and is one of the six remaining shipyards in America that build ships to defend our country.

This agreement would preclude any chance Ingalls Shipbuilding ever has of in the long run staying in business. And that is what it comes down to. You see, as mentioned before, during the Reagan years there was talk of a 600-ship Navy and therefore people like Ingalls and Newport News would have plenty of work building those ships. We are now looking at a 150-ship Navy, which means there is not work for all six of them. If we do not find commercial work for those yards, they will simply go out of business. Why is that important?

This island nation during World War II had to build 16,000 ships to save itself from Japan and Nazi Germany. We are now down to what will be in the near future a 150-ship fleet so, if we lose our ability in the meantime between wars to do some commercial work, those yards will not be around. If you had to start this yard from scratch, you would have to find $800 million. That just is not going to happen.

So why is the agreement bad? The agreement is bad because we are counting on about 20 other nations to quit subsidizing their yards unilaterally. It is not going to happen. It has not happened. Even today in the Journal of Commerce, here is the story, that the Danes, even before the ink on this agreement is dry, are already cheating on this agreement. The reason the Danes say that they are cheating is because the Germans are cheating.

So we are being asked by the Committee on Ways and Means to unilaterally disarm, to give away the ability of our Nation to defend itself in future wars. So the Committee on Ways and Means can proudly proclaim that they have passed another failed trade agreement. May I remind them of their tremendous success of NAFTA? May I invite the Committee on Ways and Means to come to Lucedale, MS, or to Hattiesburg, MS, or Poplarville, MS, and go to the cattle auction and see the cattlemen who cry because they are selling their calves for one-half of the price that they were just 3 years ago before NAFTA. Or maybe once again to go to Lumberton, MS, or Poplarville, MS or Wiggins, MS or Neely, MS, or Gulfport, MS and visit the empty garment plants where thousands of people have been laid off as a direct result of NAFTA. In Neely, MS, when you lose your job, job retraining does not matter because there is no other factory in Neely, MS. The only business in town shut down.

So based on the success of NAFTA and our ability to pass an agreement that hurts only us and helps only our competitors, we want to do this again, except this time we want to do it with regard to national defense. We want to take the magnificent machine built up over the course of the past century, first by Democrats like FDR and later by Republicans like Ronald Reagan and George Bush, and we want to put it out of business so that when the next war comes we will not have a yard. And maybe if we are lucky, the Germans will sell us a ship. Maybe if we are lucky the Japanese will sell us a ship. But maybe if we are not lucky, they will be on the other side. Then what do we do?

The great powers of the world have always been great manufacturers, and they have been great maritime powers. Those two things go hand in hand during the course of recorded history. With NAFTA, we have given away a lot of our manufacturing might. With this agreement, they are trying to give away our maritime might, what is left of it, and our ability to get back in the business.

Title XI works. It is a loan guarantee program that works. We are building ships in this country, and now they are saying, let us take it away. The gentleman from Virginia [Mr. BATEMAN] is saying, let us slow that down a little bit.

I encourage Members to vote for the Bateman amendment. At the very least it will slow it down a little bit. And then I encourage Members to vote against this entire agreement because we do not need to give up our sovereignty to 20 other countries to tell us where and when we can invest in the industrial might of this Nation.

Mr. BATEMAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to thank the distinguished gentleman from Virginia for yielding to me. I want to note to my colleagues in the full committee and all the Members that this is one of those occasions, as you can see with respect to this substitute amendment, there is solidarity in the Committee on National Security, on the Democrat side, on the Republican side, on all shades of the political spectrum. This is the reason: No matter how much we disagree about weapons systems and about strategies and about budget numbers, we all agree on one thing, one fact that comes home to us every time we have a conflict. When we move out to project American power, we carry that power, whether it is marines or soldiers or ammunition or aircraft and all the logistics that you have to take to a foreign place to fight a war on ships.

In Desert Storm we carried 95 percent of our war materiel on ships, not on airplanes, and everybody knows that. The gentleman from California [Mr. DELLUMS] knows that. The gentleman from South Carolina [Mr. SPENCE] knows that. Every member of the committee knows that. Every Member of the House knows that. With respect to our ability to move to change this amendment, all of our allies know that. All of the signatories of this agreement know that.

South Korea is not going to complain because we want to maintain our shipbuilding base. South Korea exists because we had a shipbuilding base. We saved them as the North Koreans were driving down the Korean Peninsula and the Chinese shortly thereafter because we were able to move an American blocking force in there, hold the line and gradually push it back.

Our European allies are not going to complain because two times in this century we have saved Europe with American ships carrying American personnel and war materiel. Our allies who depended on the lifeline in the Gulf war understand that, while we had to rely on rent-a-ships in that case, 95 percent of the American equipment that was carried to that war was carried on ships.

Now, this bill, if it is not amended by the national security substitute, is going to do some bad things because theoretically it excludes military construction but it reserves for foreign judges the definition of what is a military program. It warns us against ''disguising commercial shipbuilding in military programs.'' That means somebody else is going to be interpreting what is an American military program.

Is a prepositioning ship an American military program or just another way to have commercial cargo or to have logistics that you might be taking on a rent-a-ship? Is that an American military program? In the WTO we are now seeing these decisions come home where they have enforced Brazil's right to send dirty gas into the United States because foreign judges have said American environmental laws are invalid. We have seen the problem with giving to foreign judges the right to arbitrate and to determine what is an American military program.

Let me urge all of my colleagues to support the national security position on this and vote against the full bill on final passage.

Mr. DELLUMS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 4 minutes.

Mr. DELLUMS. Mr. Chairman, the bill, H.R. 2754, provides the Congress of the United States with the opportunity to ratify an agreement, the purpose of which is to end government subsidies in shipbuilding. I believe that it is in the interest of the shipbuilding industry and in the interest of the American worker and ultimately the American people that we ratify a treaty, the purpose of which is to end Government subsidies. That is indeed in our interest.

I would like to take this opportunity to applaud the gentleman from Florida [Mr. GIBBONS], who has perhaps beyond any other Member of this body worked tirelessly to get such an agreement because he had the wisdom and the vision to understand that it is indeed in the

interest of the United States to end Government subsidy. For that, I applaud the gentleman. I am one of the gentleman's greatest fans.

My point of departure today with my distinguished colleague is very simple and very straightforward. I believe that the agreement is flawed in its transition implications. We are simply saying that we need to put the United States in a better position in this transition period, as we move from a heavy reliance on military dollars, building hundreds of military ships, to building commercial ships.

As I look at the experience around this agreement, I have come to the startling realization but the comforting realization that other countries saw problems in the transition and sought exemptions and exceptions prior to signing the agreement that would allow them to step forward and then sign the agreement.

I believe that the notion that if the Bateman amendment passed that it would kill the agreement is hyperbole. But I have been here going on 26 years, and I know how we can engage in hyperbole in this institution. The amendment will kill the bill. But that is hyperbole, and I love the Members that say it, but we often practice overstatement and hyperbole.

You have to be bright enough to cut through the weed and get to the real issue. It is not going to kill this agreement, because it is in the world's collective interest to end government subsidies. That imperative and that imperative alone will drive everybody back to the table.

If we pass this agreement, the world is not going to step back and say, well, you guys are going to do this, I am going to spend $2 billion a year subsidizing shipbuilding. That is bizarre, extreme and absurd. What they will do is sit down and try to work it out. That is all we are simply saying.

□ 1145

Finally, as I said in my opening remarks, if the Congress did not have any role, then why are we here to ratify it? And I think our role should go beyond simply rubber stamping when we believe substantively, economically, politically and intellectually that there is something wrong with the agreement. Working people in this country looked at it and said it is flawed in the transition. Shipbuilding people looked at it and said it is flawed in its transition. These are two major stakeholders who believe ultimately that we ought to end government subsidy.

So we stepped up to the plate and said, ''Let's correct it, let's clarify on the Jones Act, let's clarify some boilerplate language with respect to national security issues.

That is all this amendment does. I urge my colleagues to listen carefully to the debate around the Bateman amendment, not be guided by hyperbole and overstatement, and look at the facts, and I believe that they will come to the conclusion that we are correct. Adopt the Bateman amendment, and go forward to pass H.R. 2754, as amended.

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, the reason we are debating these amendments to this trade agreement today is that we are seeking at least some element of fairness to our shipbuilders. The reason we are debating these amendments is that we believe it is important to maintain these critical manufacturing jobs that shipbuilding and the supplier base provides. The reason we are debating these amendments is that many of us fear this trade agreement will be like so many before it—one that is unfair to the United States and that will send these jobs to other countries.

But let us not lose sight of the most important reason we are debating these amendments: and that is, that we are concerned about the national security of this country. You see, we have gotten to the point where the shipbuilding industrial base that embodies the critical skills and facilities needed to produce our Navy's ships has shrunken to just six shipyards and 70,000 employees. These same shipyards are the ones that have historically produced most of the large, oceangoing ships built in this country for both our domestic and international trades. Commercial shipbuilding has always been essential to helping level out the valleys when the government's purchase of ships has declined.

We are at this very moment considering Navy shipbuilding budgets that are the lowest in over 40 years! And while the Congress is attempting to increase that level slightly, the numbers of ships being ordered by the Navy are simply not sufficient to sustain the bare minimum shipbuilding base we now have. And if we are going to even come close to maintaining the 346-ship Navy that forms the basis of our current warfighting strategy, we are going to ask these same shipbuilders a few years from now to increase their rate of shipbuilding to two to three times what it is today.

Even with these amendments, we are perilously close to signing away our capability to ensure economic and national security through our shipbuilding industrial base.

I urge my colleagues to join me in voting for jobs and for national security. Vote for the National Security Committee amendments.

Mr. BATEMAN. Mr. Chairman, I yield myself the 30 seconds remaining only to remind the Members of the House that the six major shipyards who are diametrically opposed to this agreement in its present form represent 300,000 jobs at their shipyards and in the companies that service and work with them. This is over 90 percent of all the workers engaged in ship construction in the United States, and these shipyards build 98 percent of all ships for the United States Navy. We are speaking not just for those shipyards, but for all of the unions and the workers who are employed in those shipyards and for whom my amendments to this bill are extremely significant and are very intensely supported by those people.

Mr. BLILEY. Mr. Chairman, I rise in support of the efforts of the gentleman from Virginia [Mr. BATEMAN] regarding our Nation's shipbuilding industrial base by ensuring that industry's success in its endeavor to participate in commercial shipbuilding on the international level. I speak on this matter to support my colleague, and to note my interest as chairman of the Committee on Commerce in the issue of dumping.

In support of my colleague, I signed a letter delineating the problem created by the OECD Shipbulding Agreement that H.R. 2754 would implement. The agreement fails to remedy the historical advantage foreign shipbuilders have maintained over the U.S. shipbuilding industry through government subsidies. Although the agreement does eliminate certain aspects of foreign government subsidies, it still does not place U.S. shipbuilders on equal footing with foreign shipbuilders in the international market. Therefore, I support Mr. BATEMAN'S efforts to create an even playing field.

My interest in the matter as chairman of the Committee on Commerce stems from my committee's extensive work in the area of trade. H.R. 2754 would add a new title, ''Title VIII—Injurious Pricing and Countermeasures Relating to Shipbuilding'' to the Tariff Act of 1930, The new title VIII would provide a mechanism, tailored to the unique situation of the shipbuilding industry, to address concerns regarding the practice of dumping—selling goods, in this case ships, for less than their fair value.

Without recounting the lengthy history of my committee's work in the area of trade, I will point out just a few previous legislative initiatives—focusing on the 100th Congress—that addressed dumping. During the 100th Congress, at least four trade measures considered by the Commerce Committee were incorporated into the Omnibus Trade Reform Act of 1988. Although other measures included provisions on the issue of dumping, H.R. 268—notably—addressed only the issue of dumping. Through that measure, my committee and others sought to amend the Tariff Act of 1930 ''to provide private remedies for injury caused by unfair foreign competition and violations of certain customs fraud provisions.''

Just as H.R. 268 establishes remedies where an article ''is imported or sold within the United States at a United States price which is less than the foreign market value or constructed value of such article,'' H.R. 2754 provides for remedies where ''a foreign vessel has been sold directly or indirectly to one or more United States buyers at less than its fair value.'' Therefore, my interest in this measure is twofold. First, I want to support my colleague Mr. BATEMAN; and second, I want to express my committee's jurisdictional interest in the dumping provisions of this measure. Based on my committee's lengthy history of work in the area of trade, and on the issue of dumping. I would like to note our intent to continue in the exercise of our authority in these areas.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute, recommended by the Committee on Ways and Means, modified by the amendment printed in part 1 of House Report 104–606, is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 2754

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 ''Shipbuilding Trade Agreement Act''.

SEC. 2. APPROVAL OF THE SHIPBUILDING AGREEMENT.

The Congress approves The Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry (hereafter in this Act referred to as the ''Shipbuilding Agreement''), a reciprocal trade agreement which resulted from negotiations under the auspices of the Organization for Economic Cooperation and Development, and was entered into on December 21, 1994.

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect on the date that the Shipbuilding Agreement enters into force with respect to the United States.

TITLE I—INJURIOUS PRICING AND COUNTERMEASURES

SEC. 101. INJURIOUS PRICING AND COUNTERMEASURES PROCEEDINGS.

The Tariff Act of 1930 is amended by adding at the end the following new title:

''TITLE VIII—INJURIOUS PRICING AND COUNTERMEASURES RELATING TO SHIPBUILDING

''Subtitle A—Injurious Pricing Charge and Countermeasures

''Sec. 801. Injurious pricing charge.
''Sec. 802. Procedures for initiating an injurious pricing investigation.
''Sec. 803. Preliminary determinations.
''Sec. 804. Termination or suspension of investigation.
''Sec. 805. Final determinations.
''Sec. 806. Imposition and collection of injurious pricing charge.
''Sec. 807. Imposition of countermeasures.
''Sec. 808. Injurious pricing petitions by third countries.

''Subtitle B—Special Rules

''Sec. 821. Export price.
''Sec. 822. Normal value.
''Sec. 823. Currency conversion.

''Subtitle C—Procedures

''Sec. 841. Hearings.
''Sec. 842. Determinations on the basis of the facts available.
''Sec. 843. Access to information.
''Sec. 844. Conduct of investigations.
''Sec. 845. Administrative action following shipbuilding agreement panel reports.

''Subtitle D—Definitions

''Sec. 861. Definitions.

''Subtitle A—Injurious Pricing Charge and Countermeasures

''SEC. 801. INJURIOUS PRICING CHARGE.

''(a) BASIS FOR CHARGE.—If—

''(1) the administering authority determines that a foreign vessel has been sold directly or indirectly to one or more United States buyers at less than its fair value, and

''(2) the Commission determines that—

''(A) an industry in the United States—

''(i) is or has been materially injured, or

''(ii) is threatened with material injury, or

''(B) the establishment of an industry in the United States is or has been materially retarded,

by reason of the sale of such vessel, then there shall be imposed upon the foreign producer of the subject vessel an injurious pricing charge, in an amount equal to the amount by which the normal value exceeds the export price for the vessel. For purposes of this subsection and section 805(b)(1), a reference to the sale of a foreign vessel includes the creation or transfer of an ownership interest in the vessel, except for an ownership interest created or acquired solely for the purpose of providing security for a normal commercial loan.

''(b) FOREIGN VESSELS NOT MERCHANDISE.—No foreign vessel may be considered to be, or to be part of, a class or kind of merchandise for purposes of subtitle B of title VII.

''SEC. 802. PROCEDURES FOR INITIATING AN INJURIOUS PRICING INVESTIGATION.

''(a) INITIATION BY ADMINISTERING AUTHORITY.—

''(1) GENERAL RULE.—Except in the case in which subsection (d)(6) applies, an injurious pricing investigation shall be initiated whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a charge under section 801(a) exist, and whether a producer described in section 861(17)(C) would meet the criteria of subsection (b)(1)(B) for a petitioner.

''(2) TIME FOR INITIATION BY ADMINISTERING AUTHORITY.—An investigation may only be initiated under paragraph (1) within 6 months after the time the administering authority first knew or should have known of the sale of the vessel. Any period in which subsection (d)(6)(A) applies shall not be included in calculating that 6-month period.

''(b) INITIATION BY PETITION.—

''(1) PETITION REQUIREMENTS.—(A) Except in a case in which subsection (d)(6) applies, an injurious pricing proceeding shall be initiated whenever an interested party, as defined in subparagraph (C), (D), (E), or (F) of section 861(17), files a petition with the administering authority, on behalf of an industry, which alleges the elements necessary for the imposition of an injurious pricing charge under section 801(a) and the elements required under subparagraph (B), (C), (D), or (E) of this paragraph, and which is accompanied by information reasonably available to the petitioner supporting those allegations and identifying the transaction concerned.

''(B)(i) If the petitioner is a producer described in section 861(17)(C), and—

''(I) if the vessel was sold through a broad multiple bid, the petition shall include information indicating that the petitioner was invited to tender a bid on the contract at issue, the petitioner actually did so, and the bid of the petitioner substantially met the delivery date and technical requirements of the bid,

''(II) if the vessel was sold through any bidding process other than a broad multiple bid and the petitioner was invited to tender a bid on the contract at issue, the petition shall include information indicating that the petitioner actually did so and the bid of the petitioner substantially met the delivery date and technical requirements of the bid, or

''(III) except in a case in which the vessel was sold through a broad multiple bid, if there is no invitation to tender a bid, the petition shall include information indicating that the petitioner was capable of building the vessel concerned and, if the petitioner knew or should have known of the proposed purchase, it made demonstrable efforts to conclude a sale with the United States buyer consistent with the delivery date and technical requirements of the buyer.

''(ii) For purposes of clause (i)(III), there is a rebuttable presumption that the petitioner knew or should have known of the proposed purchase if it is demonstrated that—

''(I) the majority of the producers in the industry have made efforts with the United States buyer to conclude a sale of the subject vessel, or

''(II) general information on the sale was available from brokers, financiers, classification societies, charterers, trade associations, or other entities normally involved in shipbuilding transactions with whom the petitioner had regular contacts or dealings.

''(C) If the petitioner is an interested party described in section 861(17)(D), the petition shall include information indicating that members of the union or group of workers described in that section are employed by a producer that meets the requirements of subparagraph (B) of this paragraph.

''(D) If the petitioner is an interested party described in section 861(17)(E), the petition shall include information indicating that a member of the association described in that section is a producer that meets the requirements of subparagraph (B) of this paragraph.

''(E) If the petitioner is an interested party described in section 861(17)(F), the petition shall include information indicating that a member of the association described in that section meets the requirements of subparagraph (C) or (D) of this paragraph.

''(F) The petition may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit.

''(2) SIMULTANEOUS FILING WITH COMMISSION.—The petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority.

''(3) DEADLINE FOR FILING PETITION.—

''(A) DEADLINE.—(i) A petitioner to which paragraph (1)(B) (i) or (ii) applies shall file the petition no later than the earlier of—

''(I) 6 months after the time that the petitioner first knew or should have known of the sale of the subject vessel, or

''(II) 6 months after delivery of the subject vessel.

''(ii) A petitioner to which paragraph (1)(B)(iii) applies shall—

''(I) file the petition no later than the earlier of 9 months after the time that the petitioner first knew or should have known of the sale of the subject vessel, or 6 months after delivery of the subject vessel, and

''(II) submit to the administering authority a notice of intent to file a petition no later than 6 months after the time that the petitioner first knew or should have known of the sale (unless the petition itself is filed within that 6-month period).

''(B) PRESUMPTION OF KNOWLEDGE.—For purposes of this paragraph, if the existence of the sale, together with general information concerning the vessel, is published in the international trade press, there is a rebuttable presumption that the petitioner knew or should have known of the sale of the vessel from the date of that publication.

''(c) ACTIONS BEFORE INITIATING INVESTIGATIONS.—

''(1) NOTIFICATION OF GOVERNMENTS.—Before initiating an investigation under either subsection (a) or (b), the administering authority shall notify the government of the exporting country of the investigation. In the case of the initiation of an investigation under subsection (b), such notification shall include a public version of the petition.

''(2) ACCEPTANCE OF COMMUNICATIONS.—The administering authority shall not accept any unsolicited oral or written communication from any person other than an interested party described in section 861(17)(C), (D), (E), or (F) before the administering authority makes its decision whether to initiate an investigation pursuant to a petition, except for inquiries regarding

the status of the administering authority's consideration of the petition or a request for consultation by the government of the exporting country.

''(3) NONDISCLOSURE OF CERTAIN INFORMATION.—The administering authority and the Commission shall not disclose information with regard to any draft petition submitted for review and comment before it is filed under subsection (b)(1).

''(d) PETITION DETERMINATION.—

''(1) TIME FOR INITIAL DETERMINATION.—(A) Within 45 days after the date on which a petition is filed under subsection (b), the administering authority shall, after examining, on the basis of sources readily available to the administering authority, the accuracy and adequacy of the evidence provided in the petition, determine whether the petition—

''(i) alleges the elements necessary for the imposition of an injurious pricing charge under section 801(a) and the elements required under subsection (b)(1)(B), (C), (D), or (E), and contains information reasonably available to the petitioner supporting the allegations; and

''(ii) determine if the petition has been filed by or on behalf of the industry.

''(B) Any period in which paragraph (6)(A) applies shall not be included in calculating the 45-day period described in subparagraph (A).

''(2) AFFIRMATIVE DETERMINATIONS.—If the determinations under clauses (i) and (ii) of paragraph (1)(A) are affirmative, the administering authority shall initiate an investigation to determine whether the vessel was sold at less than fair value, unless paragraph (6) applies.

''(3) NEGATIVE DETERMINATIONS.—If—

''(A) the determination under clause (i) or (ii) of paragraph (1)(A) is negative, or

''(B) paragraph (6)(B) applies,

the administering authority shall dismiss the petition, terminate the proceeding, and notify the petitioner in writing of the reasons for the determination.

''(4) DETERMINATION OF INDUSTRY SUPPORT.—

''(A) GENERAL RULE.—For purposes of this subsection, the administering authority shall determine that the petition has been filed by or on behalf of the domestic industry, if—

''(i) the domestic producers or workers who support the petition collectively account for at least 25 percent of the total capacity of domestic producers capable of producing a like vessel, and

''(ii) the domestic producers or workers who support the petition collectively account for more than 50 percent of the total capacity to produce a like vessel of that portion of the domestic industry expressing support for or opposition to the petition.

''(B) CERTAIN POSITIONS DISREGARDED.—In determining industry support under subparagraph (A), the administering authority shall disregard the position of domestic producers who oppose the petition, if such producers are related to the foreign producer or United States buyer of the subject vessel, or the domestic producer is itself the United States buyer, unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected by the imposition of an injurious pricing charge.

''(C) POLLING THE INDUSTRY.—If the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total capacity to produce a like vessel—

''(i) the administering authority shall poll the industry or rely on other information in order to determine if there is support for the petition as required by subparagraph (A), or

''(ii) if there is a large number of producers in the industry, the administering authority may determine industry support for the petition by using any statistically valid sampling method to poll the industry.

''(D) COMMENTS BY INTERESTED PARTIES.—Before the administering authority makes a determination with respect to initiating an investigation, any person who would qualify as an interested party under section 861(17) if an investigation were initiated, may submit comments or information on the issue of industry support. After the administering authority makes a determination with respect to initiating an investigation, the determination regarding industry support shall not be reconsidered.

''(5) DEFINITION OF DOMESTIC PRODUCERS OR WORKERS.—For purposes of this subsection, the term 'domestic producers or workers' means interested parties as defined in section 861(17)(C), (D), (E), or (F).

''(6) PROCEEDINGS BY WTO MEMBERS.—The administering authority shall not initiate an investigation under this section if, with respect to the vessel sale at issue, an antidumping proceeding conducted by a WTO member who is not a Shipbuilding Agreement Party—

''(A) has been initiated and has been pending for not more than one year, or

''(B) has been completed and resulted in the imposition of antidumping measures or a negative determination with respect to whether the sale was at less than fair value or with respect to injury.

''(e) NOTIFICATION TO COMMISSION OF DETERMINATION.—The administering authority shall—

''(1) notify the Commission immediately of any determination it makes under subsection (a) or (d), and

''(2) if the determination is affirmative, make available to the Commission such information as it may have relating to the matter under investigation, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

''SEC. 803. PRELIMINARY DETERMINATIONS.

''(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—

''(1) GENERAL RULE.—Except in the case of a petition dismissed by the administering authority under section 802(d)(3), the Commission, within the time specified in paragraph (2), shall determine, based on the information available to it at the time of the determination, whether there is a reasonable indication that—

''(A) an industry in the United States—

''(i) is or has been materially injured, or

''(ii) is threatened with material injury, or

''(B) the establishment of an industry in the United States is or has been materially retarded,

by reason of the sale of the subject vessel. If the Commission makes a negative determination under this paragraph, the investigation shall be terminated.

''(2) TIME FOR COMMISSION DETERMINATION.—The Commission shall make the determination described in paragraph (1) within 90 days after the date on which the petition is filed or, in the case of an investigation initiated under section 802(a), within 90 days after the date on which the Commission receives notice from the administering authority that the investigation has been initiated.

''(b) PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—

''(1) PERIOD OF INJURIOUS PRICING INVESTIGATION.—(A) The administering authority shall make a determination, based upon the information available to it at the time of the determination, of whether there is a reasonable basis to believe or suspect that the subject vessel was sold at less than fair value.

''(B) If cost data is required to determine normal value on the basis of a sale of a foreign like vessel that has not been delivered on or before the date on which the administering authority initiates the investigation, the administering authority shall make its determination within 160 days after the date of delivery of the foreign like vessel.

''(C) If normal value is to be determined on the basis of constructed value, the administering authority shall make its determination within 160 days after the date of delivery of the subject vessel.

''(D) In cases in which subparagraph (B) or (C) does not apply, the administering authority shall make its determination within 160 days after the date on which the administering authority initiates the investigation under section 802.

''(E) In no event shall the administering authority make its determination before an affirmative determination is made by the Commission under subsection (a).

''(2) DE MINIMIS INJURIOUS PRICING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any injurious pricing margin that is de minimis. For purposes of the preceding sentence, an injurious pricing margin is de minimis if the administering authority determines that the margin is less than 2 percent of the export price.

''(c) EXTENSION OF PERIOD IN EXTRAORDINARILY COMPLICATED CASES OR FOR GOOD CAUSE.—

''(1) IN GENERAL.—If—

''(A) the administering authority concludes that the parties concerned are cooperating and determines that—

''(i) the case is extraordinarily complicated by reason of—

''(I) the novelty of the issues presented, or

''(II) the nature and extent of the information required, and

''(ii) additional time is necessary to make the preliminary determination, or

''(B) a party to the investigation requests an extension and demonstrates good cause for the extension,

then the administering authority may postpone the time for making its preliminary determination.

''(2) LENGTH OF POSTPONEMENT.—The preliminary determination may be postponed under paragraph (1)(A) or (B) until not later than the 190th day after—

''(A) the date of delivery of the foreign like vessel, if subsection (b)(1)(B) applies,

''(B) the date of delivery of the subject vessel, if subsection (b)(1)(C) applies, or

''(C) the date on which the administering authority initiates an investigation under section 802, in a case in which subsection (b)(1)(D) applies.

''(3) NOTICE OF POSTPONEMENT.—The administering authority shall notify the parties to the investigation, not later than 20 days before the date on which the preliminary determination would otherwise be required under subsection (b)(1), if it intends to postpone making the preliminary determination under paragraph (1). The notification shall include an explanation of the reasons for the postponement, and notice of the postponement shall be published in the Federal Register.

''(d) EFFECT OF DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the preliminary determination of the administering authority under subsection (b) is affirmative, the administering authority shall—

''(1) determine an estimated injurious pricing margin, and

''(2) make available to the Commission all information upon which its determination was based and which the Commission considers relevant to its injury determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

''(e) NOTICE OF DETERMINATION.—Whenever the Commission or the administering authority makes a determination under this section, the Commission or the administering authority, as the case may be, shall notify the petitioner, and other parties to the investigation, and the Commission or the administering authority (whichever is appropriate) of its determination. The

administering authority shall include with such notification the facts and conclusions on which its determination is based. Not later than 5 days after the date on which the determination is required to be made under subsection (a)(2), the Commission shall transmit to the administering authority the facts and conclusions on which its determination is based.

"SEC. 804. TERMINATION OR SUSPENSION OF INVESTIGATION.

''(a) TERMINATION OF INVESTIGATION UPON WITHDRAWAL OF PETITION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an investigation under this subtitle may be terminated by either the administering authority or the Commission, after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner.

''(2) LIMITATION ON TERMINATION BY COMMISSION.—The Commission may not terminate an investigation under paragraph (1) before a preliminary determination is made by the administering authority under section 803(b).

''(b) TERMINATION OF INVESTIGATIONS INITIATED BY ADMINISTERING AUTHORITY.—The administering authority may terminate any investigation initiated by the administering authority under section 802(a) after providing notice of such termination to all parties to the investigation.

''(c) ALTERNATE EQUIVALENT REMEDY.—The criteria set forth in subparagraphs (A) through (D) of section 806(e)(1) shall apply to any agreement that forms the basis for termination of an investigation under subsection (a) or (b).

''(d) PROCEEDINGS BY WTO MEMBERS.—

''(1) SUSPENSION OF INVESTIGATION.—The administering authority and the Commission shall suspend an investigation under this section if a WTO member that is not a Shipbuilding Agreement Party initiates an antidumping proceeding described in section 861(29)(A) with respect to the sale of the subject vessel.

''(2) TERMINATION OF INVESTIGATION.—If an antidumping proceeding described in paragraph (1) is concluded by—

''(A) the imposition of antidumping measures, or

''(B) a negative determination with respect to whether the sale is at less than fair value or with respect to injury,

the administering authority and the Commission shall terminate the investigation under this section.

''(3) CONTINUATION OF INVESTIGATION.—(A) If such a proceeding—

''(i) is concluded by a result other than a result described in paragraph (2), or

''(ii) is not concluded within one year from the date of the initiation of the proceeding,

then the administering authority and the Commission shall terminate the suspension and continue the investigation. The period in which the investigation was suspended shall not be included in calculating deadlines applicable with respect to the investigation.

''(B) Notwithstanding subparagraph (A)(ii), if the proceeding is concluded by a result described in paragraph (2)(A), the administering authority and the Commission shall terminate the investigation under this section.

"SEC. 805. FINAL DETERMINATIONS.

''(a) DETERMINATIONS BY ADMINISTERING AUTHORITY.—

''(1) IN GENERAL.—Within 75 days after the date of its preliminary determination under section 803(b), the administering authority shall make a final determination of whether the vessel which is the subject of the investigation has been sold in the United States at less than its fair value.

''(2) EXTENSION OF PERIOD FOR DETERMINATION.—(A) The administering authority may postpone making the final determination under paragraph (1) until not later than 290 days after—

''(i) the date of delivery of the foreign like vessel, in an investigation to which section 803(b)(1)(B) applies,

''(ii) the date of delivery of the subject vessel, in an investigation to which section 803(b)(1)(C) applies, or

''(iii) the date on which the administering authority initiates the investigation under section 802, in an investigation to which section 803(b)(1)(D) applies.

''(B) The administering authority may apply subparagraph (A) if a request in writing is made by—

''(i) the producer of the subject vessel, in a proceeding in which the preliminary determination by the administering authority under section 803(b) was affirmative, or

''(ii) the petitioner, in a proceeding in which the preliminary determination by the administering authority under section 803(b) was negative.

''(3) DE MINIMIS INJURIOUS PRICING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any injurious pricing margin that is de minimis as defined in section 803(b)(2).

''(b) FINAL DETERMINATION BY COMMISSION.—

''(1) IN GENERAL.—The Commission shall make a final determination of whether—

''(A) an industry in the United States—

''(i) is or has been materially injured, or

''(ii) is threatened with material injury, or

''(B) the establishment of an industry in the United States is or has been materially retarded,

by reason of the sale of the vessel with respect to which the administering authority has made an affirmative determination under subsection (a)(1).

''(2) PERIOD FOR INJURY DETERMINATION FOLLOWING AFFIRMATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 803(b) is affirmative, then the Commission shall make the determination required by paragraph (1) before the later of—

''(A) the 120th day after the day on which the administering authority makes its affirmative preliminary determination under section 803(b), or

''(B) the 45th day after the day on which the administering authority makes its affirmative final determination under subsection (a).

''(3) PERIOD FOR INJURY DETERMINATION FOLLOWING NEGATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 803(b) is negative, and its final determination under subsection (a) is affirmative, then the final determination by the Commission under this subsection shall be made within 75 days after the date of that affirmative final determination.

''(c) EFFECT OF FINAL DETERMINATIONS.—

''(1) EFFECT OF AFFIRMATIVE DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the determination of the administering authority under subsection (a) is affirmative, then the administering authority shall—

''(A) make available to the Commission all information upon which such determination was based and which the Commission considers relevant to its determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority, and

''(B) calculate an injurious pricing charge in an amount equal to the amount by which the normal value exceeds the export price of the subject vessel.

''(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE DETERMINATION.—If the determinations of the administering authority and the Commission under subsections (a)(1) and (b)(1) are affirmative, then the administering authority shall issue an injurious pricing order under section 806. If either of such determinations is negative, the investigation shall be terminated upon the publication of notice of that negative determination.

''(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the administering authority or the Commission makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

''(e) CORRECTION OF MINISTERIAL ERRORS.—The administering authority shall establish procedures for the correction of ministerial errors in final determinations within a reasonable time after the determinations are issued under this section. Such procedures shall ensure opportunity for interested parties to present their views regarding any such errors. As used in this subsection, the term 'ministerial error' includes errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which the administering authority considers ministerial.

"SEC. 806. IMPOSITION AND COLLECTION OF INJURIOUS PRICING CHARGE.

''(a) IN GENERAL.—Within 10 days after being notified by the Commission of an affirmative determination under section 805(b), the administering authority shall publish an order imposing an injurious pricing charge on the foreign producer of the subject vessel which—

''(1) directs the foreign producer of the subject vessel to pay to the Secretary of the Treasury, or the designee of the Secretary, within 180 days from the date of publication of the order, an injurious pricing charge in an amount equal to the amount by which the normal value exceeds the export price of the subject vessel,

''(2) includes the identity and location of the foreign producer and a description of the subject vessel, in such detail as the administering authority deems necessary, and

''(3) informs the foreign producer that—

''(A) failure to pay the injurious pricing charge in a timely fashion may result in the imposition of countermeasures with respect to that producer under section 807,

''(B) payment made after the deadline described in paragraph (1) shall be subject to interest charges at the Commercial Interest Reference Rate (CIRR), and

''(C) the foreign producer may request an extension of the due date for payment under subsection (b).

''(b) EXTENSION OF DUE DATE FOR PAYMENT IN EXTRAORDINARY CIRCUMSTANCES.—

''(1) EXTENSION.—Upon request, the administering authority may amend the order under subsection (a) to set a due date for payment or payments later than the date that is 180 days from the date of publication of the order, if the administering authority determines that full payment in 180 days would render the producer insolvent or would be incompatible with a judicially supervised reorganization. When an extended payment schedule provides for a series of partial payments, the administering authority shall specify the circumstances under which default on one or more payments will result in the imposition of countermeasures.

''(2) INTEREST CHARGES.—If a request is granted under paragraph (1), payments made after the date that is 180 days from the publication of the order shall be subject to interest charges at the CIRR.

''(c) NOTIFICATION OF ORDER.—The administering authority shall deliver a copy of the order requesting payment to the foreign producer of the subject vessel and to an appropriate representative of the government of the exporting country.

''(d) REVOCATION OF ORDER.—The administering authority—

''(1) may revoke an injurious pricing order if the administering authority determines that producers accounting for substantially all of the

capacity to produce a domestic like vessel have expressed a lack of interest in the order, and

''(2) shall revoke an injurious pricing order—

''(A) if the sale of the vessel that was the subject of the injurious pricing determination is voided,

''(B) if the injurious pricing charge is paid in full, including any interest accrued for late payment,

''(C) upon full implementation of an alternative equivalent remedy described in subsection (e), or

''(D) if, with respect to the vessel sale that was at issue in the investigation that resulted in the injurious pricing order, an antidumping proceeding conducted by a WTO member who is not a Shipbuilding Agreement Party has been completed and resulted in the imposition of antidumping measures.

''(e) ALTERNATIVE EQUIVALENT REMEDY.—

''(1) AGREEMENT FOR ALTERNATE REMEDY.—The administering authority may suspend an injurious pricing order if the administering authority enters into an agreement with the foreign producer subject to the order on an alternative equivalent remedy, that the administering authority determines—

''(A) is at least as effective a remedy as the injurious pricing charge,

''(B) is in the public interest,

''(C) can be effectively monitored and enforced, and

''(D) is otherwise consistent with the domestic law and international obligations of the United States.

''(2) PRIOR CONSULTATIONS AND SUBMISSION OF COMMENTS.—Before entering into an agreement under paragraph (1), the administering authority shall consult with the industry, and provide for the submission of comments by interested parties, with respect to the agreement.

''(3) MATERIAL VIOLATIONS OF AGREEMENT.—If the injurious pricing order has been suspended under paragraph (1), and the administering authority determines that the foreign producer concerned has materially violated the terms of the agreement under paragraph (1), the administering authority shall terminate the suspension.

"SEC. 807. IMPOSITION OF COUNTERMEASURES.

''(a) GENERAL RULE.—

''(1) ISSUANCE OF ORDER IMPOSING COUNTERMEASURES.—Unless an injurious pricing order is revoked or suspended under section 806 (d) or (e), the administering authority shall issue an order imposing countermeasures.

''(2) CONTENTS OF ORDER.—The countermeasure order shall—

''(A) state that, as provided in section 468, a permit to lade or unlade passengers or merchandise may not be issued with respect to vessels contracted to be built by the foreign producer of the vessel with respect to which an injurious pricing order was issued under section 806, and

''(B) specify the scope and duration of the prohibition on the issuance of a permit to lade or unlade passengers or merchandise.

''(b) NOTICE OF INTENT TO IMPOSE COUNTERMEASURES.—

''(1) GENERAL RULE.—The administering authority shall issue a notice of intent to impose countermeasures not later than 30 days before the expiration of the time for payment specified in the injurious pricing order (or extended payment provided for under section 806(b)), and shall publish the notice in the Federal Register within 7 days after issuing the notice.

''(2) ELEMENTS OF THE NOTICE OF INTENT.—The notice of intent shall contain at least the following elements:

''(A) SCOPE.—A permit to lade or unlade passengers or merchandise may not be issued with respect to any vessel—

''(i) built by the foreign producer subject to the proposed countermeasures, and

''(ii) with respect to which the material terms of sale are established within a period of 4 consecutive years beginning on the date that is 30 days after publication in the Fedeal Register of the notice of intent described in paragraph (1).

''(B) DURATION.—For each vessel described in subparagraph (A), a permit to lade or unlade passengers or merchandise may not be issued for a period of 4 years after the date of delivery of the vessel.

''(c) DETERMINATION TO IMPOSE COUNTERMEASURES; ORDER.—

''(1) GENERAL RULE.—The administering authority shall, within the time specified in paragraph (2), issue a determination and order imposing countermeasures.

''(2) TIME FOR DETERMINATION.—The determination shall be issued within 90 days after the date on which the notice of intent to impose countermeasures under subsection (b) is published in the Federal Register. The administering authority shall publish the determination, and the order described in paragraph (4), in the Federal Register within 7 days after issuing the final determination, and shall provide a copy of the determination and order to the Customs Service.

''(3) CONTENT OF THE DETERMINATION.—In the determination imposing countermeasures, the administering authority shall determine whether, in light of all of the circumstances, an interested party has demonstrated that the scope or duration of the countermeasures described in subsection (b)(2) should be narrower or shorter than the scope or duration set forth in the notice of intent to impose countermeasures.

''(4) ORDER.—At the same time it issues its determination, the administering authority shall issue an order imposing countermeasures, consistent with its determination.

''(d) ADMINISTRATIVE REVIEW OF DETERMINATION TO IMPOSE COUNTERMEASURES.—

''(1) REQUEST FOR REVIEW.—Each year, in the anniversary month of the issuance of the order imposing countermeasures under subsection (c), the administering authority shall publish in the Federal Register a notice providing that interested parties may request—

''(A) a review of the scope or duration of the countermeasures determined under subsection (c)(3), and

''(B) a hearing in connection with such a review.

''(2) REVIEW.—If a proper request has been received under paragraph (1), the administering authority shall—

''(A) publish notice of initiation of a review in the Federal Register not later than 15 days after the end of the anniversary month of the issuance of the order imposing countermeasures, and

''(B) review and determine whether the requesting party has demonstrated that the scope or duration of the countermeasures is excessive in light of all of the circumstances.

''(3) TIME FOR REVIEW.—The administering authority shall make its determination under paragraph (2)(B) within 90 days after the date on which the notice of initiation of the review is published. If the determination under paragraph (2)(B) is affirmative, the administering authority shall amend the order accordingly. The administering authority shall promptly publish the determination and any amendment to the order in the Federal Register, and shall provide a copy of any amended order to the Customs Service. In extraordinary circumstances, the administering authority may extend the time for its determination under paragraph (2)(B) to not later than 150 days after the date on which the notice of initiation of the review is published.

''(e) EXTENSION OF COUNTERMEASURES.—

''(1) REQUEST FOR EXTENSION.—Within the time described in paragraph (2), an interested party may file with the administering authority a request that the scope or duration of countermeasures be extended.

''(2) DEADLINE FOR REQUEST FOR EXTENSION.—

''(A) REQUEST FOR EXTENSION BEYOND 4 YEARS.—If the request seeks an extension that would cause the scope or duration of countermeasures to exceed 4 years, including any prior extensions, the request for extension under paragraph (1) shall be filed not earlier than the date that is 15 months, and not later than the date that is 12 months, before the date that marks the end of the period that specifies the vessels that fall within the scope of the order by virtue of the establishment of material terms of sale within that period.

''(B) OTHER REQUESTS.—If the request seeks an extension under paragraph (1) other than one described in subparagraph (A), the request shall be filed not earlier than the date that is 6 months, and not later than a date that is 3 months, before the date that marks the end of the period referred to in subparagraph (A).

''(3) DETERMINATION.—

''(A) NOTICE OF REQUEST FOR EXTENSION.—If a proper request has been received under paragraph (1), the administering authority shall publish notice of initiation of an extension proceeding in the Federal Register not later than 15 days after the applicable deadline in paragraph (2) for requesting the extension.

''(B) PROCEDURES.—

''(i) REQUESTS FOR EXTENSION BEYOND 4 YEARS.—If paragraph (2)(A) applies to the request, the administering authority shall consult with the Trade Representative under paragraph (4).

''(ii) OTHER REQUESTS.—If paragraph (2)(B) applies to the request, the administering authority shall determine, within 90 days after the date on which the notice of initiation of the proceeding is published, whether the requesting party has demonstrated that the scope or duration of the countermeasures is inadequate in light of all of the circumstances. If the administering authority determines that an extension is warranted, it shall amend the countermeasure order accordingly. The administering authority shall promptly publish the determination and any amendment to the order in the Federal Register, and shall provide a copy of any amended order to the Customs Service.

''(4) CONSULTATION WITH TRADE REPRESENTATIVE.—If paragraph (3)(B)(i) applies, the administering authority shall consult with the Trade Representative concerning whether it would be appropriate to request establishment of a dispute settlement panel under the Shipbuilding Agreement for the purpose of seeking authorization to extend the scope or duration of countermeasures for a period in excess of 4 years.

''(5) DECISION NOT TO REQUEST PANEL.—If, based on consultations under paragraph (4), the Trade Representative decides not to request establishment of a panel, the Trade Representative shall inform the party requesting the extension of the countermeasures of the reasons for its decision in writing. The decision shall not be subject to judicial review.

''(6) PANEL PROCEEDINGS.—If, based on consultations under paragraph (4), the Trade Representative requests the establishment of a panel under the Shipbuilding Agreement to authorize an extension of the period of countermeasures, and the panel authorizes such an extension, the administering authority shall promptly amend the countermeasure order. The administering authority shall publish notice of the amendment in the Federal Register.

''(f) LIST OF VESSELS SUBJECT TO COUNTERMEASURES.—

''(1) GENERAL RULE.—At least once during each 12-month period beginning on the anniversary date of a determination to impose countermeasures under this section, the administering authority shall publish in the Federal Register a list of all delivered vessels subject to countermeasures under the determination.

''(2) CONTENT OF LIST.—The list under paragraph (1) shall include the following information for each vessel, to the extent the information is available:

''(A) The name and general description of the vessel.

''(B) The vessel identification number.

''(C) The shipyard where the vessel was constructed.

''(D) The last-known registry of the vessel.

''(E) The name and address of the last-known owner of the vessel.

''(F) The delivery date of the vessel.

''(G) The remaining duration of countermeasures on the vessel.

''(H) Any other identifying information available.

''(3) AMENDMENT OF LIST.—-The administering authority may amend the list from time to time to reflect new information that comes to its attention and shall publish any amendments in the Federal Register.

''(4) SERVICE OF LIST AND AMENDMENTS.—(A) The administering authority shall serve a copy of the list described in paragraph (1) on—

''(i) the petitioner under section 802(b),

''(ii) the United States Customs Service,

''(iii) the Secretariat of the Organization for Economic Cooperation and Development,

''(iv) the owners of vessels on the list,

''(v) the shipyards on the list, and

''(vi) the government of the country in which a shipyard on the list is located.

''(B) The administering authority shall serve a copy of any amendments to the list under paragraph (3) or subsection (g)(3) on—

''(i) the parties listed in clauses (i), (ii), and (iii) of subparagraph (A), and,

''(ii) if the amendment affects their interests, the parties listed in clauses (iv), (v), and (vi) of subparagraph (A).

''(g) ADMINISTRATIVE REVIEW OF LIST OF VESSELS SUBJECT TO COUNTERMEASURES.—

''(1) REQUEST FOR REVIEW.—(A) An interested party may request in writing a review of the list described in subsection (f)(1), including any amendments thereto, to determine whether—

''(i) a vessel included in the list does not fall within the scope of the applicable countermeasure order and should be deleted, or

''(ii) a vessel not included in the list falls within the scope of the applicable countermeasure order and should be added.

''(B) Any request seeking a determination described in subparagraph (A)(i) shall be made within 90 days after the date of publication of the applicable list.

''(2) REVIEW.—If a proper request for review has been received, the administering authority shall—

''(A) publish notice of initiation of a review in the Federal Register—

''(i) not later than 15 days after the request is received, or

''(ii) if the request seeks a determination described in paragraph (1)(A)(i), not later than 15 days after the deadline described in paragraph (1)(B), and

''(B) review and determine whether the requesting party has demonstrated that—

''(i) a vessel included in the list does not qualify for such inclusion, or

''(ii) a vessel not included in the list qualifies for inclusion.

''(3) TIME FOR DETERMINATION.—The administering authority shall make its determination under paragraph (2)(B) within 90 days after the date on which the notice of initiation of such review is published. If the administering authority determines that a vessel should be added or deleted from the list, the administering authority shall amend the list accordingly. The administering authority shall promptly publish in the Federal Register the determination and any such amendment to the list.

''(h) EXPIRATION OF COUNTERMEASURES.—Upon expiration of a countermeasure order imposed under this section, the administering authority shall promptly publish a notice of the expiration in the Federal Register.

''(i) SUSPENSION OR TERMINATION OF PROCEEDINGS OR COUNTERMEASURES; TEMPORARY REDUCTION OF COUNTERMEASURES.—

''(1) IF INJURIOUS PRICING ORDER REVOKED OR SUSPENDED.—If an injurious pricing order has been revoked or suspended under section 806(d) or (e), the administering authority shall, as appropriate, suspend or terminate proceedings under this section with respect to that order, or suspend or revoke a countermeasure order issued with respect to that injurious pricing order.

''(2) IF PAYMENT DATE AMENDED.—(A) Subject to subparagraph (C), if the payment date under an injurious pricing order is amended under section 845, the administering authority shall, as appropriate, suspend proceedings or modify deadlines under this section, or suspend or amend a countermeasure order issued with respect to that injurious pricing order.

''(B) In taking action under subparagraph (A), the administering authority shall ensure that countermeasures are not applied before the date that is 30 days after publication in the Federal Register of the amended payment date.

''(C) If—

''(i) a countermeasure order is issued under subsection (c) before an amendment is made under section 845 to the payment date of the injurious pricing order to which the countermeasure order applies, and

''(ii) the administering authority determines that the period of time between the original payment date and the amended payment date is significant for purposes of determining the appropriate scope or duration of countermeasures,

the administering authority may, in lieu of acting under subparagraph (A), reinstitute proceedings under subsection (c) for purposes of issuing a new determination under that subsection.

''(j) COMMENT AND HEARING.—In the course of any proceeding under subsection (c), (d), (e), or (g), the administering authority—

''(1) shall solicit comments from interested parties, and

''(2)(A) in a proceeding under subsection (c) or (d), upon the request of an interested party, shall hold a hearing in accordance with section 841(b) in connection with that proceeding, or

''(B) in a proceeding under subsection (e) or (g), upon the request of an interested party, may hold a hearing in accordance with section 841(b) in connection with that proceeding.

''SEC. 808. INJURIOUS PRICING PETITIONS BY THIRD COUNTRIES.

''(a) FILING OF PETITION.—The government of a Shipbuilding Agreement Party may file with the Trade Representative a petition requesting that an investigation be conducted to determine if—

''(1) a vessel from another Shipbuilding Agreement Party has been sold in the United States at less than fair value, and

''(2) an industry, in the petitioning country, producing or capable of producing a like vessel is materially injured by reason of such sale.

''(b) INITIATION.—The Trade Representative, after consultation with the administering authority and the Commission and obtaining the approval of the Parties Group under the Shipbuilding Agreement, shall determine whether to initiate an investigation described in subsection (a).

''(c) DETERMINATIONS.—Upon initiation of an investigation under subsection (a), the Trade Representative shall request the following determinations be made in accordance with substantive and procedural requirements specified by the Trade Representative, notwithstanding any other provision of this title:

''(1) The administering authority shall determine whether the subject vessel has been sold at less than fair value.

''(2) The Commission shall determine whether an industry in the petitioning country is materially injured by reason of the sale of the subject vessel in the United States.

''(d) PUBLIC COMMENT.—An opportunity for public comment shall be provided, as appropriate—

''(1) by the Trade Representative, in making the determinations required by subsection (b), and

''(2) by the administering authority and the Commission, in making the determinations required by subsection (c).

''(e) ISSUANCE OF ORDER.—If the administering authority makes an affirmative determination under paragraph (1) of subsection (c), and the Commission makes an affirmative determination under paragraph (2) of subsection (c), the administering authority shall—

''(1) order an injurious pricing charge in accordance with section 806, and

''(2) make such determinations and take such other actions as are required by sections 806 and 807, as if affirmative determinations had been made under subsections (a) and (b) of section 805.

''(f) REVIEWS OF DETERMINATIONS.—For purposes of review under section 516B, if an order is issued under subsection (e)—

''(1) the final determinations of the administering authority and the Commission under subsection (c) shall be treated as final determinations made under section 805, and

''(2) determinations of the administering authority under subsection (e)(2) shall be treated as determinations made under section 806 or 807, as the case may be.

''(g) ACCESS TO INFORMATION.—Section 843 shall apply to investigations under this section, to the extent specified by the Trade Representative, after consultation with the administering authority and the Commission.

''Subtitle B—Special Rules

''SEC. 821. EXPORT PRICE.

''(a) EXPORT PRICE.—For purposes of this title, the term 'export price' means the price at which the subject vessel is first sold (or agreed to be sold) by or for the account of the foreign producer of the subject vessel to an unaffiliated United States buyer. The term 'sold (or agreed to be sold) by or for the account of the foreign producer' includes any transfer of an ownership interest, including by way of lease or long-term bareboat charter, in conjunction with the original transfer from the producer, either directly or indirectly, to a United States buyer.

''(b) ADJUSTMENTS TO EXPORT PRICE.—The price used to establish export price shall be—

''(1) increased by the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject vessel, and

''(2) reduced by—

''(A) the amount, if any, included in such price, attributable to any additional costs, charges, or expenses which are incident to bringing the subject vessel from the shipyard in the exporting country to the place of delivery,

''(B) the amount, if included in such price, of any export tax, duty, or other charge imposed by the exporting country on the exportation of the subject vessel, and

''(C) all other expenses incidental to placing the vessel in condition for delivery to the buyer.

''SEC. 822. NORMAL VALUE.

''(a) DETERMINATION.—In determining under this title whether a subject vessel has been sold at less than fair value, a fair comparison shall be made between the export price and normal value of the subject vessel. In order to achieve a fair comparison with the export price, normal value shall be determined as follows:

''(1) DETERMINATION OF NORMAL VALUE.—

''(A) IN GENERAL.—The normal value of the subject vessel shall be the price described in subparagraph (B), at a time reasonably corresponding to the time of the sale used to determine the export price under section 821(a).

''(B) PRICE.—The price referred to in subparagraph (A) is—

''(i) the price at which a foreign like vessel is first sold in the exporting country, in the ordinary course of trade and, to the extent practicable, at the same level of trade, or

''(ii) in a case to which subparagraph (C) applies, the price at which a foreign like vessel is

so sold for consumption in a country other than the exporting country or the United States, if—

''(I) such price is representative, and

''(II) the administering authority does not determine that the particular market situation in such other country prevents a proper comparison with the export price.

''(C) THIRD COUNTRY SALES.—This subparagraph applies when—

''(i) a foreign like vessel is not sold in the exporting country as described in subparagraph (B)(i), or

''(ii) the particular market situation in the exporting country does not permit a proper comparison with the export price.

''(D) CONTEMPORANEOUS SALE.—For purposes of subparagraph (A), 'a time reasonably corresponding to the time of the sale' means within 3 months before or after the sale of the subject vessel or, in the absence of such sales, such longer period as the administering authority determines would be appropriate.

''(2) FICTITIOUS MARKETS.—No pretended sale, and no sale intended to establish a fictitious market, shall be taken into account in determining normal value.

''(3) USE OF CONSTRUCTED VALUE.—If the administering authority determines that the normal value of the subject vessel cannot be determined under paragraph (1)(B) or (1)(C), then the normal value of the subject vessel shall be the constructed value of that vessel, as determined under subsection (e).

''(4) INDIRECT SALES.—If a foreign like vessel is sold through an affiliated party, the price at which the foreign like vessel is sold by such affiliated party may be used in determining normal value.

''(5) ADJUSTMENTS.—The price described in paragraph (1)(B) shall be—

''(A) reduced by—

''(i) the amount, if any, included in the price described in paragraph (1)(B), attributable to any costs, charges, and expenses incident to bringing the foreign like vessel from the shipyard to the place of delivery to the purchaser,

''(ii) the amount of any taxes imposed directly upon the foreign like vessel or components thereof which have been rebated, or which have not been collected, on the subject vessel, but only to the extent that such taxes are added to or included in the price of the foreign like vessel, and

''(iii) the amount of all other expenses incidental to placing the foreign like vessel in condition for delivery to the buyer, and

''(B) increased or decreased by the amount of any difference (or lack thereof) between the export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise provided under this section) that is established to the satisfaction of the administering authority to be wholly or partly due to—

''(i) physical differences between the subject vessel and the vessel used in determining normal value, or

''(ii) other differences in the circumstances of sale.

''(6) ADJUSTMENTS FOR LEVEL OF TRADE.—The price described in paragraph (1)(B) shall also be increased or decreased to make due allowance for any difference (or lack thereof) between the export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise made under this section) that is shown to be wholly or partly due to a difference in level of trade between the export price and normal value, if the difference in level of trade—

''(A) involves the performance of different selling activities, and

''(B) is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different levels of trade in the country in which normal value is determined.

In a case described in the preceding sentence, the amount of the adjustment shall be based on the price differences between the two levels of trade in the country in which normal value is determined.

''(7) ADJUSTMENTS TO CONSTRUCTED VALUE.—Constructed value as determined under subsection (d) may be adjusted, as appropriate, pursuant to this subsection.

''(b) SALES AT LESS THAN COST OF PRODUCTION.—

''(1) DETERMINATION; SALES DISREGARDED.—Whenever the administering authority has reasonable grounds to believe or suspect that the sale of the foreign like vessel under consideration for the determination of normal value has been made at a price which represents less than the cost of production of the foreign like vessel, the administering authority shall determine whether, in fact, such sale was made at less than the cost of production. If the administering authority determines that the sale was made at less than the cost of production and was not at a price which permits recovery of all costs within 5 years, such sale may be disregarded in the determination of normal value. Whenever such a sale is disregarded, normal value shall be based on another sale of a foreign like vessel in the ordinary course of trade. If no sales made in the ordinary course of trade remain, the normal value shall be based on the constructed value of the subject vessel.

''(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection:

''(A) REASONABLE GROUNDS TO BELIEVE OR SUSPECT.—There are reasonable grounds to believe or suspect that the sale of a foreign like vessel was made at a price that is less than the cost of production of the vessel, if an interested party described in subparagraph (C), (D), (E), or (F) of section 861(17) provides information, based upon observed prices or constructed prices or costs, that the sale of the foreign like vessel under consideration for the determination of normal value has been made at a price which represents less than the cost of production of the vessel.

''(B) RECOVERY OF COSTS.—If the price is below the cost of production at the time of sale but is above the weighted average cost of production for the period of investigation, such price shall be considered to provide for recovery of costs within 5 years.

''(3) CALCULATION OF COST OF PRODUCTION.—For purposes of this section, the cost of production shall be an amount equal to the sum of—

''(A) the cost of materials and of fabrication or other processing of any kind employed in producing the foreign like vessel, during a period which would ordinarily permit the production of that vessel in the ordinary course of business, and

''(B) an amount for selling, general, and administrative expenses based on actual data pertaining to the production and sale of the foreign like vessel by the producer in question.

For purposes of subparagraph (A), if the normal value is based on the price of the foreign like vessel sold in a country other than the exporting country, the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or on their disposition which are remitted or refunded upon exportation.

''(c) NONMARKET ECONOMY COUNTRIES.—

''(1) IN GENERAL.—If—

''(A) the subject vessel is produced in a nonmarket economy country, and

''(B) the administering authority finds that available information does not permit the normal value of the subject vessel to be determined under subsection (a),

the administering authority shall determine the normal value of the subject vessel on the basis of the value of the factors of production utilized in producing the vessel and to which shall be added an amount for general expenses and profit plus the cost of expenses incidental to placing the vessel in a condition for delivery to the buyer. Except as provided in paragraph (2), the valuation of the factors of production shall be based on the best available information regarding the values of such factors in a market economy country or countries considered to be appropriate by the administering authority.

''(2) EXCEPTION.—If the administering authority finds that the available information is inadequate for purposes of determining the normal value of the subject vessel under paragraph (1), the administering authority shall determine the normal value on the basis of the price at which a vessel that is—

''(A) comparable to the subject vessel, and

''(B) produced in one or more market economy countries that are at a level of economic development comparable to that of the nonmarket economy country,

is sold in other countries, including the United States.

''(3) FACTORS OF PRODUCTION.—For purposes of paragraph (1), the factors of production utilized in producing the vessel include, but are not limited to—

''(A) hours of labor required,

''(B) quantities of raw materials employed,

''(C) amounts of energy and other utilities consumed, and

''(D) representative capital cost, including depreciation.

''(4) VALUATION OF FACTORS OF PRODUCTION.—The administering authority, in valuing factors of production under paragraph (1), shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are—

''(A) at a level of economic development comparable to that of the nonmarket economy country, and

''(B) significant producers of comparable vessels.

''(d) SPECIAL RULE FOR CERTAIN MULTINATIONAL CORPORATIONS.—Whenever, in the course of an investigation under this title, the administering authority determines that—

''(1) the subject vessel was produced in facilities which are owned or controlled, directly or indirectly, by a person, firm, or corporation which also owns or controls, directly or indirectly, other facilities for the production of a foreign like vessel which are located in another country or countries,

''(2) subsection (a)(1)(C) applies, and

''(3) the normal value of a foreign like vessel produced in one or more of the facilities outside the exporting country is higher than the normal value of the foreign like vessel produced in the facilities located in the exporting country,

the administering authority shall determine the normal value of the subject vessel by reference to the normal value at which a foreign like vessel is sold from one or more facilities outside the exporting country. The administering authority, in making any determination under this subsection, shall make adjustments for the difference between the costs of production (including taxes, labor, materials, and overhead) of the foreign like vessel produced in facilities outside the exporting country and costs of production of the foreign like vessel produced in facilities in the exporting country, if such differences are demonstrated to its satisfaction.

''(e) CONSTRUCTED VALUE.—

''(1) IN GENERAL.—For purposes of this title, the constructed value of a subject vessel shall be an amount equal to the sum of—

''(A) the cost of materials and fabrication or other processing of any kind employed in producing the subject vessel, during a period which would ordinarily permit the production of the vessel in the ordinary course of business, and

''(B)(i) the actual amounts incurred and realized by the foreign producer of the subject vessel for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like vessel, in the ordinary course of trade, in the domestic

market of the country of origin of the subject vessel, or

''(ii) if actual data are not available with respect to the amounts described in clause (i), then—

''(I) the actual amounts incurred and realized by the foreign producer of the subject vessel for selling, general, and administrative expenses, and for profits, in connection with the production and sale of the same general category of vessel in the domestic market of the country of origin of the subject vessel,

''(II) the weighted average of the actual amounts incurred and realized by producers in the country of origin of the subject vessel (other than the producer of the subject vessel) for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like vessel, in the ordinary course of trade, in the domestic market, or

''(III) if data is not available under subclause (I) or (II), the amounts incurred and realized for selling, general, and administrative expenses, and for profits, based on any other reasonable method, except that the amount allowed for profit may not exceed the amount normally realized by foreign producers (other than the producer of the subject vessel) in connection with the sale of vessels in the same general category of vessel as the subject vessel in the domestic market of the country of origin of the subject vessel.

The profit shall, for purposes of this paragraph, be based on the average profit realized over a reasonable period of time before and after the sale of the subject vessel and shall reflect a reasonable profit at the time of such sale. For purposes of the preceding sentence, a 'reasonable period of time' shall not, except where otherwise appropriate, exceed 6 months before, or 6 months after, the sale of the subject vessel. In calculating profit under this paragraph, any distortion which would result in other than a profit which is reasonable at the time of the sale shall be eliminated.

''(2) COSTS AND PROFITS BASED ON OTHER REASONABLE METHODS.—When costs and profits are determined under paragraph (1)(B)(ii)(III), such determination shall, except where otherwise appropriate, be based on appropriate export sales by the producer of the subject vessel or, absent such sales, to export sales by other producers of a foreign like vessel or the same general category of vessel as the subject vessel in the country of origin of the subject vessel.

''(3) COSTS OF MATERIALS.—For purposes of paragraph (1)(A), the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or their disposition which are remitted or refunded upon exportation of the subject vessel produced from such materials.

''(f) SPECIAL RULES FOR CALCULATION OF COST OF PRODUCTION AND FOR CALCULATION OF CONSTRUCTED VALUE.—For purposes of subsections (b) and (e)—

''(1) COSTS.—

''(A) IN GENERAL.—Costs shall normally be calculated based on the records of the foreign producer of the subject vessel, if such records are kept in accordance with the generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the vessel. The administering authority shall consider all available evidence on proper allocation of costs, including that which is made available by the foreign producer on a timely basis, if such allocations have been historically used by the foreign producer, in particular for establishing appropriate amortization and depreciation periods, and allowances for capital expenditures and other development costs.

''(B) NONRECURRING COSTS.—Costs shall be adjusted appropriately for those nonrecurring costs that benefit current or future production, or both.

''(C) STARTUP COSTS.—

''(i) IN GENERAL.—Costs shall be adjusted appropriately for circumstances in which costs incurred during the time period covered by the investigation are affected by startup operations.

''(ii) STARTUP OPERATIONS.—Adjustments shall be made for startup operations only where—

''(I) a producer is using new production facilities or producing a new type of vessel that requires substantial additional investment, and

''(II) production levels are limited by technical factors associated with the initial phase of commercial production.

For purposes of subclause (II), the initial phase of commercial production ends at the end of the startup period. In determining whether commercial production levels have been achieved, the administering authority shall consider factors unrelated to startup operations that might affect the volume of production processed, such as demand, seasonality, or business cycles.

''(iii) ADJUSTMENT FOR STARTUP OPERATIONS.—The adjustment for startup operations shall be made by substituting the unit production costs incurred with respect to the vessel at the end of the startup period for the unit production costs incurred during the startup period. If the startup period extends beyond the period of the investigation under this title, the administering authority shall use the most recent cost of production data that it reasonably can obtain, analyze, and verify without delaying the timely completion of the investigation. For purposes of this subparagraph, the startup period ends at the point at which the level of commercial production that is characteristic of the vessel, the producer, or the industry is achieved.

''(D) COSTS DUE TO EXTRAORDINARY CIRCUMSTANCES NOT INCLUDED.—Costs shall not include actual costs which are due to extraordinary circumstances (including, but not limited to, labor disputes, fire, and natural disasters) and which are significantly over the cost increase which the shipbuilder could have reasonably anticipated and taken into account at the time of sale.

''(2) TRANSACTIONS DISREGARDED.—A transaction directly or indirectly between affiliated persons may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales of a like vessel in the market under consideration. If a transaction is disregarded under the preceding sentence and no other transactions are available for consideration, the determination of the amount shall be based on the information available as to what the amount would have been if the transaction had occurred between persons who are not affiliated.

''(3) MAJOR INPUT RULE.—If, in the case of a transaction between affiliated persons involving the production by one of such persons of a major input to the subject vessel, the administering authority has reasonable grounds to believe or suspect that an amount represented as the value of such input is less than the cost of production of such input, then the administering authority may determine the value of the major input on the basis of the information available regarding such cost of production, if such cost is greater than the amount that would be determined for such input under paragraph (2).

"SEC. 823. CURRENCY CONVERSION.

''(a) IN GENERAL.—In an injurious pricing proceeding under this title, the administering authority shall convert foreign currencies into United States dollars using the exchange rate in effect on the date of sale of the subject vessel, except that if it is established that a currency transaction on forward markets is directly linked to a sale under consideration, the exchange rate specified with respect to such foreign currency in the forward sale agreement shall be used to convert the foreign currency.

''(b) DATE OF SALE.—For purposes of this section, 'date of sale' means the date of the contract of sale or, where appropriate, the date on which the material terms of sale are otherwise established. If the material terms of sale are significantly changed after such date, the date of sale is the date of such change. In the case of such a change in the date of sale, the administering authority shall make appropriate adjustments to take into account any unreasonable effect on the injurious pricing margin due only to fluctuations in the exchange rate between the original date of sale and the new date of sale.

"Subtitle C—Procedures

"SEC. 841. HEARINGS.

''(a) UPON REQUEST.—The administering authority and the Commission shall each hold a hearing in the course of an investigation under this title, upon the request of any party to the investigation, before making a final determination under section 805.

''(b) PROCEDURES.—Any hearing required or permitted under this title shall be conducted after notice published in the Federal Register, and a transcript of the hearing shall be prepared and made available to the public. The hearing shall not be subject to the provisions of subchapter II of chapter 5 of title 5, United States Code, or to section 702 of such title.

"SEC. 842. DETERMINATIONS ON THE BASIS OF THE FACTS AVAILABLE.

''(a) IN GENERAL.—If—

''(1) necessary information is not available on the record, or

''(2) an interested party or any other person—

''(A) withholds information that has been requested by the administering authority or the Commission under this title,

''(B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (b)(1) and (d) of section 844,

''(C) significantly impedes a proceeding under this title, or

''(D) provides such information but the information cannot be verified as provided in section 844(g),

the administering authority and the Commission shall, subject to section 844(c), use the facts otherwise available in reaching the applicable determination under this title.

''(b) ADVERSE INFERENCES.—If the administering authority or the Commission (as the case may be) finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority or the Commission, the administering authority or the Commission (as the case may be), in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. Such adverse inference may include reliance on information derived from—

''(1) the petition, or

''(2) any other information placed on the record.

''(c) CORROBORATION OF SECONDARY INFORMATION.—When the administering authority or the Commission relies on secondary information rather than on information obtained in the course of an investigation under this title, the administering authority and the Commission, as the case may be, shall, to the extent practicable, corroborate that information from independent sources that are reasonably at their disposal.

"SEC. 843. ACCESS TO INFORMATION.

''(a) INFORMATION GENERALLY MADE AVAILABLE.—

''(1) PROGRESS OF INVESTIGATION REPORTS.—The administering authority and the Commission shall, from time to time upon request, inform the parties to an investigation under this title of the progress of that investigation.

''(2) EX PARTE MEETINGS.—The administering authority and the Commission shall maintain a record of any ex parte meeting between—

''(A) interested parties or other persons providing factual information in connection with a proceeding under this title, and

''(B) the person charged with making the determination, or any person charged with making a final recommendation to that person, in connection with that proceeding,

if information relating to that proceeding was presented or discussed at such meeting. The record of such an ex parte meeting shall include the identity of the persons present at the meeting, the date, time, and place of the meeting, and a summary of the matters discussed or submitted. The record of the ex parte meeting shall be included in the record of the proceeding.

''(3) SUMMARIES; NON-PROPRIETARY SUBMISSIONS.—The administering authority and the Commission shall disclose—

''(A) any proprietary information received in the course of a proceeding under this title if it is disclosed in a form which cannot be associated with, or otherwise be used to identify, operations of a particular person, and

''(B) any information submitted in connection with a proceeding which is not designated as proprietary by the person submitting it.

''(4) MAINTENANCE OF PUBLIC RECORD.—The administering authority and the Commission shall maintain and make available for public inspection and copying a record of all information which is obtained by the administering authority or the Commission, as the case may be, in a proceeding under this title to the extent that public disclosure of the information is not prohibited under this chapter or exempt from disclosure under section 552 of title 5, United States Code.

''(b) PROPRIETARY INFORMATION.—

''(1) PROPRIETARY STATUS MAINTAINED.—

''(A) IN GENERAL.—Except as provided in subsection (a)(4) and subsection (c), information submitted to the administering authority or the Commission which is designated as proprietary by the person submitting the information shall not be disclosed to any person without the consent of the person submitting the information, other than—

''(i) to an officer or employee of the administering authority or the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted or any other proceeding under this title covering the same subject vessel, or

''(ii) to an officer or employee of the United States Customs Service who is directly involved in conducting an investigation regarding fraud under this title.

''(B) ADDITIONAL REQUIREMENTS.—The administering authority and the Commission shall require that information for which proprietary treatment is requested be accompanied by—

''(i) either—

''(I) a nonproprietary summary in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, or

''(II) a statement that the information is not susceptible to summary, accompanied by a statement of the reasons in support of the contention, and

''(ii) either—

''(I) a statement which permits the administering authority or the Commission to release under administrative protective order, in accordance with subsection (c), the information submitted in confidence, or

''(II) a statement to the administering authority or the Commission that the business proprietary information is of a type that should not be released under administrative protective order.

''(2) UNWARRANTED DESIGNATION.—If the administering authority or the Commission determines, on the basis of the nature and extent of the information or its availability from public sources, that designation of any information as proprietary is unwarranted, then it shall notify the person who submitted it and ask for an explanation of the reasons for the designation. Unless that person persuades the administering authority or the Commission that the designation is warranted, or withdraws the designation, the administering authority or the Commission, as the case may be, shall return it to the party submitting it. In a case in which the administering authority or the Commission returns the information to the person submitting it, the person may thereafter submit other material concerning the subject matter of the returned information if the submission is made within the time otherwise provided for submitting such material.

''(c) LIMITED DISCLOSURE OF CERTAIN PROPRIETARY INFORMATION UNDER PROTECTIVE ORDER.—

''(1) DISCLOSURE BY ADMINISTERING AUTHORITY OR COMMISSION.—

''(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority or the Commission shall make all business proprietary information presented to, or obtained by it, during a proceeding under this title (except privileged information, classified information, and specific information of a type for which there is a clear and compelling need to withhold from disclosure) available to all interested parties who are parties to the proceeding under a protective order described in subparagraph (B), regardless of when the information is submitted during the proceeding. Customer names (other than the name of the United States buyer of the subject vessel) obtained during any investigation which requires a determination under section 805(b) may not be disclosed by the administering authority under protective order until either an order is published under section 806(a) as a result of the investigation or the investigation is suspended or terminated. The Commission may delay disclosure of customer names (other than the name of the United States buyer of the subject vessel) under protective order during any such investigation until a reasonable time before any hearing provided under section 841 is held.

''(B) PROTECTIVE ORDER.—The protective order under which information is made available shall contain such requirements as the administering authority or the Commission may determine by regulation to be appropriate. The administering authority and the Commission shall provide by regulation for such sanctions as the administering authority and the Commission determine to be appropriate, including disbarment from practice before the agency.

''(C) TIME LIMITATIONS ON DETERMINATIONS.—The administering authority or the Commission, as the case may be, shall determine whether to make information available under this paragraph—

''(i) not later than 14 days (7 days if the submission pertains to a proceeding under section 803(a)) after the date on which the information is submitted, or

''(ii) if—

''(I) the person submitting the information raises objection to its release, or

''(II) the information is unusually voluminous or complex,

not later than 30 days (10 days if the submission pertains to a proceeding under section 803(a)) after the date on which the information is submitted.

''(D) AVAILABILITY AFTER DETERMINATION.—If the determination under subparagraph (C) is affirmative, then—

''(i) the business proprietary information submitted to the administering authority or the Commission on or before the date of the determination shall be made available, subject to the terms and conditions of the protective order, on such date, and

''(ii) the business proprietary information submitted to the administering authority or the Commission after the date of the determination shall be served as required by subsection (d).

''(E) FAILURE TO DISCLOSE.—If a person submitting information to the administering authority refuses to disclose business proprietary information which the administering authority determines should be released under a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting the information and summary and shall not consider either.

''(2) DISCLOSURE UNDER COURT ORDER.—If the administering authority or the Commission denies a request for information under paragraph (1), then application may be made to the United States Court of International Trade for an order directing the administering authority or the Commission, as the case may be, to make the information available. After notification of all parties to the investigation and after an opportunity for a hearing on the record, the court may issue an order, under such conditions as the court deems appropriate, which shall not have the effect of stopping or suspending the investigation, directing the administering authority or the Commission to make all or a portion of the requested information described in the preceding sentence available under a protective order and setting forth sanctions for violation of such order if the court finds that, under the standards applicable in proceedings of the court, such an order is warranted, and that—

''(A) the administering authority or the Commission has denied access to the information under subsection (b)(1),

''(B) the person on whose behalf the information is requested is an interested party who is a party to the investigation in connection with which the information was obtained or developed, and

''(C) the party which submitted the information to which the request relates has been notified, in advance of the hearing, of the request made under this section and of its right to appear and be heard.

''(d) SERVICE.—Any party submitting written information, including business proprietary information, to the administering authority or the Commission during a proceeding shall, at the same time, serve the information upon all interested parties who are parties to the proceeding, if the information is covered by a protective order. The administering authority or the Commission shall not accept any such information that is not accompanied by a certificate of service and a copy of the protective order version of the document containing the information. Business proprietary information shall only be served upon interested parties who are parties to the proceeding that are subject to protective order, except that a nonconfidential summary thereof shall be served upon all other interested parties who are parties to the proceeding.

''(e) INFORMATION RELATING TO VIOLATIONS OF PROTECTIVE ORDERS AND SANCTIONS.—The administering authority and the Commission may withhold from disclosure any correspondence, private letters of reprimand, settlement agreements, and documents and files compiled in relation to investigations and actions involving a violation or possible violation of a protective order issued under subsection (c), and such information shall be treated as information described in section 552(b)(3) of title 5, United States Code.

''(f) OPPORTUNITY FOR COMMENT BY VESSEL BUYERS.—The administering authority and the Commission shall provide an opportunity for buyers of subject vessels to submit relevant information to the administering authority concerning a sale at less than fair value or countermeasures, and to the Commission concerning material injury by reason of the sale of a vessel at less than fair value.

''(g) PUBLICATION OF DETERMINATIONS; REQUIREMENTS FOR FINAL DETERMINATIONS.—

''(1) IN GENERAL.—Whenever the administering authority makes a determination under section 802 whether to initiate an investigation, or

the administering authority or the Commission makes a preliminary determination under section 803, a final determination under section 805, a determination under subsection (b), (c), (d), (e)(3)(B)(ii), (g), or (i) of section 807, or a determination to suspend an investigation under this title, the administering authority or the Commission, as the case may be, shall publish the facts and conclusions supporting that determination, and shall publish notice of that determination in the Federal Register.

''(2) CONTENTS OF NOTICE OR DETERMINATION.—The notice or determination published under paragraph (1) shall include, to the extent applicable—

''(A) in the case of a determination of the administering authority—

''(i) the names of the foreign producer and the country of origin of the subject vessel,

''(ii) a description sufficient to identify the subject vessel,

''(iii) with respect to an injurious pricing charge, the injurious pricing margin established and a full explanation of the methodology used in establishing such margin,

''(iv) with respect to countermeasures, the scope and duration of countermeasures and, if applicable, any changes thereto, and

''(v) the primary reasons for the determination, and

''(B) in the case of a determination of the Commission—

''(i) considerations relevant to the determination of injury, and

''(ii) the primary reasons for the determination.

''(3) ADDITIONAL REQUIREMENTS FOR FINAL DETERMINATIONS.—In addition to the requirements set forth in paragraph (2)—

''(A) the administering authority shall include in a final determination under section 805 or 807(c) an explanation of the basis for its determination that addresses relevant arguments, made by interested parties who are parties to the investigation, concerning the establishment of the injurious pricing charge with respect to which the determination is made, and

''(B) the Commission shall include in a final determination of injury an explanation of the basis for its determination that addresses relevant arguments that are made by interested parties who are parties to the investigation concerning the effects and impact on the industry of the sale of the subject vessel.

''SEC. 844. CONDUCT OF INVESTIGATIONS.

''(a) CERTIFICATION OF SUBMISSIONS.—Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.

''(b) DIFFICULTIES IN MEETING REQUIREMENTS.—

''(1) NOTIFICATION BY INTERESTED PARTY.—If an interested party, promptly after receiving a request from the administering authority or the Commission for information, notifies the administering authority or the Commission (as the case may be) that such party is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative forms in which such party is able to submit the information, the administering authority or the Commission (as the case may be) shall consider the ability of the interested party to submit the information in the requested form and manner and may modify such requirements to the extent necessary to avoid imposing an unreasonable burden on that party.

''(2) ASSISTANCE TO INTERESTED PARTIES.—The administering authority and the Commission shall take into account any difficulties experienced by interested parties, particularly small companies, in supplying information requested by the administering authority or the Commission in connection with investigations under this title, and shall provide to such interested parties any assistance that is practicable in supplying such information.

''(c) DEFICIENT SUBMISSIONS.—If the administering authority or the Commission determines that a response to a request for information under this title does not comply with the request, the administering authority or the Commission (as the case may be) shall promptly inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of investigations or reviews under this title. If that person submits further information in response to such deficiency and either—

''(1) the administering authority or the Commission (as the case may be) finds that such response is not satisfactory, or

''(2) such response is not submitted within the applicable time limits,

then the administering authority or the Commission (as the case may be) may, subject to subsection (d), disregard all or part of the original and subsequent responses.

''(d) USE OF CERTAIN INFORMATION.—In reaching a determination under section 803, 805, or 807, the administering authority and the Commission shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority or the Commission if—

''(1) the information is submitted by the deadline established for its submission,

''(2) the information can be verified,

''(3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination,

''(4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the administering authority or the Commission with respect to the information, and

''(5) the information can be used without undue difficulties.

''(e) NONACCEPTANCE OF SUBMISSIONS.—If the administering authority or the Commission declines to accept into the record any information submitted in an investigation under this title, it shall, to the extent practicable, provide to the person submitting the information a written explanation of the reasons for not accepting the information.

''(f) PUBLIC COMMENT ON INFORMATION.—Information that is submitted on a timely basis to the administering authority or the Commission during the course of a proceeding under this title shall be subject to comment by other parties within such reasonable time as the administering authority or the Commission shall provide. The administering authority and the Commission, before making a final determination under section 805 or 807, shall cease collecting information and shall provide the parties with a final opportunity to comment on the information obtained by the administering authority or the Commission (as the case may be) upon which the parties have not previously had an opportunity to comment. Comments containing new factual information shall be disregarded.

''(g) VERIFICATION.—The administering authority shall verify all information relied upon in making a final determination under section 805.

''SEC. 845. ADMINISTRATIVE ACTION FOLLOWING SHIPBUILDING AGREEMENT PANEL REPORTS.

''(a) ACTION BY UNITED STATES INTERNATIONAL TRADE COMMISSION.—

''(1) ADVISORY REPORT.—If a dispute settlement panel under the Shipbuilding Agreement finds in a report that an action by the Commission in connection with a particular proceeding under this title is not in conformity with the obligations of the United States under the Shipbuilding Agreement, the Trade Representative may request the Commission to issue an advisory report on whether this title permits the Commission to take steps in connection with the particular proceeding that would render its action not inconsistent with the findings of the panel concerning those obligations. The Trade Representative shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of such request.

''(2) TIME LIMITS FOR REPORT.—The Commission shall transmit its report under paragraph (1) to the Trade Representative within 30 calendar days after the Trade Representative requests the report.

''(3) CONSULTATIONS ON REQUEST FOR COMMISSION DETERMINATION.—If a majority of the Commissioners issues an affirmative report under paragraph (1), the Trade Representatives shall consult with the congressional committees listed in paragraph (1) concerning the matter.

''(4) COMMISSION DETERMINATION.—Notwithstanding any other provision of this title, if a majority of the Commissioners issues an affirmative report under paragraph (1), the Commission, upon the written request of the Trade Representative, shall issue a determination in connection with the particular proceeding that would render the Commission's action described in paragraph (1) not inconsistent with the findings of the panel. The Commission shall issue its determination not later than 120 calendar days after the request from the Trade Representative is made.

''(5) CONSULTATIONS ON IMPLEMENTATION OF COMMISSION DETERMINATION.—The Trade Representative shall consult with the congressional committees listed in paragraph (1) before the Commission's determination under paragraph (4) is implemented.

''(6) REVOCATION OF ORDER.—If, by virtue of the Commission's determination under paragraph (4), an injurious pricing order is no longer supported by an affirmative Commission determination under this title, the Trade Representative may, after consulting with the congressional committees under paragraph (5), direct the administering authority to revoke the injurious pricing order.

''(b) ACTION BY ADMINISTERING AUTHORITY.—

''(1) CONSULTATIONS WITH ADMINISTERING AUTHORITY AND CONGRESSIONAL COMMITTEES.—Promptly after a report or other determination by a dispute settlement panel under the Shipbuilding Agreement is issued that contains findings that—

''(A) an action by the administering authority in a proceeding under this title is not in conformity with the obligations of the United States under the Shipbuilding Agreement,

''(B) the due date for payment of an injurious pricing charge contained in an order issued under section 806 should be amended,

''(C) countermeasures provided for in an order issued under section 807 should be provisionally suspended or reduced pending the final decision of the panel, or

''(D) the scope or duration of countermeasures imposed under section 807 should be narrowed or shortened,

the Trade Representative shall consult with the administering authority and the congressional committees listed in subsection (a)(1) on the matter.

''(2) DETERMINATION BY ADMINISTERING AUTHORITY.—Notwithstanding any other provision of this title, the administering authority shall, in response to a written request from the Trade Representative, issue a determination, or an amendment to or suspension of an injurious pricing or countermeasure order, as the case may be, in connection with the particular proceeding that would render the administering

authority's action described in paragraph (1) not inconsistent with the findings of the panel.

''(3) TIME LIMITS FOR DETERMINATIONS.—The administering authority shall issue its determination, amendment, or suspension under paragraph (2)—

''(A) with respect to a matter described in subparagraph (A) of paragraph (1), within 180 calendar days after the request from the Trade Representative is made, and

''(B) with respect to a matter described in subparagraph (B), (C), or (D) of paragraph (1), within 15 calendar days after the request from the Trade Representative is made.

''(4) CONSULTATIONS BEFORE IMPLEMENTATION.—Before the administering authority implements any determination, amendment, or suspension under paragraph (2), the Trade Representative shall consult with the administering authority and the congressional committees listed in subsection (a)(1) with respect to such determination, amendment, or suspension.

''(5) IMPLEMENTATION OF DETERMINATION.—The Trade Representative may, after consulting with the administering authority and the congressional committees under paragraph (4), direct the administering authority to implement, in whole or in part, the determination, amendment, or suspension made under paragraph (2).

''(6) IMPLEMENTATION OF DETERMINATION; NOTICE OF IMPLEMENTATION.—The administering authority shall implement the determination, amendment, or suspension under paragraph (2)—

''(A) with respect to a matter described in subparagraph (A) of paragraph (1), only if the injurious pricing margin determined under paragraph (2) differs from the injurious pricing margin in the determination reviewed by the panel, and

''(B) with respect to a matter described in subparagraph (B), (C), or (D) of paragraph (1), upon issuance of the determination, amendment, or suspension under paragraph (2).

The administering authority shall publish notice of such implementation in the Federal Register.

''(c) OPPORTUNITY FOR COMMENT BY INTERESTED PARTIES.—Before issuing a determination, amendment, or suspension, the administering authority, in a matter described in subsection (b)(1)(A), or the Commission, in a matter described in subsection (a)(1), as the case may be, shall provide interested parties with an opportunity to submit written comments and, in appropriate cases, may hold a hearing, with respect to the determination.

''Subtitle D—Definitions

''SEC. 861. DEFINITIONS.

''For purposes of this title:

''(1) ADMINISTERING AUTHORITY.—The term 'administering authority' means the Secretary of Commerce, or any other officer of the United States to whom the responsibility for carrying out the duties of the administering authority under this title are transferred by law.

''(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(3) COUNTRY.—The term 'country' means a foreign country, a political subdivision, dependent territory, or possession of a foreign country and, except as provided in paragraph (16)(E)(iii), may not include an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of countries into a customs union outside the United States.

''(4) INDUSTRY.—

''(A) IN GENERAL.—Except as used in section 808, the term 'industry' means the producers as a whole of a domestic like vessel, or those producers whose collective capability to produce a domestic like vessel constitutes a major proportion of the total domestic capability to produce a domestic like vessel.

''(B) PRODUCER.—A 'producer' of a domestic like vessel includes an entity that is producing the domestic like vessel and an entity with the capability to produce the domestic like vessel.

''(C) CAPABILITY TO PRODUCE A DOMESTIC LIKE VESSEL.—A producer has the 'capability to produce a domestic like vessel' if it is capable of producing a domestic like vessel with its present facilities or could adapt its facilities in a timely manner to produce a domestic like vessel.

''(D) RELATED PARTIES.—(i) In an investigation under this title, if a producer of a domestic like vessel and the foreign producer, seller (other than the foreign producer), or United States buyer of the subject vessel are related parties, or if a producer of a domestic like vessel is also a United States buyer of the subject vessel, the domestic producer may, in appropriate circumstances, be excluded from the industry.

''(ii) For purposes of clause (i), a domestic producer and the foreign producer, seller, or United States buyer shall be considered to be related parties, if—

''(I) the domestic producer directly or indirectly controls the foreign producer, seller or United States buyer,

''(II) the foreign producer, seller, or United States buyer directly or indirectly controls the domestic producer,

''(III) a third party directly or indirectly controls the domestic producer and the foreign producer, seller, or United States buyer, or

''(IV) the domestic producer and the foreign producer, seller, or United States buyer directly or indirectly control a third party and there is reason to believe that the relationship causes the producer to act differently than a nonrelated producer.

For purposes of this subparagraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

''(E) PRODUCT LINES.—In an investigation under this title, the effect of the sale of the subject vessel shall be assessed in relation to the United States production (or production capability) of a domestic like vessel if available data permit the separate identification of production (or production capability) in terms of such criteria as the production process or the producer's profits. If the domestic production (or production capability) of a domestic like vessel has no separate identity in terms of such criteria, then the effect of the sale shall be assessed by the examination of the production (or production capability) of the narrowest group or range of vessels, which includes a domestic like vessel, for which the necessary information can be provided.

''(5) BUYER.—The term 'buyer' means any person who acquires an ownership interest in a vessel, including by way of lease or long-term bareboat charter, in conjunction with the original transfer from the producer, either directly or indirectly, including an individual or company which owns or controls a buyer. There may be more than one buyer of any one vessel.

''(6) UNITED STATES BUYER.—The term 'United States buyer' means a buyer that is any of the following:

''(A) A United States citizen.

''(B) A juridical entity, including any corporation, company, association, or other organization, that is legally constituted under the laws and regulations of the United States or a political subdivision thereof, regardless of whether the entity is organized for pecuniary gain, privately or government owned, or organized with limited or unlimited liability.

''(C) A juridical entity that is owned or controlled by nationals or entities described in subparagraphs (A) and (B). For the purposes of this subparagraph—

''(i) the term 'own' means having more than a 50 percent interest, and

''(ii) the term 'control' means the actual ability to have substantial influence on corporate behavior, and control is presumed to exist where there is at least a 25 percent interest.

If ownership of a company is established under clause (i), other control is presumed not to exist unless it is otherwise established.

''(7) OWNERSHIP INTEREST.—An 'ownership interest' in a vessel includes any contractual or proprietary interest which allows the beneficiary or beneficiaries of such interest to take advantage of the operation of the vessel in a manner substantially comparable to the way in which an owner may benefit from the operation of the vessel. In determining whether such substantial comparability exists, the administering authority shall consider—

''(A) the terms and circumstances of the transaction which conveys the interest,

''(B) commercial practice,

''(C) whether the vessel subject to the transaction is integrated into the operations of the beneficiary or beneficiaries, and

''(D) whether in practice there is a likelihood that the beneficiary or beneficiaries of such interests will take advantage of and the risk for the operation of the vessel for a significant part of the life-time of the vessel.

''(8) VESSEL.—

''(A) IN GENERAL.—Except as otherwise specifically provided under international agreements, the term 'vessel' means—

''(i) a self-propelled seagoing vessel of 100 gross tons or more used for transportation of goods or persons or for performance of a specialized service (including, but not limited to, ice breakers and dredgers), and

''(ii) a tug of 365 kilowatts or more,

that is produced in a Shipbuilding Agreement Party or a country that is not a Shipbuilding Agreement Party and not a WTO member.

''(B) EXCLUSIONS.—The term 'vessel' does not include—

''(i) any fishing vessel destined for the fishing fleet of the country in which the vessel is built,

''(ii) any military vessel, and

''(iii) any vessel sold before the date that the Shipbuilding Agreement enters into force with respect to the United States, except that any vessel sold after December 21, 1994, for delivery more than 5 years after the date of the contract of sale shall be a 'vessel' for purposes of this title unless the shipbuilder demonstrates to the administering authority that the extended delivery date was for normal commercial reasons and not to avoid applicability of this title.

''(C) SELF-PROPELLED SEAGOING VESSEL.—A vessel is 'self-propelled seagoing' if its permanent propulsion and steering provide it all the characteristics of self-navigability in the high seas.

''(D) MILITARY VESSEL.—A 'military vessel' is a vessel which, according to its basic structural characteristics and ability, is intended to be used exclusively for military purposes.

''(9) LIKE VESSEL.—The term 'like vessel' means a vessel of the same type, same purpose, and approximate size as the subject vessel and possessing characteristics closely resembling those of the subject vessel.

''(10) DOMESTIC LIKE VESSEL.—The term 'domestic like vessel' means a like vessel produced in the United States.

''(11) FOREIGN LIKE VESSEL.—Except as used in section 822(e)(1)(B)(ii)(II), the term 'foreign like vessel' means a like vessel produced by the foreign producer of the subject vessel for sale in the producer's domestic market or in a third country.

''(12) SAME GENERAL CATEGORY OF VESSEL.—The term 'same general category of vessel' means a vessel of the same type and purpose as the subject vessel, but of a significantly different size.

''(13) SUBJECT VESSEL.—The term 'subject vessel' means a vessel subject to investigation under section 801 or 808.

''(14) FOREIGN PRODUCER.—The term 'foreign producer' means the producer or producers of the subject vessel.

''(15) EXPORTING COUNTRY.—The term 'exporting country' means the country in which the subject vessel was built.

''(16) MATERIAL INJURY.—

''(A) IN GENERAL.—The term 'material injury' means harm which is not inconsequential, immaterial, or unimportant.

''(B) SALE AND CONSEQUENT IMPACT.—In making determinations under sections 803(a) and 805(b), the Commission in each case—

''(i) shall consider—

''(I) the sale of the subject vessel,

''(II) the effect of the sale of the subject vessel on prices in the United States for a domestic like vessel, and

''(III) the impact of the sale of the subject vessel on domestic producers of the domestic like vessel, but only in the context of production operations within the United States, and

''(ii) may consider such other economic factors as are relevant to the determination regarding whether there is or has been material injury by reason of the sale of the subject vessel.

In the notification required under section 805(d), the Commission shall explain its analysis of each factor considered under clause (i), and identify each factor considered under clause (ii) and explain in full its relevance to the determination.

''(C) EVALUATION OF RELEVANT FACTORS.—For purposes of subparagraph (B)—

''(i) SALE OF THE SUBJECT VESSEL.—In evaluating the sale of the subject vessel, the Commission shall consider whether the sale, either in absolute terms or relative to production or demand in the United States, in terms of either volume or value, is or has been significant.

''(ii) PRICE.—In evaluating the effect of the sale of the subject vessel on prices, the Commission shall consider whether—

''(I) there has been significant price underselling of the subject vessel as compared with the price of a domestic like vessel, and

''(II) the effect of the sale of the subject vessel otherwise depresses or has depressed prices to a significant degree or prevents or has prevented price increases, which otherwise would have occurred, to a significant degree.

''(iii) IMPACT ON AFFECTED DOMESTIC INDUSTRY.—In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to—

''(I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

''(II) factors affecting domestic prices, including with regard to sales,

''(III) actual and potential negative effects on cash flow, employment, wages, growth, ability to raise capital, and investment,

''(IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of a domestic like vessel, and

''(V) the magnitude of the injurious pricing margin.

The Commission shall evaluate all relevant economic factors described in this clause within the context of the business cycle and conditions of competition that are distinctive to the affected industry.

''(D) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.

''(E) THREAT OF MATERIAL INJURY.—

''(i) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of the sale of the subject vessel, the Commission shall consider, among other relevant economic factors—

''(I) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased sales of a foreign like vessel to United States buyers, taking into account the availability of other export markets to absorb any additional exports,

''(II) whether the sale of a foreign like vessel or other factors indicate the likelihood of significant additional sales to United States buyers,

''(III) whether sale of the subject vessel or sale of a foreign like vessel by the foreign producer are at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further sales,

''(IV) the potential for product-shifting if production facilities in the exporting country, which can presently be used to produce a foreign like vessel or could be adapted in a timely manner to produce a foreign like vessel, are currently being used to produce other types of vessels,

''(V) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of a domestic like vessel, and

''(VI) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of the sale of the subject vessel.

''(ii) BASIS FOR DETERMINATION.—The Commission shall consider the factors set forth in clause (i) as a whole. The presence or absence of any factor which the Commission is required to consider under clause (i) shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.

''(iii) EFFECT OF INJURIOUS PRICING IN THIRD-COUNTRY MARKETS.—

''(I) IN GENERAL.—The Commission shall consider whether injurious pricing in the markets of foreign countries (as evidenced by injurious pricing findings or injurious pricing remedies of other Shipbuilding Agreement Parties, or anti-dumping determinations of, or measures imposed by, other countries, against a like vessel produced by the producer under investigation) suggests a threat of material injury to the domestic industry. In the course of its investigation, the Commission shall request information from the foreign producer or United States buyer concerning this issue.

''(II) EUROPEAN COMMUNITIES.—For purposes of this clause, the European Communities as a whole shall be treated as a single foreign country.

''(F) CUMULATION FOR DETERMINING MATERIAL INJURY.—

''(i) IN GENERAL.—For purposes of clauses (i) and (ii) of subparagraph (C), and subject to clause (ii) of this subparagraph, the Commission shall cumulatively assess the effects of sales of foreign like vessels from all foreign producers with respect to which—

''(I) petitions were filed under section 802(b) on the same day,

''(II) investigations were initiated under section 802(a) on the same day, or

''(III) petitions were filed under section 802(b) and investigations were initiated under section 802(a) on the same day,

if, with respect to such vessels, the foreign producers compete with each other and with producers of a domestic like vessel in the United States market.

''(ii) EXCEPTIONS.—The Commission shall not cumulatively assess the effects of sales under clause (i)—

''(I) with respect to which the administering authority has made a preliminary negative determination, unless the administering authority subsequently made a final affirmative determination with respect to those sales before the Commission's final determination is made, or

''(II) from any producer with respect to which the investigation has been terminated.

''(iii) RECORDS IN FINAL INVESTIGATIONS.—In each final determination in which it cumulatively assesses the effects of sales under clause (i), the Commission may make its determinations based on the record compiled in the first investigation in which it makes a final determination, except that when the administering authority issues its final determination in a subsequently completed investigation, the Commission shall permit the parties in the subsequent investigation to submit comments concerning the significance of the administering authority's final determination, and shall include such comments and the administering authority's final determination in the record for the subsequent investigation.

''(G) CUMULATION FOR DETERMINING THREAT OF MATERIAL INJURY.—To the extent practicable and subject to subparagraph (F)(ii), for purposes of clause (i) (II) and (III) of subparagraph (E), the Commission may cumulatively assess the effects of sales of like vessels from all countries with respect to which—

''(i) petitions were filed under section 802(b) on the same day,

''(ii) investigations were initiated under section 802(a) on the same day, or

''(iii) petitions were filed under section 802(b) and investigations were initiated under section 802(a) on the same day,

if, with respect to such vessels, the foreign producers compete with each other and with producers of a domestic like vessel in the United States market.

''(17) INTERESTED PARTY.—The term 'interested party' means, in a proceeding under this title—

''(A)(i) the foreign producer, seller (other than the foreign producer), and the United States buyer of the subject vessel, or

''(ii) a trade or business association a majority of the members of which are the foreign producer, seller, or United States buyer of the subject vessel,

''(B) the government of the country in which the subject vessel is produced or manufactured,

''(C) a producer that is a member of an industry,

''(D) a certified union or recognized union or group of workers which is representative of an industry,

''(E) a trade or business association a majority of whose members are producers in an industry,

''(F) an association, a majority of whose members is composed of interested parties described in subparagraph (C), (D), or (E), and

''(G) for purposes of section 807, a purchaser who, after the effective date of an order issued under that section, entered into a contract of sale with the foreign producer that is subject to the order.

''(18) AFFIRMATIVE DETERMINATIONS BY DIVIDED COMMISSION.—If the Commissioners voting on a determination by the Commission are evenly divided as to whether the determination should be affirmative or negative, the Commission shall be deemed to have made an affirmative determination. For the purpose of applying this paragraph when the issue before the Commission is to determine whether there is or has been—

''(A) material injury to an industry in the United States,

''(B) threat of material injury to such an industry, or

''(C) material retardation of the establishment of an industry in the United States,

by reason of the sale of the subject vessel, an affirmative vote on any of the issues shall be treated as a vote that the determination should be affirmative.

''(19) ORDINARY COURSE OF TRADE.—The term 'ordinary course of trade' means the conditions and practices which, for a reasonable time before the sale of the subject vessel, have been normal in the shipbuilding industry with respect to a like vessel. The administering authority shall consider the following sales and transactions, among others, to be outside the ordinary course of trade:

''(A) Sales disregarded under section 822(b)(1).

''(B) Transactions disregarded under section 822(f)(2).

''(20) NONMARKET ECONOMY COUNTRY.—

''(A) IN GENERAL.—The term 'nonmarket economy country' means any foreign country that the administering authority determines does not operate on market principles of cost or pricing structures, so that sales of vessels in such country do not reflect the fair value of the vessels.

''(B) FACTORS TO BE CONSIDERED.—In making determinations under subparagraph (A) the administering authority shall take into account—

''(i) the extent to which the currency of the foreign country is convertible into the currency of other countries,

''(ii) the extent to which wage rates in the foreign country are determined by free bargaining between labor and management,

''(iii) the extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country,

''(iv) the extent of government ownership or control of the means of production,

''(v) the extent of government control over the allocation of resources and over the price and output decisions of enterprises, and

''(vi) such other factors as the administering authority considers appropriate.

''(C) DETERMINATION IN EFFECT.—

''(i) Any determination that a foreign country is a nonmarket economy country shall remain in effect until revoked by the administering authority.

''(ii) The administering authority may make a determination under subparagraph (A) with respect to any foreign country at any time.

''(D) DETERMINATIONS NOT IN ISSUE.—Notwithstanding any other provision of law, any determination made by the administering authority under subparagraph (A) shall not be subject to judicial review in any investigation conducted under subtitle A.

''(21) SHIPBUILDING AGREEMENT.—The term 'Shipbuilding Agreement' means The Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry, resulting from negotiations under the auspices of the Organization for Economic Cooperation and Development, and entered into on December 21, 1994.

''(22) SHIPBUILDING AGREEMENT PARTY.—The term 'Shipbuilding Agreement Party' means a state or separate customs territory that is a Party to the Shipbuilding Agreement, and with respect to which the United States applies the Shipbuilding Agreement.

''(23) WTO AGREEMENT.—The term 'WTO Agreement' means the Agreement defined in section 2(9) of the Uruguay Round Agreements Act.

''(24) WTO MEMBER.—The term 'WTO member' means a state, or separate customs territory (within the meaning of Article XII of the WTO Agreement), with respect to which the United States applies the WTO Agreement.

''(25) TRADE REPRESENTATIVE.—The term 'Trade Representative' means the United States Trade Representative.

''(26) AFFILIATED PERSONS.—The following persons shall be considered to be 'affiliated' or 'affiliated persons':

''(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

''(B) Any officer or director of an organization and such organization.

''(C) Partners.

''(D) Employer and employee.

''(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization, and such organization.

''(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

''(G) Any person who controls any other person, and such other person.

For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

''(27) INJURIOUS PRICING.—The term 'injurious pricing' refers to the sale of a vessel at less than fair value.

''(28) INJURIOUS PRICING MARGIN.—

''(A) IN GENERAL.—The term 'injurious pricing margin' means the amount by which the normal value exceeds the export price of the subject vessel.

''(B) MAGNITUDE OF THE INJURIOUS PRICING MARGIN.—The magnitude of the injurious pricing margin used by the Commission shall be—

''(i) in making a preliminary determination under section 803(a) in an investigation (including any investigation in which the Commission cumulatively assesses the effect of sales under paragraph (16)(F)(i)), the injurious pricing margin or margins published by the administering authority in its notice of initiation of the investigation; and

''(ii) in making a final determination under section 805(b), the injurious pricing margin or margins most recently published by the administering authority before the closing of the Commission's administrative record.

''(29) COMMERCIAL INTEREST REFERENCE RATE.—The term 'Commercial Interest Reference Rate' or 'CIRR' means an interest rate that the administering authority determines to be consistent with Annex III, and appendices and notes thereto, of the Understanding on Export Credits for Ships, resulting from negotiations under the auspices of the Organization for Economic Cooperation, and entered into on December 21, 1994.

''(30) ANTIDUMPING.—

''(A) WTO MEMBERS.—In the case of a WTO member, the term 'antidumping' refers to action taken pursuant to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

''(B) OTHER CASES.—In the case of any country that is not a WTO member, the term 'antidumping' refers to action taken by the country against the sale of a vessel at less than fair value that is comparable to action described in subparagraph (A).

''(31) BROAD MULTIPLE BID.—The term 'broad multiple bid' means a bid in which the proposed buyer extends an invitation to at least all the producers in the industry known by the buyer to be capable of building the subject vessel.''.

SEC. 102. ENFORCEMENT OF COUNTERMEASURES.

Part II of title IV of the Tariff Act of 1930 is amended by adding at the end the following:

''SEC. 468. SHIPBUILDING AGREEMENT COUNTERMEASURES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, upon receiving from the Secretary of Commerce a list of vessels subject to countermeasures under section 807, the Customs Service shall deny any request for a permit to lade or unlade passengers, merchandise, or baggage from or onto those vessels so listed.

''(b) EXCEPTIONS.—Subsection (a) shall not be applied to deny a permit for the following:

''(1) To unlade any United States citizen or permanent legal resident alien from a vessel included in the list described in subsection (a), or to unlade any refugee or any alien who would otherwise be eligible to apply for asylum and withholding of deportation under the Immigration and Nationality Act.

''(2) To lade or unlade any crewmember of such vessel.

''(3) To lade or unlade coal and other fuel supplies (for the operation of the listed vessel), ships' stores, sea stores, and the legitimate equipment of such vessel.

''(4) To lade or unlade supplies for the use or sale on such vessel.

''(5) To lade or unlade such other merchandise, baggage, or passenger as the Customs Service shall determine necessary to protect the immediate health, safety, or welfare of a human being.

''(c) CORRECTION OF MINISTERIAL OR CLERICAL ERRORS.—

''(1) PETITION FOR CORRECTION.—If the master of any vessel whose application for a permit to lade or unlade has been denied under this section believes that such denial resulted from a ministerial or clerical error, not amounting to a mistake of law, committed by any Customs officer, the master may petition the Customs Service for correction of such error, as provided by regulation.

''(2) INAPPLICABILITY OF SECTIONS 514 AND 520.—Notwithstanding paragraph (1), imposition of countermeasures under this section shall not be deemed an exclusion or other protestable decision under section 514, and shall not be subject to correction under section 520.

''(3) PETITIONS SEEKING ADMINISTRATIVE REVIEW.—Any petition seeking administrative review of any matter regarding the Secretary of Commerce's decision to list a vessel under section 807 must be brought under that section.

''(d) PENALTIES.—In addition to any other provision of law, the Customs Service may impose a civil penalty of not to exceed $10,000 against the master of any vessel—

''(1) who submits false information in requesting any permit to lade or unlade; or

''(2) who attempts to, or actually does, lade or unlade in violation of any denial of such permit under this section.''.

SEC. 103. JUDICIAL REVIEW IN INJURIOUS PRICING AND COUNTERMEASURE PROCEEDINGS.

(a) JUDICIAL REVIEW.—Part III of title IV of the Tariff Act of 1930 is amended by inserting after section 516A the following:

''SEC. 516B. JUDICIAL REVIEW IN INJURIOUS PRICING AND COUNTERMEASURE PROCEEDINGS.

''(a) REVIEW OF DETERMINATION.—

''(1) IN GENERAL.—Within 30 days after the date of publication in the Federal Register of—

''(A)(i) a determination by the administering authority under section 802(c) not to initiate an investigation,

''(ii) a negative determination by the Commission under section 803(a) as to whether there is or has been reasonable indication of material injury, threat of material injury, or material retardation,

''(iii) a determination by the administering authority to suspend or revoke an injurious pricing order under section 806(d) or (e),

''(iv) a determination by the administering authority under section 807(c),

''(v) a determination by the administering authority in a review under section 807(d),

''(vi) a determination by the administering authority concerning whether to extend the scope or duration of a countermeasure order under section 807(e)(3)(B)(ii),

''(vii) a determination by the administering authority to amend a countermeasure order under section 807(e)(6),

''(viii) a determination by the administering authority in a review under section 807(g),

''(ix) a determination by the administering authority under section 807(i) to terminate proceedings, or to amend or revoke a countermeasure order,

''(x) a determination by the administering authority under section 845(b), with respect to a matter described in paragraph (1)(D) of that section, or

''(B)(i) an injurious pricing order based on a determination described in subparagraph (A) of paragraph (2),

''(ii) notice of a determination described in subparagraph (B) of paragraph (2),

''(iii) notice of implementation of a determination described in subparagraph (C) of paragraph (2), or

''(iv) notice of revocation of an injurious pricing order based on a determination described in subparagraph (D) of paragraph (2),

an interested party who is a party to the proceeding in connection with which the matter arises may commence an action in the United States Court of International Trade by filing concurrently a summons and complaint, each with the content and in the form, manner, and style prescribed by the rules of that court, contesting any factual findings or legal conclusions upon which the determination is based.

''(2) REVIEWABLE DETERMINATIONS.—The determinations referred to in paragraph (1)(B) are—

''(A) a final affirmative determination by the administering authority or by the Commission under section 805, including any negative part of such a determination (other than a part referred to in subparagraph (B)),

''(B) a final negative determination by the administering authority or the Commission under section 805,

''(C) a determination by the administering authority under section 845(b), with respect to a matter described in paragraph (1)(A) of that section, and

''(D) a determination by the Commission under section 845(a) that results in the revocation of an injurious pricing order.

''(3) EXCEPTION.—Notwithstanding the 30-day limitation imposed by paragraph (1) with regard to an order described in paragraph (1)(B)(i), a final affirmative determination by the administering authority under section 805 may be contested by commencing an action, in accordance with the provisions of paragraph (1), within 30 days after the date of publication in the Federal Register of a final negative determination by the Commission under section 805.

''(4) PROCEDURES AND FEES.—The procedures and fees set forth in chapter 169 of title 28, United States Code, apply to an action under this section.

''(b) STANDARDS OF REVIEW.—

''(1) REMEDY.—The court shall hold unlawful any determination, finding, or conclusion found—

''(A) in an action brought under subparagraph (A) of subsection (a)(1), to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, or

''(B) in an action brought under subparagraph (B) of subsection (a)(1), to be unsupported by substantial evidence on the record, or otherwise not in accordance with law.

''(2) RECORD FOR REVIEW.—

''(A) IN GENERAL.—For purposes of this subsection, the record, unless otherwise stipulated by the parties, shall consist of—

''(i) a copy of all information presented to or obtained by the administering authority or the Commission during the course of the administrative proceeding, including all governmental memoranda pertaining to the case and the record of ex parte meetings required to be kept by section 843(a)(2); and

''(ii) a copy of the determination, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.

''(B) CONFIDENTIAL OR PRIVILEGED MATERIAL.—The confidential or privileged status accorded to any documents, comments, or information shall be preserved in any action under this section. Notwithstanding the preceding sentence, the court may examine, in camera, the confidential or privileged material, and may disclose such material under such terms and conditions as it may order.

''(c) STANDING.—Any interested party who was a party to the proceeding under title VIII shall have the right to appear and be heard as a party in interest before the United States Court of International Trade in an action under this section. The party filing the action shall notify all such interested parties of the filing of an action under this section, in the form, manner, and within the time prescribed by rules of the court.

''(d) DEFINITIONS.—For purposes of this section:

''(1) ADMINISTERING AUTHORITY.—The term 'administering authority' has the meaning given that term in section 861(1).

''(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

''(3) INTERESTED PARTY.—The term 'interested party' means any person described in section 861(17).''.

(b) CONFORMING AMENDMENTS.—

(1) JURISDICTION OF THE COURT.—Section 1581(c) of title 28, United States Code, is amended by inserting ''or 516B'' after ''section 516A''.

(2) RELIEF.—Section 2643 of title 28, United States Code, is amended—

(A) in subsection (c)(1) by striking ''and (5)'' and inserting ''(5), and (6)''; and

(B) in subsection (c) by adding at the end the following new paragraph:

''(6) In any civil action under section 516B of the Tariff Act of 1930, the Court of International Trade may not issue injunctions or any other form of equitable relief, except with regard to implementation of a countermeasure order under section 468 of that Act, upon a proper showing that such relief is warranted.''.

TITLE II—OTHER PROVISIONS

SEC. 201. EQUIPMENT AND REPAIR OF VESSELS.

Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466), is amended by adding at the end the following new subsection:

''(i) The duty imposed by subsection (a) shall not apply with respect to activities occurring in a Shipbuilding Agreement Party, as defined in section 861(22), with respect to—

''(1) self-propelled seagoing vessels of 100 gross tons or more that are used for transportation of goods or persons or for performance of a specialized service (including, but not limited to, ice breakers and dredges), and

''(2) tugs of 365 kilowatts or more.

A vessel shall be considered 'self-propelled seagoing' if its permanent propulsion and steering provide it all the characteristics of self-navigability in the high seas.''.

SEC. 202. EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.

No person other than the United States—

(1) shall have any cause of action or defense under the Shipbuilding Agreement or by virtue of congressional approval of the agreement, or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, the District of Columbia, any State, any political subdivision of a State, or any territory or possession of the United States on the ground that such action or inaction is inconsistent with such agreement.

SEC. 203. IMPLEMENTING REGULATIONS.

After the date of the enactment of this Act, the heads of agencies with functions under this Act and the amendments made by this Act may issue such regulations as may be necessary to ensure that this Act is appropriately implemented on the date the Shipbuilding Agreement enters into force with respect to the United States.

SEC. 204. AMENDMENTS TO THE MERCHANT MARINE ACT, 1936.

The Merchant Marine Act, 1936, is amended as follows:

(1) Section 511(a)(2) (46 App. U.S.C. 1161(a)(2)) is amended by inserting after ''1939,'' the following: ''or, if the vessel is a Shipbuilding Agreement vessel, constructed in a Shipbuilding Agreement Party, but only with regard to moneys deposited, on or after the date on which the Shipbuilding Trade Agreement Act takes effect, into a construction reserve fund established under subsection (b)''.

(2) Section 601(a) (46 App. U.S.C. 1171(a)) is amended by striking '', and that such vessel or vessels were built in the United States, or have been documented under the laws of the United States not later than February 1, 1928, or actually ordered and under construction for the account of citizens of the United States prior to such date'' and inserting ''and that such vessel or vessels were built in the United States, or, if the vessel or vessels are Shipbuilding Agreement vessels, in a Shipbuilding Agreement Party''.

(3) Section 606(6) (46 App. U.S.C. 1176(6)) is amended by inserting ''or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party or in the United States'' before '', except in an emergency.''.

(4) Section 607 (46 App. U.S.C. 1177) is amended as follows:

(A) Subsection (a) is amended by inserting ''or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party,'' after ''built in the United States''.

(B) Subsection (k) is amended as follows:

(i) Paragraph (1) is amended by striking subparagraph (A) and inserting the following:

''(A)(i) constructed in the United States and, if reconstructed, reconstructed in the United States or in a Shipbuilding Agreement Party, or

''(ii) that is a Shipbuilding Agreement vessel and is constructed in a Shipbuilding Agreement Party and, if reconstructed, is reconstructed in a Shipbuilding Agreement Party or in the United States,''.

(ii) Paragraph (2)(A) is amended to read as follows:

''(A)(i) constructed in the United States and, if reconstructed, reconstructed in the United States or in a Shipbuilding Agreement Party, or

''(ii) that is a Shipbuilding Agreement vessel and is constructed in a Shipbuilding Agreement Party and, if reconstructed, is reconstructed in a Shipbuilding Agreement Party or in the United States, but only with regard to moneys deposited into the fund on or after the date on which the Shipbuilding Trade Agreement Act takes effect,''.

(5) Section 610 (46 App. U.S.C. 1180) is amended by striking ''shall be built in a domestic yard or shall have been documented under the laws of the United States not later than February 1, 1928, or actually ordered and under construction for the account of citizens of the United States prior to such date,'' and inserting ''shall be built in the United States or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party,''.

(6) Section 901(b)(1) (46 App. U.S.C. 1241(b)(1)) is amended by striking the third sentence and inserting the following:

''For purposes of this section, the term 'privately owned United States-flag commercial vessels' shall be deemed to include—

''(A) any privately owned United States-flag commercial vessel constructed in the United States, and if rebuilt, rebuilt in the United States or in a Shipbuilding Agreement Party on or after the date on which the Shipbuilding Trade Agreement Act takes effect, and

''(B) any privately owned vessel constructed in a Shipbuilding Agreement Party on or after the date on which the Shipbuilding Trade Agreement Act takes effect, and if rebuilt, rebuilt in a Shipbuilding Agreement Party or in the United States, that is documented pursuant to chapter 121 of title 46, United States Code.

The term 'privately owned United States-flag commercial vessels' shall also be deemed to include any cargo vessel that so qualified pursuant to section 615 of this Act or this paragraph before the date on which the Shipbuilding Trade Agreement Act takes effect. The term 'privately owned United States-flag commercial vessels' shall not be deemed to include any liquid bulk cargo vessel that does not meet the requirements of section 3703a of title 46, United States Code.''.

(7) Section 905 (46 App. U.S.C. 1244) is amended by adding at the end the following:

''(h) The term 'Shipbuilding Agreement' means the Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry, which resulted from

negotiations under the auspices of the Organization for Economic Cooperation and Development, and was entered into on December 21, 1994.

''(i) The term 'Shipbuilding Agreement Party' means a state or separate customs territory that is a Party to the Shipbuilding Agreement, and with respect to which the United States applies the Shipbuilding Agreement.

''(j) The term 'Shipbuilding Agreement vessel' means a vessel to which the Secretary determines Article 2.1 of the Shipbuilding Agreement applies.

''(k) The term 'Export Credit Understanding' means the Understanding on Export Credits for Ships which resulted from negotiations under the auspices of the Organization for Economic Cooperation and Development and was entered into on December 21, 1994.

''(l) The term 'Export Credit Understanding vessel' means a vessel to which the Secretary determines the Export Credit Understanding applies.''.

(8) Section 1104A (46 App. U.S.C. 1274) is amended as follows:

(A) Paragraph (5) of subsection (b) is amended to read as follows:

''(5) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percent per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary, except that, with respect to Export Credit Understanding vessels, and Shipbuilding Agreement vessels, the obligations shall bear interest at a rate the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be;''.

(B) Subsection (i) is amended to read as follows:

''(i)(1) Except as provided in paragraph (2), the Secretary may not, with respect to—

''(A) the general 75 percent or less limitation contained in subsection (b)(2),

''(B) the 87½ percent or less limitation contained in the 1st, 2nd, 4th, or 5th proviso to subsection (b)(2) or in section 1112(b), or

''(C) the 80 percent or less limitation in the 3rd proviso to such subsection,

establish by rule, regulation, or procedure any percentage within any such limitation that is, or is intended to be, applied uniformly to all guarantees or commitments to guarantee made under this section that are subject to the limitation.

''(2) With respect to Export Credit Understanding vessels and Shipbuilding Agreement vessels, the Secretary may establish by rule, regulation, or procedure a uniform percentage that the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be.''.

(C) Section 1104B(b) (46 App. U.S.C. 1274a(b)) is amended by striking the period at the end and inserting the following:

'', except that, with respect to Export Credit Understanding vessels and Shipbuilding Agreement vessels, the Secretary may establish by rule, regulation, or procedure a uniform percentage that the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be.''.

SEC. 205. WITHDRAWAL FROM THE AGREEMENT.

(a) WITHDRAWAL.—

(1) NOTICE.—The President shall give notice, under Article 14 of the Shipbuilding Agreement, of intent of the United States to withdraw from the Shipbuilding Agreement, as soon as is practicable after one or more Shipbuilding Agreement Parties give notice, under such article, of intent to withdraw from the Shipbuilding Agreement, if paragraph (2) applies.

(2) TONNAGE OF NEW CONSTRUCTION IN WITHDRAWING PARTIES.—This paragraph applies if the combined gross tonnage of new Shipbuilding Agreement vessels constructed in all Shipbuilding Agreement Parties who have given notice to withdraw from the Shipbuilding agreement, which were delivered in the calendar year preceding the calendar year in which the notice is given, is 15 percent or more of the gross tonnage of new Shipbuilding Agreement vessels that were constructed in all Shipbuilding Agreement Parties and were delivered in the calendar year preceding the calendar year in which the notice is given.

(3) TERMINATION OF WITHDRAWAL.—If a Shipbuilding Agreement Party described in paragraph (2) takes action to terminate its withdrawal from the Shipbuilding Agreement, so that paragraph (2) would not apply if that Party had not given the notice to withdraw, the President may take the necessary steps to terminate the notice of withdrawal of the United States from the Shipbuilding Agreement.

(b) REINSTATEMENT OF LAWS.—If the United States withdraws from the Shipbuilding agreement on the date on which such withdrawal becomes effective, the amendments made by section 204 shall be deemed not to have been made, and the provisions of law amended by section 204 shall, on and after such date, be effective as if this Act had not been enacted.

SEC. 206. DEFINITIONS.

As used in this title—

(1) the terms ''Shipbuilding Agreement'', ''Shipbuilding agreement Party'', and ''Shipbuilding Agreement vessel'' have the meanings given those terms in subsections (h), (i), and (j), respectively, of section 905 of the Merchant Marine Act, 1936, as added by section 204(7) of this Act; and

(2) the terms ''GATT 1994'' and ''Uruguay Round Agreements'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act.

TITLE III—REVENUE OFFSET

SEC. 301. PENALTIES FOR FAILURE TO DISCLOSE POSITION THAT CERTAIN INTERNATIONAL SHIPPING INCOME IS NOT INCLUDIBLE IN GROSS INCOME.

(a) IN GENERAL.—Section 883 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) PENALTIES FOR FAILURE TO DISCLOSE POSITION THAT CERTAIN INTERNATIONAL SHIPPING INCOME IS NOT INCLUDIBLE IN GROSS INCOME.—

''(1) IN GENERAL.—A taxpayer who, with respect to any tax imposed by this title, takes the position that any of its gross income derived from the international operation of a ship or ships is not includible in gross income by reason of subsection (a)(1) or section 872(b)(1) shall be entitled to such treatment only if such position is disclosed (in such manner as the Secretary may prescribe) on the return of tax for such tax (or any statement attached to such return).

''(2) ADDITIONAL PENALTIES FOR FAILING TO DISCLOSE POSITION.—If a taxpayer fails to meet the requirement of paragraph (1) with respect to any taxable year—

''(A) the amount of the income from the international operation of a ship or ships—

''(i) which is from sources without the United States, and

''(ii) which is attributable to a fixed place of business in the United States,

shall be treated for purposes of this title as effectively connected with the conduct of a trade or business within the United States, and

''(B) no deductions or credits shall be allowed which are attributable to income from the international operation of a ship or ships.

''(3) REASONABLE CAUSE EXCEPTION.—This subsection shall not apply to a failure to disclose a position if it is shown that such failure is due to reasonable cause and not due to willful neglect.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 872(b) of such Code is amended by striking ''Gross income'' and inserting ''Except as provided in section 883(d), gross income''.

(2) Paragraph (1) of section 883(a) of such Code is amended by striking ''Gross income'' and inserting ''Except as provided in subsection (d), gross income''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Notwithstanding section 3, the amendments made by this section shall apply to taxable years beginning after the later of—

(A) December 31, 1996, or

(B) the date that the Shipbuilding Agreement enters into force with respect to the United States.

(2) COORDINATION WITH TREATIES.—The amendments made by this section shall not apply in any case where their application would be contrary to any treaty obligation of the United States.

(d) INFORMATION TO BE PROVIDED BY CUSTOMS SERVICE.—The United States Custom Service shall provide the Secretary of the Treasury or his delegate with such information as may be specified by such Secretary in order to enable such Secretary to determine whether ships which are not registered in the United States are engaged in transportation to or from the United States.

The CHAIRMAN. No other amendment is in order except the amendment printed in part 2 of the report. That amendment may be offered only by a member designated in the report, shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider the amendment printed in part 2 of the report.

AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BATEMAN: In section 3 (page 2, line 15), strike ''This'' and insert ''Except as provided in section 206, this''.

Redesignate section 206 as section 209, and insert the following after section 205:

SEC. 296. APPLICABILITY OF TITLE XI AMENDMENTS.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Notwithstanding any provision of the Shipbuilding Agreement or the Export Credit Understanding, the amendments made by paragraph (8) of section 204 shall not apply with respect to any commitment to guarantee made under title XI of the Merchant Marine Act, 1936, before January 1, 1999, with respect to a vessel delivered—

(A) before January 1, 2002, or

(B) in the case of unusual circumstances to which paragraph (2) applies, as soon after January 1, 2002, as is practicable.

(2) UNUSUAL CIRCUMSTANCES.—This paragraph applies in a case in which unusual circumstances beyond the control of the parties concerned prevent the delivery of a vessel by January 1, 2002. As used in this paragraph, the term ''unusual circumstances'' means acts of God (other than ordinary storms or inclement weather conditions), labor strikes, acts of sabotage, explosions, fires, or vandalism, and similar circumstances.

SEC. 207. OTHER LAWS NOT AFFECTED.

The Shipbuilding Agreement shall not affect, directly or indirectly, the Merchant

Marine Act, 1920, the Act of June 19, 1886 (46 U.S.C. App. 289), or any other provision of law set forth in Accompanying Note 2 to Annex II to the Shipbuilding Agreement, and shall not provide any mechanism to subject any producer of vessels in the United States to financial penalties, duties, bid restrictions, unfavorable bid preferences, or withdrawal of concessions under the GATT 1994 or other Uruguay Round Agreements, in the competition for international commercial vessel construction or reconstruction orders because of construction of vessels by United States shipbuilders for operation in the coastwise trade of the United States.

SEC. 208. PROTECTION OF UNITED STATES INTERESTS.

Nothing in the Shipbuilding Agreement shall be construed to prevent the United States from taking any action which it considers necessary for the protection of essential security interests or from invoking its sovereign authority to define, for purposes of exclusion from coverage under the Shipbuilding Agreement and from any dispute or challenge based on Annex I to the Shipbuilding Agreement, ''military vessel'', ''military reserve vessel'', or ''essential security interest'' on a case by case basis, as determined by the Secretary of Defense.

In paragraph (1) of section 209 (as redesignated by this amendment), strike ''and 'Shipbuilding Agreement vessel' have the meanings given those terms in subsections (h), (i), and (j)'' and insert ''`Shipbuilding Agreement vessel', and 'Export Credit Understanding' have the meanings given those terms in subsections (h), (i), (j), and (k)''

Page 6, strike line 19 and all that follows through page 7, line 2.

Page 7, line 3, insert ''(I) if'' before ''the petitioner''.

Page 7, strike lines 9 through 11 and insert the following:

''(II) if the petitioner was not invited to tender a bid, the petition''.

Page 7, line 19, strike ''(i)(III)'' and insert ''(i)(II)''.

Page 9, line 10, strike ''(i) or (ii)'' and insert ''(i)(I)''.

Page 9, line 18, strike ''(1)(B)(iii)'' and insert ''(1)(B)(i)(II)''.

Page 49, add the following after line 24:

''SEC. 809. THIRD COUNTRY SALES.

''(a) FILING OF PETITION.—Any interested party that would be eligible to file a petition under section 802(b)(1) with respect to a sale if such sale had been to a United States buyer may, with respect to a sale of a vessel by a foreign producer in a Shipbuilding Agreement Party to a buyer in a third country that is a Shipbuilding Agreement Party, file with the Trade Representative a petition alleging that—

''(1) such vessel has been sold at less than fair value; and

''(2) the industry in the United States producing or capable of producing a like vessel is materially injured by reason of such sale.

''(b) DETERMINATION.—Upon receipt of a petition under subsection (a), the Trade Representative shall request the following determinations to be made in accordance with substantive and procedural requirements specified by the Trade Representative, notwithstanding any other provision of this title:

''(1) The administering authority shall determine whether there is reasonable cause to believe that the subject vessel has been sold at less than fair value.

''(2) The Commission shall determine whether there is reasonable cause to believe that the industry in the United States is materially injured by reason of such sale.

''(c) COMPLAINT BY TRADE REPRESENTATIVE.—If the administering authority makes an affirmative determination under paragraph (1) of subsection (b), and the Commission makes an affirmative determination under paragraph (2) of subsection (b), the Trade Representative shall make application to the country of the buyer of the subject vessel for an injurious pricing action and relief similar to that available under section 808. The Trade Representative shall advise the petitioner of the proceedings undertaken by the third country in response to such application and shall permit the petitioner to participate in such proceedings to the greatest extent practicable.''

Page 102, line 9, strike ''or 808'' and insert '', 808, or 809''.

In the table of contents for chapter 8 of title VII of the Tariff Act of 1930 (page 3, after line 9), insert the following after the item relating to section 808:

''Sec. 809. Third country sales.''

Page 100, line 20, strike ''and''; on line 21, strike ''(iii)'' and insert ''(iv)'', and insert the following after line 20:

''(iii) a military reserve vessel, and''.

Page 101, insert the following after line 15:

''(E) MILITARY RESERVE VESSEL.—A 'military reserve vessel' is a vessel that has been constructed with national defense features and characteristics required by the Secretary of Defense for the purpose of supporting the United States Armed Forces in a contingency.

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. BATEMAN] and a Member opposed will each control 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I ask unanimous consent that 15 minutes of the time allotted to me on the Committee on National Security be assigned to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BATEMAN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, my amendment will address a number of deficiencies in the underlying text of H.R. 2754. Again I wish to emphasize that my complaints with this agreement are not over the pros and cons of subsidizing this industry or any other industry. This is not a fight over subsidies. It is, however, a fight over the fairness of this agreement as it relates to our large domestic shipyards.

This amendment will not make the agreement perfect, but it will negate to some degree its negative impact on the large shipyards which have been committed to building naval vessels.

Let me explain how this agreement works from the perspective of our shipyards during the process of transitioning from 100 percent Navy work to a combination of Navy and commercial work. Take, for example, the title XI loan guarantee program which my amendment addresses. Under the agreement in H.R. 2754, as presently before my colleagues, the favorable terms are offered effective July 15, 1996. Current law, which my amendment seeks to retain for a period of 30 months, allows U.S. Maritime Administration to issue loan guarantees for the construction of vessels in U.S. yards. Those guarantees allow for a loan repayment period of up to 25 years and a downpayment required of 12.5 percent. Under this agreement this will change to a repayment term of only 12 years and require a downpayment of 20 percent.

In simple terms, the shipowner will have to pay off the mortgage twice as fast and will have to come up with almost double the downpayment if he chooses to build in a U.S. shipyard.

The more favorable terms which my amendment seeks to retain for only 30 additional months was the product of extensive debate between the House and the Senate during consideration of the fiscal year 1994 defense authorization bill. The Senate had, at the urging of the administration, sought to adopt at that time the less favorable terms which we are being asked to adopt now. The House version recognized that if we were to offer any chance to our large U.S. yards to move to commercial ship construction, that we had to offer a program to encourage foreign purchases to at least give U.S. shipyards one competitive tool.

The Committee on National Security was well aware that our foreign competitors had received literally billions of dollars annually in subsidies. We also knew that it would take more than 24 months to have our yards retooled and market a totally new product. Remarkably two of our shipyards, Newport News in Virginia and Avondale in Louisiana are making the transition having recently begun construction, thanks to title XI loan guarantees, on double-hull commercial tankers.

It is important to keep in mind that our northern competitors have benefited from literally billions of dollars in subsidies over the years. As my colleagues can see from charts that we put before them, the annual average has exceeded $8 billion for our six major competitors. Our title XI program has amounted to an average of only $50 billion since fiscal year 1994.

The advantage of my amendment is severalfold. It brings to an end subsidies. Yes, it is a compromise. It also recognizes that we cannot wish budgets, as tight as they are, to afford to get in subsidy battles with other nations. With the compromise here is that it recognizes that our foreign competitors were able to retain under the guise of restructuring a large package which lasts well into 1999.

In other words, my amendment, as it addresses title XI, brings some measure of fairness to this agreement, fairness which our negotiators choose not to insist on. It is now up to the Congress to step up and correct the deficiency.

Let me briefly respond to charges that this amendment will result in the agreement falling apart. Our negotiators are already at work getting an extension of the delivery date on vessels which are built using the title XI

guarantees. They have already gained a delay of 6 months from the original effective date.

Now, I appreciate that they do not wish to approach our trading partners again but for what is, by any fair assessment, a very modest extension. However, it is the obligation and the duty of Congress not to accept every agreement that has been negotiated. We are not here to simply rubber stamp an agreement if we think it is wrong.

Finally, my amendment corrects several other deficiencies, particularly as they relate to the Jones Act and DOD procurements. As presently drafted, this agreement may be used as a wedge against the Jones Act. The Jones Act requires that all merchandise transported to points in the United States must be carried on U.S.-registered and U.S.-built vessels. This agreement appears to allow foreign countries to retaliate against U.S. companies if U.S. shipbuilders construct more than 200,000 tons of Jones Act trade vessels annually for the first 3 years. After 3 years, any construction creates a presumption that the rights and balances of the parties is upset and sanctions can be imposed.

This part of the en bloc amendment simply assures that exemption from the Jones Act, which our trade negotiators tell us is consistent with the agreement even though the OECD representatives insist the Jones Act must go away. The U.S. Trade Representatives noted in our hearing that European Union interpretation of the Jones Act provisions were wrong. We are simply making it absolutely clear that nothing in this agreement affects the Jones Act. The Committee on National Security believes the changes to domestic law within the jurisdiction of the Congress and the imposition of penalties by foreign entities for compliance with the domestic statute is inappropriate. My amendment prevents this from happening. If our Trade Representative is correct and the Jones Act is not affected, my amendment clearly can do no harm. If they are incorrect, my amendment is critically needed. We should protect the Jones Act and do so, and to do so my colleagues should vote for my amendment.

Last, my amendment would clarify that nothing in the agreement should be construed as preventing the United States from taking any action which it considers necessary for the protection of its essential security interests. This part of the amendment would allow the United States to invoke its sovereign authority to define for the purposes of exclusion from the agreement the terms, quote, military vessel, unquote, military reserve vessel, or, quote, essential security interests on a case-by-case basis as determined by the Secretary of Defense. This part of the amendment would prevent an international trade organization from defining what is or is not in the national security interests of the United States.

Finally, this amendment would allow greater rights for U.S. shipbuilders to petition the U.S. Trade Representative if they believe other countries are selling ships at less than the cost to foreign countries.

In conclusion, the Committee on National Security changes are modest, reasonable, and crucial. They will not bring down this agreement as the opponents would have us believe. If it does, it demonstrates the signatories are not seriously interested in ending shipbuilding subsidies, and if they are not so interested, then the agreement is worthless.

I urge my colleagues' support if they believe it is important to preserve a strong defense industrial base that will be available if, God forbid, we ever need to mobilize our shipbuilders.

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

The CHAIRMAN. Is the gentleman from Illinois [Mr. CRANE] opposed to the amendment?

Mr. CRANE. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois is recognized for 30 minutes.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am adamantly opposed to this amendment. If implemented, it would cause the agreement to disintegrate, leaving us with nothing but many wasted years. Make no mistake: the amendment violates the agreement in a fatal way. We have received letters from a number of our trading partners telling us that if this amendment is adopted, we will not have implemented the agreement and that they will not renegotiate the agreement. We cannot afford to have them walk away.

Let me rebut the arguments raised by the supporters of this amendment. First, we do not need to eliminate our title XI program in order to comply with the agreement. We merely have to scale it back to meet the agreement requirements, just as our trading partners must. We will achieve balance instead of a war of escalation that we cannot and will not win.

Second, our national security is completely protected under the agreement. The agreement contains an exception that allows a government to back away if it believes its national security interests are at stake. The Department of defense has also sent us a letter stating, and I quote, that ''the Agreement will not adversely affect our national security.'' This statement is powerful evidence that the agreement does not threaten our national security.

Third, our negotiators were able to achieve an exception for the Jones Act, something no other country was able to achieve. Although I agree that the Jones Act is not affected, I do not believe that we need specific statutory language that says so. But more importantly, I believe that this amendment goes too far. I am concerned that we could potentially violate a whole series of agreements, let alone the Shipbuilding Agreement, by prohibiting such measures from taking effect. There is no need to put us at such risk. As the Defense Department stated in the letter I quoted earlier, the agreement ''does not change cabotage laws, that are clearly vital to our national security.''

We have heard some discussion that the amendment represents a compromise position because there are some members that wanted even tougher language. Mr. Chairman, a serious violation is still a serious violation. Merely because the amendment keeps the current title XI program in effect for 30 months as opposed to a longer period of time does not change the fact that any extension of the current title XI program violates the agreement.

Nor can it be said that the amendment merely extends the transition period. Let us not be naive. We would be asking for more benefits than we currently have but, at the same time, would be requiring our trading partners to implement all of the terms of the agreement immediately. But trade agreements do not work that way. We have to give up something, too. But the reality is that our shipyards will feel the pinch considerably less than our trading partners: Our $50 million in title XI loan guarantees compared to billions of dollars in foreign subsidies. And we do not even have to give up our $50 million. Instead, we just have to make sure that we do not make guarantees in a manner that violates the agreement.

Let me read what our administration and some of our trading partners have said about the amendment. U.S. Trade Representative Charlene Barshefsky has stated:

> I want to make clear that the substitute amendment to H.R. 2754 approved by the National Security Committee * * * modifies the legislation in ways that are clearly incompatible with the agreement and unacceptable to the other signatories.

The EU Ambassador to the United States has stated:

> This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties. * * * This significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations. The adoption of the amendment would put the agreement in serious jeopardy.

The OECD has stated:

> If this amendment is attached to H.R. 2754 and passed by the House of Representatives, the United States is putting in jeopardy the entry into force of the Agreement.

For all of these reasons, Mr. Chairman, let me be clear that a vote for the amendment is a vote against the agreement. Contrary to what the supporters are arguing, this amendment would not improve the agreement; it would destroy it. I urge my colleagues to join

together in a bipartisan effort to support our shipbuilding industry and to oppose the amendment.

Mr. Chairman, I include the following information for the RECORD:

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT,
Paris, June 4, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I understand that the mark-up by the House National Security Committee of HR 2754, a bill to approve and implement the provisions of the 1994 ''Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry'' has led to an amendment by yourself, among others, that would extend the provisions of the present Title XI Loan Guarantee Program until January 1999, with the vessels constructed using these terms being required to be delivered by January 1, 2002. It is clear that this proposal will be in contradiction to the Agreement and a breach of its provisions. As you know, the essential approach to shipbuilding subsidization in the Agreement and a guarantee of its effectiveness is equal treatment of all Parties and quick elimination, i.e. by entry into force, of all existing support measures.

Let me therefore express my great concern that if this amendment is attached to HR 2754 and passed by the House of Representatives, the United States is putting in jeopardy the entry into force of the Agreement.

Failure to bring the Agreement into effect, though possibly of some advantage for the US shipbuilding industry in the very short-term, will be of great harm to it in the longer-term. Failure will, inter alia, prompt a resurgence of shipbuilding subsidies in the other countries—which as you know have severely affected the competitiveness of US yards in the past. Furthermore, it would deprive the United States shipbuilding industry of the tool to act against dumping in the world shipbuilding market.

I therefore urge you to reconsider your amendment as the legislation makes its progress on the floor of the House of Representatives. Strict and immediate implementation of the Agreement seems to me to be the way of ensuring the long-term viability of the shipbuilding industries in the United States, as well as those of the other Parties to the Agreement.

Sincerely,

P.M. OLBERG,
Ambassador.

EUROPEAN UNION, DELEGATION OF THE EUROPEAN COMMISSION,
Washington, DC, May 31, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I am writing on behalf of the European Commission to express our considerable concern with respect to the amendment passed by the House National Security Committee in its mark-up of the OECD shipbuilding implementing legislation. The amendment calls for an extension of the term of Title XI financing for ship construction for thirty months. Furthermore the amendment would clearly state that the agreement does not require changes in the Jones Act and that certain Department of Defense procurements are not covered.

This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties.

The agreement is the result of five years of complex negotiations which have led to the adoption of the basic principles originally proposed by the United States (i.e. the prohibition of virtually all forms of future government subsidies). Therefore this significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations.

The adoption of the amendment would put the agreement in serious jeopardy. Therefore, I should like to urge you to take the above into account in future consideration of the bill.

Sincerely Yours,

HUGO PAEMEN,
Ambassador.

EMBASSY OF JAPAN,
Washington, DC, June 5, 1996.

Hon. PHILIP M. CRANE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN CRANE: Upon the instruction from my government, I wish to draw your attention to an important and urgent matter concerning the ''OECD Shipbuilding Agreement'' (the Agreement respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry) which is to be ratified by 15 June.

Recently we were informed that the amendments of the implementing bill, which would not be consistent with the obligations under the Agreement, was made in a U.S. House committee. We noted with surprise that such an action has been taken in the U.S., which was the initiator and driving force behind the negotiations of the Agreement.

This Agreement was negotiated for several years and aims to reach normal competitive conditions in the world commercial shipbuilding and repair industry. We are gravely concerned that amending the Agreement would, in fact, make it impossible to enter into force. It would seriously undermine the credibility of the U.S., if the Agreement, made by the U.S. initiatives, would not enter into force due to the U.S. failure to conclude it.

In Japan, this Agreement was approved by the House of Representatives on 31 May and is to be put to a vote in the responsible committee of the House of Councilors in the very near future. The implementing legislation was already approved by the Diet on 5 June. Thus, we are approaching to the goal in time for the target date of 15 June.

I would like to invite you to review the above situations and impacts and strongly encourage the U.S. to quickly conclude this Agreement as it is.

Sincerely,

——— SAITO,
Ambassador of Japan.

ROYAL NORWEGIAN EMBASSY,
Washington, DC, June 5, 1996.

Hon. CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR BARSHEFSKY: I am writing to you to express the Norwegian Government's grave concern regarding the amendments passed by the National Security Committee of the House of Representatives in its mark-up last week of the legislation for implementation of the OECD Shipbuilding Agreement.

Several of the amendments, most notably the provisions for extending the Title XI shipbuilding loan guarantee program and the provisions for removing the applicability of the Agreement with respect to the building of Jones Act vessels, are clearly inconsistent with the terms of Agreement.

The OECD Shipbuilding Agreement is the result of many years of complex negotiations and represents a carefully crafted compromise between the parties to the Agreement. My Government holds the view that the Agreement is of vital importance for the return to normal competitive conditions in the commercial shipbuilding industry.

Norway has ratified the OECD Agreement, and would find that the introduction of amendments such as those proposed by the National Security Committee would destroy the balance of obligations and, thus, undermine the foundation upon which the Agreement was built. On the Norwegian side, we do not foresee circumstances whereby the signatories of the OECD Agreement would be prepared to reopen negotiations.

Hoping that you will convey to Congress Norway's concern that adoption of the aforementioned amendments would seriously jeopardize the OECD Agreement, I remain.

Sincerely yours.

KARSTEN KLEPSVIK,
Chargé d'Affaires ai.

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

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I rise in strong support of the Bateman amendment. It is absolutely essential for our national security and the security of our economy that we continue to have a shipbuilding industry. It seems to me, Mr. Chairman, that there is no better public-private partnership than the loan guarantee. I want to congratulate the gentleman from Virginia [Mr. BATEMAN] for having brought this absolutely vital amendment to us. I urge my colleagues to support it, both for the economy and for our national security.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to my distinguished colleague, the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Chairman, I want to thank the gentleman from California for yielding this time to me.

Mr. Chairman, as the former chairman of the Committee on Merchant Marine and Fisheries, or as the chairman of the late Committee on Merchant Marine and Fisheries, I rise today in very strong support of the amendment offered by the gentleman from Virginia [Mr. BATEMAN]. Mr. BATEMAN and I, when we had the Committee on Merchant Marine and Fisheries, worked very, very hard on behalf of the maritime industry. I am very happy that he has continued to do so over on the Committee on National Security, as I have tried to do on the Committee on Infrastructure and Transportation.

Mr. Chairman, I commend the gentleman from Virginia and the other members of the National Security Committee for recognizing the need to improve the OECD Shipbuilding Trade Agreement to make it more equitable for the United States shipbuilding industry.

The United States initiated negotiations for the OECD Shipbuilding Trade

Agreement 5 years ago in order to end the massive government subsidies that give foreign shipbuilders an unfair competitive advantage. Unfortunately, the final OECD agreement fails to meet the objective of eliminating foreign government shipbuilding subsidies. For instance, the agreement contains a major restricting loophole which European Governments are using to spend millions of dollars for the modernization of their shipyards. In fact, the French Government refused to even sign the agreement until it was allowed to spend $480 million for such restructuring of its shipyards. In addition, United States trade negotiators agreed to grandfather certain subsidy programs by South Korea and Germany, which were initiated during the negotiations. Yet, the United States is expected to immediately depredate the title XI loan guarantee program for U.S. shipbuilders—despite the fact that U.S. shipbuilders have not enjoyed a direct Government subsidy in over a decade.

The OECD agreement is full of loopholes and exemptions that will benefit foreign shipbuilders. Moreover, the agreement does not even cover such major shipbuilding nations such as Poland, China, Taiwan, and Russia, allowing those countries to continue their direct and substantial subsidization of their domestic shipbuilding. Yet, the United States is expected to immediately reduce the current Title XI: Loan Guarantee Program. This will cause immediate harm to the U.S. shipbuilding industry.

With Navy shipbuilding at an all time low, it is critical for our yards to secure commercial work. And, for the first time in 35 years, American shipbuilders are experiencing a resurgence in commercial business. These recently signed commercial contracts were made possible by the Title XI: Ship Loan Guarantee Program. Yet, the OECD agreement and the bill would bring a screeching halt to this resurgence by rendering the title XI program ineffective.

A 30-month extension of the modest title XI, as provided in the Bateman amendment, is needed to give U.S. shipyards an adequate transition period to ensure their continued viability. This is a reasonable request when compared to the unfair competitive advantage subsidized foreign shipbuilders have enjoyed for the past decade—and will continue to enjoy in China, Poland, and other nonsignatory nations.

This amendment is the absolute minimum we can, and must, enact. I urge my colleagues to support the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 2754 as approved by the Committee on Ways and Means, and to commend the chairman of the committee and the gentleman from Florida [Mr. GIBBONS] for their steadfast work in securing enactment of this historic agreement.

Unfortunately, in spite of their efforts, some individuals argue that no agreement is better than this agreement. In reality, if the Bateman amendment is adopted, that is exactly what we would have: No agreement.

To all those people, I say, take off your blinders and recognize that, embodied in this agreement, is our best chance to revitalize our domestic industry. For years we have witnessed the continued decline of the U.S. shipbuilding industry at the hands of massive foreign subsidization. The remaining American commercial shipbuilders have become the most efficient in the world. Yet no amount of belt-tightening could ever overcome the enormous subsidy margins provided by their foreign competitors.

Over the past several years, many have expressed frustration with the negotiating of this agreement. I must say that while the road to this final agreement has been extremely difficult, I am confident that this agreement provides our domestic shipbuilders with the best opportunity to compete in a fair world market.

If Members believe they are helping our domestic shipbuilding industry by voting for the Bateman amendment, let me tell the Members, I believe they are wrong. Our failure to pass this measure as approved by the Committee on Ways and Means will likely spur existing subsidies by our foreign competitors to record levels, and this would certainly be the final and fatal blow to our domestic shipbuilding industry.

Mr. Chairman, I urge my colleagues to defeat the Bateman amendment and adopt this historic and sound international agreement.

Mr. BATEMAN. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I commend the loyalty of the gentlewoman from Washington [Ms. DUNN] to the chairman of the committee she serves on, but I believe she is wrong.

Mr. Chairman, let me go to a little different direction. I truly believe that both under Republican and Democrat administrations, our State Department has been the weak link of this country. While we have strong militaries, the American worker can compete against any nation in the world, but yet our trade agreements which I supported, NAFTA and GATT, they have been treated very, very poorly as far as the administration of them. Who ends up paying for that? The American worker, Mr. Chairman.

If we take a look in which title XI uses $50 million, why was it created in the last couple of years? Under OPA 90 we wanted to build dual hull tankers. There is no money to build ships in the United States, because foreign nations have subsidized by billions of dollars and cut on the west coast. NASCO is the only shipbuilder left on the west coast. We only built one ship in this decade, because foreign nations, with their cutthroat economic tactics, have cut and killed the American worker. So we established it not only to help the environment, so we could build tankers, but to neutralize that system.

In the meantime, while we build one ship, they build 100. I cannot tell the Members just the economy of scale. If you build 100 ships, it is much cheaper to build those ships. They say let us do away with title XI, and that will neutralize this situation. No, it will not, Mr. Chairman, because they still have the advantage of all of these orders and all of these ships they are building, which makes our ships cost much more, which we cannot sell. All we are asking is to give us a level playing field.

Mr. Chairman, I think for the first time this country has a chance to walk softly and carry a big stick. Let us approach this trade agreement for a change with a benefit to the American worker, not to the benefit of foreign trading interests. The President was right on his trading policies, but we have to get tough.

Do Members think the Secretary of State, under either Republican or Democratic administrations, is going to push and support this? No, they are not. Let us support the American worker, let us support the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, the agreement that is really before us, the OECD agreement, is an agreement which I think all of us would argue, at least the concept of the agreement, will greatly benefit the United States of America. It would end the subsidies that other countries have been doing for years, the dumping that other countries have done for years to adversely affect the American shipbuilding industry.

All we need to do is look at the facts on the ground in this country today, or the facts in the shipyards. Those facts are that the United States right now does not sell very many ships in terms of the world market, an infinitesimal percentage of those ships in the world market, because of the type of system that exists today and that this agreement is trying to end.

Now in front of us, the Bateman amendment says, well, this agreement is going to adversely affect the defense of the United States of America, our national security. That is why we need the Batement amendment. I would reiterate what actually has been pointed out by the chairman of the subcommittee previously, the gentleman from Illinois [Mr. CRANE], that the Defense Department, the Joint Chiefs, have obviously gone through this agreement, have sent correspondence to the chairman of the committee the gentleman

from South Carolina, [Mr. SPENCE] specifically, categorically stating that there would be no adverse effect. There is a specific national defense exemption that exists in the agreement.

Mr. Chairman, I think it is really unfortunate to raise this issue, really almost as a scare tactic, versus what the facts are as based through the Joint Chiefs.

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The other issue that I would raise is, it has been brought out, the whole issue that this is a jobs loss issue for the United States of America. Let us look at the facts. The facts are we are not producing a heck of a lot of jobs in terms of commercial production and, in fact, the commercial production that would exist, the potential for us to compete in that market is far greater than really any potential loss that exists.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me surface an issue that has not been dealt with and just put it on the table so we all can look at it. That is that this bill, there is joint jurisdiction on this piece of legislation.

The tragedy of this institution is that we tend to get caught up and see the world in very narrow terms, and that is through the narrow prism of our committee jurisdiction. But someone was wise enough, Mr. Chairman, to refer this bill to two committees.

I would hope that the process would allow us to bring together the perspectives and the perceptions of both committees in the hope that in joining those two perceptions, we will arrive at the wisest decision, so we do not get caught up in knee-jerk responses on the basis of a committee jurisdiction. I do not know taxes. I am not on Ways and Means. But I will debate anyone in this town on national security matters, because that has been my job for 25 years here.

We looked at this bill. Where are we in agreement? First, that this is a maritime nation. Second, that we need to stimulate shipbuilding. Third, that we need to stimulate commercial shipbuilding. Fourth, that American workers and shipbuilders believe that it is in their mutual self-interest to end government subsidies of shipbuilding. So let us take that off the table. We all agree with that, so we do not have to sword fight over these issues.

Where is the area of disagreement? The area of disagreement is that we believe that this agreement is flawed with respect to its transition implications. When speaking to the persons that negotiated the agreement, they admitted that they never sought transition assistance to the American shipbuilding industry.

Did other countries do it? The answer is yes. I repeat, and underscore for the purposes of emphasis: Spain, $1.4 billion in restructuring aid; Portugal, $110 million in restructuring aid; Belgium, $74 million in restructuring aid; South Korea, restructuring aid, we believe that that amount is somewhere around $750 million plus bailout guarantees to the Daewoo shipbuilding industry.

France, unknown total amount at this time, but we know minimally $480 million. Special offers are currently being made by other members of the European Community to gain France's support for this agreement. Germany, a package to modernize, restructure, and cover losses of shipyards in the former East Germany.

So some other Nation's negotiators looked at transition, and these subsidies that I spoke to were granted to January 31, 1999, Mr. Chairman. So somebody saw the need for transition.

We are being asked to ratify an agreement, as I have said on more than one occasion today, and we have a responsibility to bring our intellectual capacity, our economic understanding and our political prowess to this situation and make the best decision. We tend to engage in hyperbole around here. ''Killer amendment.'' I have not seen anything die in the 25 years I have been around here, and I have gone after some things to try to kill them, so that is a bunch of hyperbole, Mr. Chairman.

As I said before, the world wants this agreement, we want this agreement, I want this agreement, the shipbuilders want the agreement, and thousands and thousands of American workers want this agreement. They are the stakeholders. But when they looked at the agreement, they said, ''Hey, fellows, what about the transition? What about us until January 1999?'' All the Bateman amendment does is says, ''Here is some transition assistance, 30 months.''

Loan guarantee program. Where were all the people around here when we put in this loan guarantee program and fought to get a measly $50 million in loan guarantees for an economic conversion program because a lot of people said, ''Wait a minute, you're spending DOD dollars to stimulate commercial shipbuilding development?'' We said that if we do not build some kind of ships, we are going to lose our industrial base.

That is why we have a National Security Committee. That is why we have Ways and Means. We study certain things, but our collective perception is where the great wisdom is.

We are simply saying that this is an important agreement, it is a wonderful agreement. I have complimented the gentleman from Florida and I said, without equivocation, I am one of his greatest fans on the floor of this Congress. There is no finer person in this institution.

I am simply saying that my point of departure is on the basis of the problems that it gives our American shipbuilding industry in the transition, and our American workers, who are extremely sensitive to these issues. They have all communicated with all of us here and said, ''We want the agreement, the intent makes sense, but in the transition, we feel disadvantaged.''

I do not think this agreement dies, because there is an imperative larger than this amendment. It is the world community coming together. But we can enter that stage, that world stage, as rational and intelligent people and say, just as these other nations did in their restructuring aid, that we can restructure as well.

That is what this gentleman's argument is all about, not to kill the agreement. That would be stupid. It would be bizarre. It would be extreme. It would be self-defeating. But it would seem to me to allow it to go forward when other nations continue to have this kind of extraordinary advantage to January 1999 stabs at the agreement, the very people we choose to help, the American shipbuilding industry, the American worker, and at the end of the day the American citizen, because we are a maritime Nation.

That is this gentleman's argument, so I am not trying to engage in any scare tactics, but I would make this point. We have six major shipbuilding industries, and when Ronald Reagan was spending $300 billion a year on the military budget, everybody was building ships, they were coming out of our ears. That day is over. There is no such thing as a 600-ship Navy anymore. The gentleman from Mississippi pointed out we are moving toward a 150-ship Navy.

So if we are not going to build naval ships because we are cutting the military budget, we have got to build some other kind of ships to keep this going, keep these people working, keep the economy moving. It is in the area of commercial ships, in a post-cold-war environment, where our future lies. So we want to see this agreement, but we want to see the transition period speak to us as eloquently as this restructuring speaks to these other countries that are moving toward signing this agreement.

A final point. One of my colleagues said that this amendment would violate the agreement. We cannot violate anything that we have not agreed to as yet. That is why we are here, to use our brains, to use our ingenuity, to use our competence to decide how and what we will agree with.

I hope my colleagues will join me in overwhelming support of the Bateman amendment, overwhelming support of the American shipbuilding industry, overwhelming support of the hundreds of thousands of American workers who desperately need us to do this, and overwhelming support for a transition period that speaks to the dignity of the respect and the reality of the American shipbuilding industry.

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

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Chairman, the comments of our colleague from California are eloquent as always. I take a back seat to no one in my admiration of the work that he has done in the interests of economic conversion. Nothing could be more important to the economy of this Nation.

Mr. Chairman, in many areas, American industries and their workers have had to complete against heavily subsidized European firms. Even where the gap between the level of subsidies has been the greatest—most notably in the areas of aerospace and agriculture—American industries have largely been able to overcome this added challenge.

However, in shipbuilding, American firms have simply been at too great a disadvantage. We have two choices of actions to address this: complete by enacting—and inevitably increasing—our own subsidies, or use our economic leverage to convince our trading partners to reduce their own subsidies.

As public sector deficits have emerged as an increasing drag on the economies of all nations, those partners have seen the advantages of reducing their spending on subsidies. That is part of the reason we have this agreement before us today.

We must also recognize the reality that we cannot afford a subsidy war. The continuation of the title XI program unchanged for another 3 years, as the Bateman amendment would accomplish, will not alter that fact. It will only convince our trading partners to resurrect the subsidies that have crippled our ability to compete in the past.

The complexities and challenges of international competition will continue to cause pain and disruption in this country and across the world. But when we can convince other nations to level the international playing fiend, the opportunities of trade become that much more apparent. The decision we face today is between seizing such an opportunity or hanging on to the vestiges of a disappointing past. I urge my colleagues to oppose the Bateman amendment and support the bill.

Mr. BATEMAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, I will be supporting the Bateman amendments, but I also want to make clear that I do not think the shipbuilding agreement itself is the solution. It will in all likelihood make much more difficult if not impossible U.S. shipbuilders' pursuit of commercial shipbuilding orders in the international market.

This agreement is fatally flawed in that it permits other governments to continue direct subsidy shipbuilding payments to their yards until 1999 as long as those subsidies are committed by the end of this year. The last direct U.S. commercial subsidy program was unilaterally terminated by our Government in 1981, a full 15 years ago. I find it appalling that U.S. negotiators took part in formulation of an agreement in which numerous exceptions are granted to specific subsidizing foreign governments totaling billions of dollars. How this combination of provisions does anything other than make the international commercial playing field even more lopsided against unsubsidized American shipbuilders escapes me.

A French shipyard received a subsidy package in the range of $480 million after the agreements were concluded and our negotiators had returned home. That event alone should have provided more than ample grounds for our Government to insist on reopening the negotiations for the purpose of gaining more equitable treatment for the unsubsidized U.S. industry. Other subsidies are actually provided for in the agreement, including subsidies to Spain, Portugal, and Belgium.

It is unfortunate, to say the least, that the administration chose to ignore this information and not respond favorably last December to the formal request of the six major U.S. shipbuilders which represent 95 percent of all active American shipbuilding workers that the United States not sign the agreement in its present form.

I will support the Bateman amendments but I will also oppose final passage. Bateman will fix some of the weaknesses in the bill, but, by the same token, they do not go far enough.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

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

□ 1230

Mr. RICHARDSON. Mr. Chairman, I speak as a 14-year member of the Democratic Party with a 90-percent labor voting record. The AFL–CIO has been mentioned here. Yes, they are opposed, but let me state that their opposition stems from following the lead of the big Navy-oriented yards.

Mr. Chairman, while 80 percent or more of total employment in shipbuilding is in these big yards, these yards primarily build Navy ships, not commercial ships. Over 90 percent of commercial ships are build in yards other than these Navy yards. The bill does not affect military ships. The big Navy yards are hopeful for big new subsidies for commercial ships. That is very enlightening. Jobs would be created for commercial yards to build more, but they cannot compete with the much larger subsidies from foreigners.

Foreign subsidies are more than $4 billion. U.S. subsidies are $50 million. This is the reason for the agreement to eliminate these subsidies, so we can create more American jobs, so our shipbuilders are more active and can compete more. The agreement would eliminate these unfair subsidies that we cannot compete with.

This is a good bill, this is an amendment that would violate the fair trade agreement.

Significant growth is projected for the highly competitive international shipbuilding market, while domestic military and commercial markets are expected to be small. The commercial shipbuilding market is projected to be $265 billion for the period 1992 to 2001.

American shipbuilders are being squeezed out of this market by heavy foreign government shipyard subsidiaries. This agreement eliminates those subsidies and allows the American builders to compete on a level playing field with the major shipbuilding countries of the world.

We are in the midst of tight fiscal pressures to reduce our own spending, we cannot compete with major industrialized nations in a race to subsidize our shipping industries.

The United States must take the lead in implementing this agreement. It will signal our commitment to freer markets to the international community. The strength of U.S. industry is its ability to compete. This agreement will give American shipbuilders the opportunity to expand operations and increase their production.

International leadership requires courage and vision. Let's demonstrate to the world that we are looking forward and embracing the principles that have made America great.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding to me, and I want to associate myself with his remarks and rise in opposition to the amendment and in support of the bill.

Let me say sadly and somewhat soberly that we have been here before. In the early 1980's, this country decided that it could no longer afford to and no longer wished to try to compete with the subsidies of foreign nations for the construction of vessels. We withdrew and, ironically, this agreement before us, the ratification of it, is a result, ultimately, of a suit brought under our own trade laws by our own shipbuilding industry, which concluded they could not possibly win a battle of competition with the subsidies of foreign nations.

We cannot afford to go back there. I think in the long run our best bet is a world without these subsidies and, therefore, I complement the gentleman and join him in his remarks.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

The gentleman from Virginia [Mr. BATEMAN] stated earlier that because the USTR is reopening the agreement to add 6 months to the delivery date, that it can renegotiate to permit us to retain title XI. And I want to explain to colleagues that is not correct. It will be impossible to reopen the agreement, as Mr. BATEMAN suggests.

The agreement currently provides that no subsidies may be awarded under the agreement after the effective date of the agreement, July 15. Subsidies may be granted before that point as long as the vessel is constructed by December 31, 1998. The signatories had originally agreed that the agreement would take effect on February 1, 1996. That date had to be delayed 6 months because the United States was not

ready to implement. However, the December 31, 1998, delivery date remained in place.

The administration is merely seeking a change applicable to all countries that would extend the delivery date 6 months to match the delayed starting date. The administration is not renegotiating the agreement. This change can be made merely through an understanding.

Our trading partners appear to be willing to discuss this limited change that applies to all countries equally. However, our trading partners have told us that they will not renegotiate the agreement under the terms set forth in the Bateman amendment because it would destroy the balance in the agreement and give the United States an undue advantage.

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

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time. I want to make a couple of closing remarks, first to my friend, the gentleman from Illinois [Mr. CRANE], a dear friend and one of the real leaders in this Congress with respect to trade. I know that the President's, the Clinton administration's appointees in the Pentagon have said there is no threat to national security. They also told us the other day and repeated in a statement there is no threat to this country in terms of incoming ballistic missiles. Both of us disagree with the second statement that they made, and I think we should both disagree with the first statement they have made.

Mr. Chairman, I want to remind my colleagues that all of the nations which are signatories to this agreement, all the major nations that are asking us to give up our national shipbuilding program, are nations that in this century have been saved militarily or protected militarily by America's national shipbuilding program. They will wait for us to work this agreement and make it right before they sign it.

Second, my colleagues, this is a sovereignty issue. We are doing the same thing we did in the World Trade Organization, where we are giving up the right to a foreign judge to decide what is a military program. And I would just remind Members that the latest World Trade Organization ruling under WTO, in which foreign judges said Brazil and Venezuela can send dirty gas into the United States and, in the absence of that, retaliate against Americans, because they said that our environmental laws were in conflict with the World Trade Organization's ideas of what those laws should be. We will see exactly the same thing here because these foreign tribunals reserve to themselves the definition of what is an American military shipbuilding program.

This is a sovereignty issue. Every single conservative should vote against the bill and for the Bateman amendment because it fixes some of those sovereignty problems on that basis. This is also predominantly a national security issue. I would hope that when national security goes head to head with economic considerations, national security with respect to maritime power should predominate. Please vote for the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

On the question of whether the agreement unfairly disadvantages the United States, let me reassure colleagues that other countries are not permitted to transition, as the gentleman from California [Mr. DELLUMS] had earlier suggested. The agreement does provide for some existing shipbuilding restructuring programs to be phased out in Spain, Portugal, and Belgium; however, these programs are primarily for the express purpose of reducing capacity in the respective shipbuilding industries of these nations, not for expanding the industry or supporting specific ship construction activities.

The precise terms of these programs, the amounts of funding, the purpose and deadlines for completion of these programs are spelled out in the agreement. The downsizing of European shipbuilding capacity is in the best interest of this Nation and the United States shipbuilding industry and should be encouraged. The special provisions result in an advantage, not a disadvantage to United States shipbuilders that wish to compete in the world shipbuilding marketplace.

No other countries have received special deals. Without the OECD agreement there would be no way to monitor or control these programs. They could continue indefinitely at any level of funding for whatever purpose they chose. The Bateman amendment would not provide us with transition; it would completely and unequivocally kill the agreement and all we have achieved.

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

Mr. DELLUMS. Mr. Chairman, may I inquire as to the remaining amount of time on either side?

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] has 1½ minutes remaining; the gentleman from Virginia [Mr. BATEMAN] has 2 minutes remaining; and the gentleman from Illinois [Mr. CRANE] has 14½ minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield the balance of my time, 1½ minutes, to my distinguished colleague, the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in strong support of the Bateman amendment and want to talk a little bit with the membership about why the agreement without this amendment is so flawed.

The agreement essentially will not end foreign subsidy and dumping practices, it will, however, kill the recent rebirth of commercial shipbuilding in our country. It will eliminate thousands of highly skilled jobs in our shipyards and in the thousands of industries throughout 46 States which supply our shipyards.

While our Trade Representative was at the negotiating table, it is important to point out that South Korea announced a $750 million bailout of its Daewoo Shipyard, which has been dumping ships on the world's market; Germany granted a $4 billion shipyard modernization subsidy to its shipyards, monies which are still being disbursed.

Our negotiators agreed to grandfather these special subsidies, and though our trade negotiator maintains that restructuring is supposed to be tied to closure of facilities and associated worker restraining, that is not how foreign governments see it. In fact, Spain is spending $723 million to modernize all of its existing facilities with no closures planned.

Further, the overall agreement fails to discipline the ship dumping practices of Japan and South Korea, and even though China has just begun to target shipbuilding as a means to develop its manufacturing industries, China is not a signatory to this agreement, nor is Poland, nor is Russia.

So what did America get out of this deal? Nothing. What did American shipbuilders get out of this deal? Nothing. And what did American workers get out of this deal? Nothing. In fact, our negotiators agreed to immediately gut the modest title XI ship loan program that is included in the Bateman amendment. So without the Bateman amendment we will kiss more U.S. shipyard jobs goodbye.

Mr. Chairman, I urge my colleagues to support the Bateman amendment and, without its inclusion, to oppose the bill.

Mr. BATEMAN. Mr. Chairman, I yield myself the remainder of my time, and say in closing the debate on behalf of the Committee on National Security that it is passing strange to have heard my amendment referred to as reasonable on its face and modest, and at the same time be told that we are going to unravel an agreement and that we are violating an agreement.

Mr. Chairman, we will not be violating an agreement. What we are contemplating is essentially a proposed agreement until and unless this Congress, in the exercise of its sovereign right for the people of the United States, determines that this is an agreement that should be implemented.

My amendment, contrary to some who would have me taking a position of total opposition to any agreement, is a midpoint. It simply says there are flaws in this proposed agreement which had been identified, and, in the interest and protection of American shipbuilding because of its importance to American national security, need to be modified.

If the other nations who purport to be in agreement on this agreement are

unwilling to accept these modest transition provisions, it speaks volumes to me as to whether or not they were seriously interested in ending shipbuilding subsidies. I am. We should be.

This is not about doing that. This is about modest, reasonable transition provisions in protection of the core American shipbuilding capability, which is absolutely essential to our national security. And it is those shipyards and the workers in those shipyards and the merchant mariners who man American ships, and because of the importance of that merchant marine to the United States, that ask that Members vote for the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield the remainder of my time to the gentleman from Florida, SAM GIBBONS, our distinguished ranking minority member for closing remarks, and I want to pay tribute to him again as the man who served for so long as chairman of the trade subcommittee on which I served in my ranking minority position. We have worked collegially for years together and I pay tribute to this great man from Florida.

□ 1245

Mr. GIBBONS. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE] and others of my colleagues who have recognized my service here, and I want to say to them I close this debate with certainly no personal rancor toward them or to the cause that they advocate.

I am here to give the best of my knowledge to the Members of this House, and the best of my judgment about the outcomes of actions we may take, what will follow.

Mr. Chairman, over the years, ever since World War II, the United States has been backing out of the subsidy in shipbuilding. Through the 1950's and the 1960's we cut back on our appropriations to commercial shipbuilding subsidies. Through the 1970's we did the same thing, and finally in the 1980's, under a procedure here on the budget reconciliation bill, the minority, together with some Members of the majority, got control of the situation through the Gramm-Latta substitute and actually abolished all the shipbuilding subsidies they could find. So since the 1980's the United States has had absolutely no shipbuilding subsidies of any consequence.

Now, as I sat here attentively listening to this debate today, I had been hoping that I would find something that I had not heard before that perhaps I could respond to or answer a question about.

Now, I know that negotiations are a tedious process. I participated in the launching of these negotiations many, many years ago. The negotiations have actually gone on for more than 5 years. Prior to that, I met with all of the shipbuilding industry in the United States. They all, because of my responsibilities, came by to see me. I sat down with them all in my office over here in the Rayburn building and we agreed to launch these negotiations.

Now, as I hear these negotiations discussed, I would have to believe that they were not even a party to the negotiations, but they sent representatives to these negotiations that sat there with our negotiators and participated in all of these negotiations. Nobody was surprised about anything that was brought up. They would come back from these negotiations and come to see me and we would discuss these points.

Mr. Chairman, I started unilateral U.S. action against these countries because at first they would not even negotiate with us on this. They would just come to the sessions and say no. Finally, they got concerned enough about the actions of Congress here to come to the negotiations and really truthfully begin the negotiations, and 5 tortuous years of negotiations took place.

During those 5 tortuous years, everybody in the shipbuilding industry had somebody around the negotiating table there to kibitz and to add their suggestions as to what should be done. Concessions were made back and forth. Deals were entered into and agreed to. Finally, all of these mutual concessions and negotiations came to an agreement.

I celebrated, as did the shipbuilding industry at that time, because we thought we had a good agreement and I believe we still do have a good agreement.

One thing was overlooked. The Committee on National Security found and rejuvenated an old, old subsidy that goes back to 1936; one that had been overlooked in the 1981 abolishment of all subsidies. Perfectly all right.

Under the standstill agreement that is a part of the general agreement we are talking about here today, all countries agreed to stand still and not to go out and create new additional subsidies, and this little subsidy for $50 million that the Committee on National Security found qualified as one of those that could still be used. So, Mr. Chairman, some of our yards got a little jump out of that.

But tomorrow, Mr. Chairman, June 15, is the deadline for us to take affirmative action on this agreement. If we do not take affirmative action in this House today to ratify this agreement, all of the other nations that have agreed to this agreement will back out of it. They have not just told us that; they put it in writing, and it is in yesterday's CONGRESSIONAL RECORD there for my colleagues' examination.

Now, I know my friend, the gentleman from California [Mr. DELLUMS], believes that they will come back to the negotiating table. Well, I do not have the optimism that he has. Perhaps my lack of optimism is caused by having followed this agreement so closely over the years. All of these other nations are having trouble with their own shipbuilders, and the only reason they are standing still is because their word is good. But once we back out of the agreement, I do not see them coming back to the negotiating table to do what the gentleman from Virginia [Mr. BATEMAN] wants to do here.

Mr. Chairman, let me say this. This agreement was negotiated with everybody participating. Every American shipbuilder in the United States had an opportunity and most of them did participate in this agreement. It was an agreement that had concessions on all sides. On our side, the Jones Act people put up a good case, and every other nation on Earth that participated in this agreement got rid of their so-called Jones Act subsidies or protection except the United States. We got a concession there. But a resulting concession had to come in, and that is that the Jones Act people, acting under the protection that they get from the Jones Act, would not take the economic advantage that they got from their Jones Act protection and go out and get a double dip under the international marketplace agreement that was negotiated here. That is all that is involved here.

Now, the Department of Defense has signed off on this agreement. They followed the negotiation, both Republican and Democratic administrations. They have been a part of it. They know the consequences of it, and they are not concerned about it at all. The letter from the Secretary of Defense is also in the record.

So, Mr. Chairman, this is not a national security issue; it is an economic issue for America. We stand on the verge of entering into the international shipbuilding market for the first time since 1981. If we do not take this advantage, we are going to lose a lot of jobs that we already have in the United States, and we are not going to take the opportunity to get the new jobs that are coming about because of the rapid obsolescence of the world's merchant marine fleet. American shipyards are competitive. They can compete against the best shipyards around the world. Our labor costs are low. Let me repeat that: Our labor costs are low and our technology is high.

What has defeated us all these years is that all of the other nations on Earth continued their subsidies, continued their unfair pricing, and we sat with our hands tied. Do not let us go down today with our hands continually tied behind us. Give our yards an opportunity to get out and compete.

Shipbuilders from all over the United States have come and talked to me about, ''Mr. GIBBONS, if we could only get there subsidies ended, we can compete. But if we cannot end these subsidies right now, we are going to have to go on welfare.''

Now, that is not fair. There are many conflicting interests in all of this in the United States, and I respect everyone's interest in this. I accuse no one

of any unfair, undemocratic practices. But the problem is we have got a once-in-a-lifetime opportunity to get rid of these pernicious worldwide subsidies. If we do not do it now, the RECORD already reflects that our trading partners will back out. We cannot afford to do that.

It is really bigger than this shipbuilding issue. Ever since I have had a responsibility for monitoring our international trade negotiations, the rest of the world is structured politically different than we. No one has a Congress or a lawmaking body that is as powerful and as intrusive in the process as the Congress of the United States, and all of the rest of the world understands that and knows that.

That is the reason why they will not deal with us on any kind of international agreement unless we have what we call fast track. A horrible misnomer, but I think all of us know what it is. They accuse us time and time again, in all international negotiations, of coming back to the House floor and the Senate floor and unraveling all of the mutual concessions that were made in the agreement.

That is really what we are doing here today. I know we do not recognize it but they recognize it. They are resisting that, not only because of shipbuilding but because of all of the other negotiations that they have carried on with us and will carry on with us over the period of time.

So this is a big issue. It is a big issue about how we organize a peaceful world, a world that lives under law, a world that lives under law openly developed and put forward and negotiated and agreed to by the different bodies of this country.

Certainly the Committee on National Security has a role in all of this. I guess I regret as I stand here now that they probably were not involved in it enough during the negotiating process. I am sorry I did not call it to their attention. But I though that all of the shipbuilders in this country, particularly the large Navy yards that are so dependent on national security contracts, were keeping in touch with their other Members of Congress. I can tell my colleagues that I spent a lot of other time with them, time that I could have better spent on Florida concerns rather than on national concerns.

So believe me, we have got an opportunity here today. We have got an opportunity to get a good agreement. This is the best agreement that American negotiators, including the private sector in all of these negotiations, could work out in 5 tortuous years. Four sets of negotiators, Republican and Democrat. We wore out in these negotiations. We cannot go back and undo all of that again because of these rather last-minute concessions.

At best, if the Bateman amendment succeeds, it will last until Monday. It will last until Monday, and then it is gone, because it is only protected by the standstill agreement that is in this basic agreement. The other nations have told us, ''If you are not going to agree to it, we are not going to stand still,'' and they will meet and match on Monday the Bateman amendment subsidy, and there will be no more advantage, as temporary as it is, for the United States under the Bateman amendment. That is what all of this is about.

This is perhaps my swan song on trade. I may have a few words on some other things around here before my term expires, but I want to thank the Members of Congress for listening to me, and I want to thank you also for this opportunity to participate.

Mr. CRANE. Mr. Chairman, I yield 30 seconds to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Chairman, I just want to echo what the gentleman from Florida [Mr. GIBBONS] was talking about, and to tell the gentleman that the day has already arrived.

Mr. Chairman, just yesterday in my district, a press release came from the Alabama shipyard, and it is based upon whether or not this agreement is enacted, where they signed a contract for five Russian tankers to be built in the State of Alabama. We are talking about 600 new jobs.

Mr. Chairman, I chair or have chaired for the past 8 years, the revitalization of the shipbuilding industry in this country. This is the biggest thing that we have going for us. We are now here. We already have achieved contracts, created jobs. If we turn this back, then we are going to lose American jobs.

So, Mr. Chairman, I would encourage my colleagues to vote against the Bateman amendment and encourage them to support the bill once the Bateman amendment is rejected.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. BATEMAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 278, noes 149, not voting 7, as follows:

[Roll No. 237]

AYES—278

Abercrombie
Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (WI)
Bartlett
Bateman
Becerra
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Burr
Burton
Buyer
Calvert
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Crapo
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Diaz-Balart
Dickey
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Duncan
Durbin
Edwards
Ehrlich
Emerson
Engel
Eshoo
Evans
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hansen
Harman
Hayes
Hayworth
Hefner
Hilleary
Hinchey
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klink
LaFalce
LaHood
Lantos
LaTourette
Lazio
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lofgren
Longley
Lowey
Lucas
Maloney
Manton
Markey
Martinez
Martini
Mascara
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Neumann
Ney
Norwood
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Poshard
Quillen
Rahall
Reed
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Serrano
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Solomon
Souder
Spence
Spratt
Stark
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOES—149

Allard
Archer
Armey
Bachus
Baker (CA)
Barrett (NE)
Barton
Bass
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Blumenauer
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bunn
Bunning
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chapman
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cox
Cramer
Crane
Cremeans
Cubin
de la Garza
DeLay
Deutsch
Dicks
Dreier
Dunn
Ehlers
English
Ensign
Everett
Fawell
Foley
Fowler
Frelinghuysen
Frisa

Ganske
Gibbons
Gilchrest
Goss
Gutknecht
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Heineman
Herger
Hilliard
Hobson
Hoekstra
Hoyer
Istook
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Kasich
Kennelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
Laughlin
Leach
Levin
Lewis (KY)
Lightfoot
Linder
LoBiondo
Luther
Manzullo
Matsui
McCarthy
McCollum
McCrery
McDermott
Meyers
Miller (FL)
Minge
Myrick
Nethercutt
Nussle
Orton
Parker
Paxon
Peterson (FL)
Petri
Portman
Pryce
Quinn
Radanovich
Ramstad
Rangel
Richardson
Rohrabacher
Roth
Royce
Salmon
Sanford
Sawyer
Schroeder
Sensenbrenner
Shadegg
Shaw
Shays
Skaggs
Smith (TX)
Smith (WA)
Stearns
Stenholm
Studds
Taylor (NC)
Thomas
Thurman
Walker
Waxman
White
Whitfield
Zeliff
Zimmer

NOT VOTING—7

Gillmor
Greene (UT)
Houghton
Lincoln
McDade
Miller (CA)
Oxley

☐ 1321

Messrs. KIM, KNOLLENBERG, FOLEY, MCCOLLUM, ZELIFF, SHADEGG, CANADY of Florida, and HOYER changed their vote from ''aye'' to ''no.''

Messrs. GILMAN, EWING, WELLER, Mrs. MEEK of Florida, and Mr. BARRETT of Wisconsin changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BARRETT of Nebraska) having assumed the chair, Mr. GUTKNECHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2754), to approve and implement the OECD Shipbuilding Trade Agreement, pursuant to House Resolution 448, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on the amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the Committee amendment in the nature of a substitute.

The Committee amendment in the nature of a substitute amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DAVIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 325, noes 100, not voting 9, as follows:

[Roll No. 238]

AYES—325

Ackerman
Allard
Andrews
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Burr
Calvert
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (MI)
Condit
Conyers
Crane
Cremeans
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Durbin
Ehlers
Ehrlich
Emerson
Engel
Ensign
Eshoo
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Greene (UT)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastings (FL)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hinchey
Hoekstra
Hoke
Horn
Hostettler
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kleczka
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Ney
Norwood
Olver
Ortiz
Orton
Owens
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Pryce
Quillen
Quinn
Radanovich
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Roth
Roukema
Roybal-Allard
Sabo
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wicker
Williams
Wilson
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff

NOES—100

Abercrombie
Archer
Armey
Bachus
Baker (CA)
Barr
Barton
Bevill
Boehner
Bonilla
Browder
Bunning
Burton
Callahan
Camp
Chenoweth
Chrysler
Collins (GA)
Collins (IL)
Combest
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cubin
de la Garza
DeLay
Diaz-Balart
Dicks
Doolittle
Dornan
Dunn
English
Evans
Everett
Foley
Fowler
Graham
Gunderson
Hall (TX)
Hastert
Hastings (WA)
Hilleary
Hilliard
Hobson
Holden
Hunter
Jacobs
Johnson (CT)
Johnson, Sam
Kingston
Klink
Klug
Kolbe
Lantos
Laughlin
Lewis (KY)
LoBiondo
Longley
McCrery
McDermott
Mollohan
Montgomery
Nethercutt
Neumann
Nussle
Oberstar
Obey
Pombo
Portman
Poshard
Rahall
Ramstad
Rohrabacher
Ros-Lehtinen
Rose
Royce
Rush
Salmon
Sanford
Schroeder
Shadegg
Smith (NJ)
Smith (WA)
Stearns
Stockman
Stump
Tanner
Taylor (MS)
Thompson
Tiahrt
Torricelli
Traficant
White
Whitfield
Wise
Yates
Zimmer

NOT VOTING—9

Buyer
Edwards
Gillmor
Green (TX)
Houghton
Lincoln
McDade
Meyers
Oxley

☐ 1342

Mr. MCNULTY changed his vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GENE GREEN of Texas. Mr. Speaker, on rollcall vote No. 238 earlier today I was unavoidably detained. Had I been present, I would have voted ''aye.''

GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2754, the bill just passed.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 453 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 453

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30,1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI, clause 7 of rule XXI, or section 302(c) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. Before consideration of any other amendment it shall be in order without intervention of any point of order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Young of Florida or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for twenty minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment. After disposition of that amendment, during further consideration of the bill pursuant to this resolution, the appropriate allocation of new discretionary budget authority within the meaning of section 302(f)(1) of the Congressional Budget Act of 1974 shall be $245,065,000,000. The corresponding level of budget outlays shall be $243,372,000,000. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1345

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for debate purposes only.

(Mr. SOLOMON asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. SOLOMON. Mr. Speaker, House Resolution 453 is an open rule providing for the consideration H.R. 3610, the Defense Department appropriations bill for fiscal year 1997.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Appropriations Committee. The rule waives the 3-day availability requirements for the committee report and the published hearings.

The report was filed Tuesday morning and was available to Members yesterday. So today is the second day of its availability.

The rule contains a technical waiver of section 302(c) of the Budget Act which prohibits consideration of an appropriations bill until the committee has made allocations pursuant to the most recent budget resolution. Since the House just last night adopted the conference report on the budget resolution for fiscal 1997, and the Appropriations Committee has not yet filed its new subcommittee allocations based on that resolution, this technical waiver is necessary.

However, the rule does provide a mechanism for bringing the bill within its new suballocations which were voted on in committee this morning.

Under the rule, a manager's amendment by Subcommittee Chairman YOUNG, which is printed in the report on the rule, will be considered at the outset.

That amendment reduces the funding level in the bill by another $500 million, thereby bringing the bill back under its new 602(b) allocations.

The manager's amendment will be debated for 20 minutes divided between the proponent and opponent.

While it is nonamendable at the outset, if it is adopted its provisions will be folded into the base text for purposes of further amendment under the open amendment process.

In addition, if the amendment is adopted, the rule provides that the new discretionary ceilings for budget authority and outlays will be in effect for the consideration of the bill.

Mr. Speaker, the rule further waives clauses 2 and 6 of House Rule XXI against provisions in the bill. Those rules prohibit the consideration of unauthorized and legislative provisions in appropriations bills, and the transfers of unobligated balances.

While the House has passed its defense authorization bill, it has not yet become law. However, we are informed that this bill closely tracks the decisions we made on that authorization bill, and that the chairman of the National Security Committee has no objection to these waivers. The rule further provides priority in recognition to Members whose amendments have been pre-printed in the CONGRESSIONAL RECORD. It allows the Chairman of the Committee of the Whole to postpone and cluster recorded votes to save the time of the House.

In addition, the rule permits the majority leader to offer the privileged motion to rise and report the bill back to the House at any time after the final lines of the bill have been read. Finally, the rule provides for one motion to recommit, with or without instructions.

In summary on the rule, Mr. Speaker, this is a complicated rule, admittedly, given the transition we are making from the previous budget allocations to the new ones. But in so doing, the rule brings the bill into conformity with the budget conference report adopted yesterday and the new allocations proposed by the Appropriations Committee today.

It is important that we comply with our budgetary decisions, and this rule makes that possible.

In the final analysis, this is a fair and open rule. That was reflected in the rule's unanimous adoption by voice vote in the Rules Committee yesterday, and its support by Chairman BILL YOUNG and Ranking Member JOHN MURTHA who have worked very hard together to conform this bill to the budget conference agreement. In that same, bipartisan spirit, I urge the adoption of the rule by the House today.

On the bill itself, I would like to commend Chairman YOUNG and Mr. MURTHA for once again putting together an excellent bill that takes care of this Nation's defense needs within

the very tight budget constraints we all face.

Mr. Speaker, for the fourth year in a row, the Clinton administration has sent to Congress a defense budget request that is simply inadequate to this country's needs.

Of particular note was this year's weapons procurement requests of only $39 billion, which is $21 billion short of where the joint Chiefs of Staff tell us that we need to be in just a few years.

And that is important, Mr. Speaker. The joint Chiefs of Staff and this Nation's military commanders are telling us that the modernization of our weaponry is grossly underfunded. So let's remember that when we here the catcalls that we are going beyond the Pentagon request in this bill.

It is the President's political request that we are going beyond, and well we should, because the needs of our men and women in uniform outweigh any political need. So I commend the committee for adding $5.7 billion dollars to the President's weapons procurement request.

Mr. Speaker, weapons purchases have declined by 70 percent since 1985, and that is precisely what has led to today's severe modernization problems.

This increase, along with a large increase in the President's ammunition request, will help fulfill one of the most sacred obligations the U.S. Government has: Ensuring that American soldiers and sailors have a plentiful supply of the best weapons and equipment available so that they can adequately defend themselves in battle.

Anything less than that is unforgivable.

Our military personnel are also helped in this bill by a full 3 percent pay increase as well as a 4.6 percent increase in the basic housing allowance.

This bill makes positive strides in other categories as well. The Appropriations Committee added $2.9 billion to the President's request for Research and Development, including $704 million for missile defense.

On that note, let me just say that it's high time for this President to commit himself to defending the American people against ballistic missiles. The time for talk is over. There are no more excuses for not protecting ourselves from this threat.

Mr. Speaker, the long slide in defense spending must come to an end. The end of the cold war did not mean that American forces don't need the best equipment and weaponry they can possibly get. They do. And the end of the Cold War certainly didn't mean that there are no threats to peace in the world. There are.

Anybody reading the papers lately knows that Communist China, for instance, is both massively increasing its own military and helping to transfer the technology to build weapons of mass destruction to rogue nations like Iran.

Slashing our defense budget, refusing to build missile defenses and appeasing countries like Communist China is no way to deal with these threats. Unfortunately, that is precisely what President Clinton is doing. Fortunately, however, we are beginning to take steps in this Congress to reverse this situation. And we can continue that reversal by adopting this bill before us today.

Once again, Chairman YOUNG, Mr. MURTHA, and their staffs deserve high praise for their work and I urge support for this rule and this critical legislation.

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

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 13, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	73	59
Structured/Modified Closed[3]	49	47	33	27
Closed[4]	9	9	17	14
Total	104	100	123	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 12, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 12, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 450 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. ——— (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. YOUNG], the chairman of the subcommittee, who has done such a great job here to explain the necessity and the brevity of this bill.

Mr YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding time.

Mr. Speaker, I want to point out this is an open rule, and we ought to be able to expedite the consideration of the rule and even adopt it by a voice vote, I would hope. We are already an hour past the time we expected to be starting this bill. I know that Members have plans for tomorrow that do not involve being here in the Chamber, so our plan is to finish this bill tonight. The sooner we can expedite it, the sooner Members can get about their other plans, and I know at the White House, the President is having a significant function there tonight that some Members who have been invited would like to get to. Hopefully, we can expedite the rule, move on to the bill and get into the substance of the bill without any delay.

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

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

Mr. Speaker, I rise in support of this rule and of this bill. Maintaining a strong defense of our Nation is one of

the paramount responsibilities of Congress, and I am pleased that this bill meets that responsibility head on.

As reported, H.R. 3610 provides appropriations of $245.8 billion for the functions of the Department of Defense in fiscal year 1997 which is $11.1 billion above the administration's request. While some may disagree with the funding levels and priorities established by this bill, the simple fact is that in end, these priorities will protect the best interests of the United States. These priorities will keep us strong and deserve our support.

Mr. Speaker, the rule will allow any Member to offer amendments to cut funding levels in the bill and thus ensures that we will have a full and fair debate on the defense programs funded here. In addition, the manager's amendment made in order in the rule will cut an additional $800 million from the reported bill to bring it in line with the conference agreement on the budget for fiscal year 1997. I commend Chairman YOUNG and his ranking member, Mr. MURTHA, for their willingness to adjust this bill to meet the requirements of the budget resolution.

I would also like to commend the Appropriations Committee for not including in the bill the social issues that generated such controversy in the fiscal year 1996 appropriation. Mr. Speaker, the purpose of this appropriation is to fund programs of the Department of Defense that relate to our military preparedness. Passage of this appropriation for those important programs should not be slowed by adding to them social issues that are of importance to a certain extreme element of the Republican Party. I am gratified that this year my Republican colleagues have seen the wisdom of adhering to the rules of the House and have kept those controversial issues out of the appropriations bill.

Mr. Speaker, H.R. 3610 is a forward looking appropriation. This bill accelerates the acquisition of several important weapons systems, accelerates the research and development programs relating to the next generation of several others, and funds quality-of-life programs that insure that we will be able to recruit and keep the young men and women who serve as our soldiers, airmen, sailors, and marines. I am particularly gratified that the committee has provided advance funding for the acquisition of additional C–17's and V–22's. The accelerated acquisition of these two aircraft systems will save the U.S. Treasury nearly $9 billion. Saving $9 billion while ensuring for our Nation's defense is no mean feat and I congratulate the Defense Subcommittee for making these recommendations to the full House.

Mr. Speaker, this is a good bill and I urge my colleagues to support H.R. 3610 and the rule providing for its consideration.

□ 1400

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

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this open rule as well as the underlying bill, the Defense Appropriations Act for fiscal 1997. It would be shortsighted and reckless to underestimate the national security dangers that face the United States.

Yes, the Soviet Union collapsed, but Russia remains engaged in serious internal debates that will decide its future course of behavior in the world community. China, as the gentleman from New York [Mr. SOLOMON] recently stated, is acquiring wealth at an extraordinary rate. Some project that it may even surpass the United States in gross domestic product in the next century, and with wealth inevitably comes vast military power.

If we take specific examples, for example, Mr. Speaker, North Korea, though the Clinton administration is providing massive amounts of oil and technical assistance to North Korea, that regime remains an enemy of the United States. The regime in Iran is a deadly enemy of the United States as well, with enormous oil reserves. And there remain many other enemies of this great Nation throughout the world.

Many would love to see the United States on its knees, our youth destroyed by drugs, our economy shattered by debt. Here in this hemisphere the regime in Havana is one such enemy of the American people. In 1982, four senior aides to the Cuban dictator were indicted, Mr. Speaker, for drug smuggling in the United States.

The U.S. attorney in the Southern District of Florida has ready another indictment, this time of 15 high-ranking officials in the Castro government, including Castro's brother, Raul, for trafficking cocaine into the United States. For unexplained and unsatisfactory reasons the administration has refused to authorize the issuance of that indictment.

We, in Congress, passed a tough sanctions law 3 months ago against the Cuban regime. Some of our trading partners, irresponsibly, have criticized us for doing so. Last week the Organization of American States came out against our sanction against Castro. It is very interesting that at that time the brother of the Secretary General of the OAS, Mr. Gaviria, was being held captive by Communist terrorists in Colombia.

Mr. Gaviria was very happy last week after the OAS criticized our sanction of Castro, known as the Helms-Burton law. Mr. Gaviria also asked Castro at that time to get his brother freed. Again, his brother, at that time, was being held by Communist terrorists in Colombia. Yesterday, the Communist terrorists freed Gaviria's brother and all the terrorists flew to Havana, where they arrived, weapons and all, and were given sanctuary by Castro.

Mr. Speaker, Congress has the obligation to find out what the terms of the deal between Gaviria and the Castro government that got Castro to first request and then obtain the release of Gaviria's brother and to accept the kidnappers into Cuba. So I call upon this Congress, through our Subcommittee on the Western Hemisphere and its distinguished chairman, the gentleman from Indiana [Mr. BURTON], to summons the OAS Secretary General in order to ask him the following questions.

And if there is a jurisdictional problem with a summons, then demand, request, or ask, because we have a right to know, being the country that most pays for the OAS, to know the answers to the following questions.

In addition to looking into the terms of the deal between the OAS Secretary General and Castro to get Gaviria's brother freed, we need to know, first, what relation was there between the action of the OAS in Panama last week against the Helms-Burton law and the release of the Secretary General's brother at Castro's request this week?

Second, does Gaviria support the impunity and protection given to his brother's kidnappers by the Castro government; in other words, of the terrorists who were received and given sanctuary yesterday in Cuba?

Third, can Gaviria act impartially as the OAS Secretary General after having made a deal with his brother's kidnappers and with Castro for his brother's freedom?

We must investigate the relationship between Latin American governments who attack our Helms-Burton law and guerrillas and kidnapers controlled by Castro who blackmail those governments. They key question is, in fact, who is the leader in this hemisphere? Who is the boss, Castro and his guerrillas? Can Castro also kidnap in the United States? Is that next, Mr. Speaker? If so, will the United States also acknowledge his authority over all the hemisphere's terrorists?

America has plenty of enemies, Mr. Speaker, and this hemisphere is obviously suffering a crisis of leadership. In Congress, we can, at least, provide the means for the protection of the American people from all possible threats to their security.

Furthermore, Mr. Speaker, military strength and the ability to project military power are closely connected to economic influence and, consequently, to the opportunity for solid economic development and its accompanying jobs and protection of a strong middle class.

For many reasons and, for the most important reason of all, because security is Government's main responsibility, we need a strong national defense and this bill is a necessary ingredient in a strong posture for the United States of America.

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

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I do not think I will take the full 5 minutes, but I did want to take some time to suggest that this bill today has two fundamental problems:

First of all, it is, in my view, reflective of a view that somehow the United States is under serious duress and, in fact, is falling behind potential military competitors.

The fact is, it is not. The fact is that right now we spend two-and-a-half times as much as all of our military adversaries combined and this bill will add to that lead, not subtract from it.

Second, I would like to point out that a little known fact about the defense budget is that while both parties are talking about proceeding to balance the budget in 7 years, the fact is that by the seventh year the defense budget, reflected by the budget resolution that passed yesterday, the majority party's defense budget, is in fact lower than the budget provided by the President. Yet, at the same time that these outyear numbers are substantially lower than the President's, for the first 2 or 3 years this committee is insisting on adding billions of dollars above the President's request.

That makes absolutely no sense. It means that we will be continuing to avoid the tough choices that are needed on the kind of weapons that are going to be bought, and as long as we avoid those tough decisions, it means that we will be buying more than we can afford just a few years down the line.

That will mean that if the Congress, in fact, sticks to its outyear budget ceilings it will be forced to either cancel programs or make substantial reductions in operation and maintenance and other key items at a later point in the cycle, precisely at the time when we ought to be not doing that.

That is why Secretary of Defense Perry has described what is happening as a catastrophe, and that is why it is important to understand that this is not just an argument between the traditional doves and hawks, it is not just an argument about whether this budget ought to spend more money or less money. It is an argument about whether or not it makes sense to grossly inflate the military budget today when we know that we will have to produce substantial reductions in the outyears to meet the targets under the budget resolution.

I submit to my colleagues that we are fooling ourselves and the American people when we pass legislation such as this, and I do not think we should do it. I will, during the course of the debate, be offering a number of amendments to try to bring it in line, but I think it is important, before we begin the debate on the amendment process, to understand the context in which those amendments are offered.

As I have said, the context is that, very clearly, this bill is jamming far too much money into the bill the first 2 or 3 years of this so-called 7-year budget cycle. It will require all kinds of reductions 3 and 4 years down the line. We could make our job a whole lot easier in the future if we would make the choices today that, unfortunately, this committee has refused to make.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1 minute to my distinguished friend, the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, this is not a controversial rule, it is a good open rule, but I may not be available to talk during the appropriations bill discussion itself, so I wanted to make a few points.

I am extended for 2 years on the Permanent Select Committee on Intelligence. It is my eighth year. And there will not be a single Republican member of the Permanent Select Committee on Intelligence who will argue with the figures provided for our defense and national security structure in this bill or, for that matter, in the authorization bill, which is a bit higher.

I do not believe any Democrat who serves on the Permanent Select Committee on Intelligence, who has a reputation of working consistently and hard on defense, will either find any question that the funding levels here are exaggerated.

We may be the sole standing surviving superpower, but when there is as much nuclear weaponry around the world as still exists, that do not have the checks and balances that we have in our governmental system, then we do still live in a severely dangerous world. And I would ask everybody to reject all the amendments coming up that cut our defense budget.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time, and I must say I am pleased that this is an open rule.

As one who has sat on the defense authorization committee for now 24 years, when that bill came to the floor we had a closed rule and we were not allowed to offer one substantive cutting amendment. Not one. I find that outrageous. So at least so far today, unless we do something else, it appears we are going to get to have some debate about what is the right level.

The gentleman from Wisconsin just pointed out that this bill equals two-and-a-half times what all of our adversaries together are spending, so one would think that we ought to be able to make a few cuts in here.

I have an amendment that several other distinguished Members are cosponsoring with me that would bring the level of this bill down to the bipartisan Coalition budget number. That number is what the administration asked for plus 3 percent for the pay raise.

I think that makes a tremendous amount of sense. I would save $7 billion and, if it were adopted, it would almost make the budget that we adopted last night, without my vote because the deficit is higher than it is this year, but it would almost bring that deficit down to the level of this year.

So I would hope Members who voted for the Coalition budget, as I did, on both sides of the aisle, would listen to this. I think it makes a lot of sense and it is really where we should go.

I must say the reason I am speaking on the rule is I hear some rumblings that there may be some steamrollers starting up outside to try and limit the time overall. So those of us who have limiting amendments at the end of the bill may never be able to present them or have to present them just boom, boom, boom, without being able to explain them.

□ 1415

I hope that does not happen.

Mr. YOUNG of Florida. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I would like to assure the gentlewoman we have no intention of denying anyone the opportunity to speak to the extent that they must. So, the gentlewoman might be assured of that.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, I am happy to hear that. I assume that the gentleman means that we will not be having an overall limit so that those of us at the end will not be steamrolled out as people run for their airplanes.

Mr. YOUNG of Florida. Mr. Speaker, if the gentlewoman will continue to yield, I am not assuring her how we are accomplishing this, but I will assure her that we are not going to deny legitimate debate on this bill or the amendments.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Florida because I think these are very critical issues. This is the largest spending bill, as the gentleman knows, that we are probably going to be dealing with that is discretionary spending. And because we did not get to deal with it at all on the authorization side, I think it makes it all the more important that we be allowed to carry it on here.

If we do not get it finished now, let us carry it over to next week or let us do something. But I think this stampede out of here would be unfair.

So, Mr. Speaker, I thank the gentleman from Florida very much for his agreement.

Mr. DIAZ-BALART. Mr. Speaker, we have no further speakers on this side of the aisle. There is great consensus on our side of the aisle in favor of the rule and the bill.

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

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I would like to reiterate some of the points made by the gentlewoman from Colorado. There is a concern that a number

of amendments that might come toward the ends of consideration as we adopt a 3- or 4-hour limit will get short shift if we spend a predominant amount of time on amendments that do not have much significance to some Members.

The point is, we adopted a bill authorizing over $240 billion of expenditures for the Pentagon with not one single cutting amendment allowed. In fact, the gentlewoman from Oregon, I recall, wanted to offer an amendment, I think, to cut $1, and that was not allowed, which is to say that we are assured that this agency, this one agency of the Government is so unique. The largest agency of the Government with the largest budget that there is, not a single dollar of waste; that they could not benefit from any oversight from the Congress or any scrutiny of their programs or any active debate on some of the commitments that we are making that we will carry out for decades to come and cost tens and thousands of billions of dollars.

Mr. Speaker, I do not believe that and I do not think Members on that side of the aisle believe that. There is $15 billion that has gone missing, the accountants cannot find, over the last 10 years. If we had any other agency that could not account for an average of $1.5 billion a year of expenditures without any sort of receipt, I believe we would have special investigators and special prosecutors and special hearings and special committees. But that is a fact. That has happened at the Pentagon.

Mr. Speaker, we must have a full, active, and open debate here about the largest single budget, the largest single employer in the Federal Government. And I would hope that we do not find constraints being adopted.

This House was scheduled to be in session today, it was scheduled to be in session tomorrow, it was scheduled to be in session on Monday. And now we are hearing we have to skate out here tonight so that the east coast Members can catch their planes. There is only one an hour. Those of us from the west coast, it is just about too late to get home tonight. Let us stay here as late as is necessary to have a full and open debate.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply point out that this is an open rule that we are bringing to the floor, and no limitations on debate nor on amendments.

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

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

(Mr. FROST asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. FROST. Mr. Speaker, at the beginning of this Congress, the Republican majority claimed that the House was going to consider bills under an open process. I would like to point out that 63 percent of the legislation this session has been considered under a restrictive process.

Mr. Speaker, I submit for the RECORD the following material:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 63	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H. Con. Res. 109				
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
		PROCEDURE IN THE 104TH CONGRESS 2D SESSION		
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H. Con. Res. 131				
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.

* Contract Bills, 67% restrictive; 33% open. ** All legislation 1st Session, 53% restrictive; 47% open. *** All legislation 2d Session, 63% restrictive; 37% open. **** All legislation 104th Congress, 57% restrictive; 43% open. ***** NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ****** PQ Indicates that previous question was ordered on the resolution. ******* Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. FROST. Mr. Speaker, I urge adoption of the rule, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I reiterate our strong commitment on this side of the aisle to a strong defense, and reiterate the fact that this is an open rule not closing debate in any way nor prohibiting amendments in any way.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3610, making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, and that I may be permitted to include tabular and extraneous materials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman for Florida?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 453 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3610.

□ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, with Mr. CAMP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida [Mr. YOUNG] and the gentleman from Pennsylvania [Mr. MURTHA] each will control 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very happy to present to the House what I think is an excellent national defense appropriations bill. There will be those who disagree with that statement, but I have to say this, that this bill was created by Members of both parties in a bipartisan fashion and the bill that we bring to the floor is agreed to by the vast majority of the subcommittee and the full Committee on Appropriations.

We did this because of the tremendous cooperation that the Members showed toward each other in dealing with the issues. And those issues were decided based on the merit, based on whether or not they contributed something to our national security, and based on whether or not there actually was a requirement for what we included in the bill.

There was no question about who did it help politically or where did it create jobs or not create jobs. The decisions were based on what is good to provide for the security of this Nation, and our interests, wherever they might be.

And not only the Members who are outstanding members of this committee on both sides, I wanted to take just a minute and call attention to those who serve us at the staff level, those staffers who work here hours and hours late at night after we have done our work and gone home.

And I want to point out Kevin Roper, for whom this Congress is his first time as the chief clerk of this subcommittee and has done such an outstanding job. His brain is like a computer. He is able to call up information without any hesitation when he is called upon to do that.

John Plashal, Dave Kilian, Alicia Jones, Juliet Pacquing, Greg Walters, Trish Keenan, Doug Gregory, Paul Juola, Tina Jonas, Steve Nixon, Stacy Trimble; Paige Schreiner, who by the way is on maternity leave, just having had a lovely new daughter; and Cynthia Hill, who was a detailee from Navy; and Mr. Greg Dahlberg, who works as a partner with Kevin Roper, who also is a tremendous asset to the work of this subcommittee; and Carmen Scialabba, who is in Mr. MURTHA'S office.

These ladies and gentlemen have all made tremendous contributions to helping this subcommittee do its work with the thousands and thousands of items and thousands and thousands of decisions that we have make during our markup.

Mr. Chairman, I wanted to say this: This bill that we present, we started with the President's budget request. There are those who say that, ''Well, you are a Republican Congress. When the President's budget gets there, it is going to be dead on arrival.'' And we assured them all that is not the case.

We worked in cooperation with the administration. We began with the President's budget. We believed then, and we still believe, that it was short in a number of areas; so we made some additions. But basically and budget requested by the President is provided for in this bill.

But I will call to the attention of the Members some of the adds that we included, but let me tell Members about the numbers. We began with a 602(b) allocation of $246.6 billion and we marked to that amount, and we did the best we could to get the most for the money that we possibly could. At that, based on real growth, counting for inflation, is actually $4 billion under last year's bill.

By the time we got to the full committee, we had to make another $800 million reduction. So again we stood up to the plate, and we made that $800 billion reduction based on what the leadership thought would be the budget split between the House number and the Senate number.

Well, now we come to the floor, and that number is not low enough, based on the budget resolution we passed yesterday. So we will have to offer an amendment today that will cut an additional $500 million out of this bill. and that amendment has been prepared with the cooperation and work of all of the members of the subcommittee. By the time we finish with that amendment, this bill will be down to $245.3 billion. That is $4.7 billion under last year if we adjust for inflation, which is the realistic thing to do, and it is $1.6 billion under the authorized levels.

We have worked closely with the authorizers, with the chairman of the Committee on National Security and with the chairman of the Permanent Select Committee on Intelligence, to fashion this bill. We have worked in lock step. We cannot provide everything that they authorize because we do not have that much money available. But the bill we are going to vote on today is very close to the bill that Members have already voted in large numbers to support for the intelligence authorization bill and as well as the national security authorization bill. As we get into the amendments, we will then get into more debate about the bill.

Mr. Chairman, I submit the following tabular material for the RECORD:

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I					
MILITARY PERSONNEL					
Military Personnel, Army	19,946,187,000	20,580,738,000	20,692,838,000	+746,651,000	+112,100,000
Military Personnel, Navy	17,008,563,000	16,942,956,000	17,000,856,000	-7,707,000	+57,900,000
Military Personnel, Marine Corps	5,885,740,000	6,102,108,000	6,103,808,000	+218,068,000	+1,700,000
Military Personnel, Air Force	17,207,743,000	17,043,150,000	17,099,550,000	-108,193,000	+56,400,000
Reserve Personnel, Army	2,122,466,000	2,043,679,000	2,083,379,000	-39,087,000	+39,700,000
Reserve Personnel, Navy	1,355,523,000	1,386,306,000	1,392,406,000	+36,883,000	+6,100,000
Reserve Personnel, Marine Corps	378,151,000	381,143,000	387,943,000	+9,792,000	+6,800,000
Reserve Personnel, Air Force	784,586,000	775,967,000	780,497,000	-4,089,000	+4,530,000
National Guard Personnel, Army	3,242,422,000	3,242,493,000	3,279,393,000	+36,971,000	+36,900,000
National Guard Personnel, Air Force	1,259,627,000	1,284,290,000	1,294,490,000	+34,863,000	+10,200,000
Total, title I, Military Personnel	69,191,008,000	69,782,830,000	70,115,160,000	+924,152,000	+332,330,000
TITLE II					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	18,321,965,000	18,031,145,000	18,365,679,000	+43,714,000	+334,534,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,334,000)	(50,000,000)	.....	(-33,334,000)
Operation and Maintenance, Navy	21,279,425,000	20,112,864,000	20,390,397,000	-889,028,000	+277,533,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,333,000)	(50,000,000)	.....	(-33,333,000)
Operation and Maintenance, Marine Corps	2,392,522,000	2,203,777,000	2,465,077,000	+72,555,000	+261,300,000
Operation and Maintenance, Air Force	18,606,167,000	17,830,122,000	17,938,755,000	-667,412,000	+108,633,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,333,000)	(50,000,000)	.....	(-33,333,000)
Operation and Maintenance, Defense-Wide	10,388,595,000	10,156,468,000	10,212,985,000	-175,610,000	+56,517,000
(By transfer)	(15,000,000)	.....	.....	(-15,000,000)	.....
Operation and Maintenance, Army Reserve	1,119,191,000	1,084,436,000	1,116,436,000	-2,755,000	+32,000,000
Operation and Maintenance, Navy Reserve	859,542,000	843,927,000	882,927,000	+23,385,000	+39,000,000
Operation and Maintenance, Marine Corps Reserve	100,283,000	99,667,000	108,467,000	+8,184,000	+8,800,000
Operation and Maintenance, Air Force Reserve	1,519,287,000	1,488,553,000	1,491,553,000	-27,734,000	+3,000,000
Operation and Maintenance, Army National Guard	2,440,808,000	2,208,477,000	2,268,477,000	-172,331,000	+60,000,000
Operation and Maintenance, Air National Guard	2,776,121,000	2,654,473,000	2,671,373,000	-104,748,000	+16,900,000
United States Court of Appeals for the Armed Forces	6,521,000	6,797,000	6,797,000	+276,000	.....
Environmental Restoration, Army	.....	356,916,000	.....	.....	-356,916,000
Environmental Restoration, Navy	.....	302,900,000	.....	.....	-302,900,000
Environmental Restoration, Air Force	.....	414,700,000	.....	.....	-414,700,000
Environmental Restoration, Defense-Wide	.....	258,500,000	.....	.....	-258,500,000
Environmental Restoration, Defense	1,422,200,000	.....	1,333,016,000	-89,184,000	+1,333,016,000
Summer Olympics	15,000,000	.....	.....	-15,000,000	.....
Former Soviet Union threat reduction	300,000,000	327,900,000	302,900,000	+2,900,000	-25,000,000
Overseas Humanitarian, Disaster, and Civic Aid	50,000,000	80,544,000	60,544,000	+10,544,000	-20,000,000
(Transfer out)	(-15,000,000)	.....	.....	(+15,000,000)	.....
Quality of Life Enhancements, Defense	.....	.....	975,000,000	+975,000,000	+975,000,000
Total, title II, Operation and maintenance	81,597,627,000	78,462,166,000	80,590,383,000	-1,007,244,000	+2,128,217,000
(By transfer)	(150,000,000)	(250,000,000)	(150,000,000)	.....	(-100,000,000)
TITLE III					
PROCUREMENT					
Aircraft Procurement, Army	1,558,805,000	970,815,000	1,308,709,000	-250,096,000	+337,894,000
Missile Procurement, Army	865,555,000	766,329,000	1,044,767,000	+179,212,000	+278,438,000
Procurement of Weapons and Tracked Combat Vehicles, Army	1,652,745,000	1,102,014,000	1,500,414,000	-152,331,000	+398,400,000
Procurement of Ammunition, Army	1,110,685,000	853,428,000	1,150,128,000	+39,443,000	+296,700,000
Other Procurement, Army	2,769,443,000	2,627,440,000	2,899,040,000	+129,597,000	+271,600,000
Aircraft Procurement, Navy	4,589,394,000	5,881,952,000	6,896,552,000	+2,307,158,000	+1,014,600,000
Weapons Procurement, Navy	1,669,827,000	1,400,363,000	1,384,408,000	-285,419,000	-15,955,000
Procurement of Ammunition, Navy and Marine Corps	430,053,000	.....	341,689,000	-88,364,000	+341,689,000
Shipbuilding and Conversion, Navy	6,643,958,000	4,911,930,000	4,719,930,000	-1,924,028,000	-192,000,000
Other Procurement, Navy	2,483,581,000	2,714,195,000	2,889,591,000	+406,010,000	+175,396,000
Procurement, Marine Corps	458,947,000	555,507,000	623,973,000	+165,026,000	+68,466,000
Aircraft Procurement, Air Force	7,367,983,000	5,779,228,000	7,326,628,000	-41,355,000	+1,547,400,000
Missile Procurement, Air Force	2,943,931,000	2,733,877,000	2,279,500,000	-664,431,000	-454,377,000
Procurement of Ammunition, Air Force	338,800,000	.....	272,177,000	-66,623,000	+272,177,000
Other Procurement, Air Force	6,284,230,000	5,998,819,000	6,078,539,000	-205,691,000	+79,720,000
Procurement, Defense-Wide	2,124,379,000	1,841,212,000	2,247,812,000	+123,433,000	+406,600,000
National Guard and Reserve Equipment	777,000,000	.....	908,000,000	+131,000,000	+908,000,000
Total, title III, Procurement	44,069,316,000	38,137,109,000	43,871,857,000	-197,459,000	+5,734,748,000
TITLE IV					
RESEARCH, DEVELOPMENT, TEST AND EVALUATION					
Research, Development, Test and Evaluation, Army	4,870,684,000	4,320,640,000	4,874,537,000	+3,853,000	+553,897,000
(By transfer)	(8,000,000)	.....	.....	(-8,000,000)	.....
Research, Development, Test and Evaluation, Navy	8,758,132,000	7,334,734,000	8,399,357,000	-358,775,000	+1,064,623,000
Research, Development, Test and Evaluation, Air Force	13,126,567,000	14,417,456,000	14,969,573,000	+1,843,006,000	+552,117,000
Research, Development, Test and Evaluation, Defense-Wide	9,461,057,000	8,398,836,000	9,068,558,000	-392,499,000	+669,722,000
Developmental Test and Evaluation, Defense	251,082,000	252,038,000	272,038,000	+20,956,000	+20,000,000
Operational Test and Evaluation, Defense	22,587,000	21,968,000	26,968,000	+4,381,000	+5,000,000
Total, title IV, Research, Development, Test and Evaluation	36,490,109,000	34,745,672,000	37,611,031,000	+1,120,922,000	+2,865,359,000

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE V					
REVOLVING AND MANAGEMENT FUNDS					
Defense business operations fund	878,700,000	947,900,000	947,900,000	+69,200,000	.....
National Defense Sealift Fund:					
Ready Reserve Force	289,000,000	261,000,000	261,000,000	-28,000,000	.....
Acquisition	735,220,000	702,002,000	1,643,002,000	+907,782,000	+941,000,000
Total	1,024,220,000	963,002,000	1,904,002,000	+879,782,000	+941,000,000
Total, title V, Revolving and Management Funds	1,902,920,000	1,910,902,000	2,851,902,000	+948,982,000	+941,000,000
TITLE VI					
OTHER DEPARTMENT OF DEFENSE PROGRAMS					
Defense health program:					
Operation and maintenance	9,938,325,000	9,358,288,000	9,398,188,000	-540,137,000	+39,900,000
(Transfer out)	(-8,000,000)	.....	.....	(+8,000,000)	.....
Procurement	288,033,000	269,470,000	269,470,000	-18,563,000	.....
Total, Defense Health Program	10,226,358,000	9,627,758,000	9,667,658,000	-558,700,000	+39,900,000
Chemical Agents and Munitions Destruction, Defense: 1/					
Operation and maintenance	353,850,000	477,947,000	477,947,000	+124,097,000	.....
Procurement	265,000,000	273,600,000	273,600,000	+8,600,000	.....
Research, development, test, and evaluation	53,400,000	48,300,000	48,300,000	-5,100,000	.....
Total, Chemical Agents	672,250,000	799,847,000	799,847,000	+127,597,000	.....
Drug Interdiction Defense	688,432,000	642,724,000	774,724,000	+86,292,000	+132,000,000
Office of the Inspector General	178,226,000	138,501,000	138,501,000	-39,725,000	.....
Total, title VI, Other Department of Defense Programs	11,765,266,000	11,208,830,000	11,380,730,000	-384,536,000	+171,900,000
TITLE VII					
RELATED AGENCIES					
Central Intelligence Agency Retirement and Disability System Fund	213,900,000	196,400,000	196,400,000	-17,500,000	.....
Intelligence Community Management Account	90,683,000	91,739,000	149,555,000	+58,872,000	+57,816,000
National Security Education Trust Fund	7,500,000	5,100,000	.....	-7,500,000	-5,100,000
Payment to Kaho'olawe Island conveyance remediation and Environmental Restoration Fund	25,000,000	10,000,000	10,000,000	-15,000,000	.....
Total, title VII, Related agencies	337,083,000	303,239,000	355,955,000	+18,872,000	+52,716,000
TITLE VIII					
GENERAL PROVISIONS					
Additional transfer authority (sec. 8005)	(3,100,000,000)	(2,000,000,000)	(2,000,000,000)	(-1,100,000,000)	.....
Contractor ADP	-30,000,000	.....	.....	+30,000,000	.....
Rescissions	-561,217,000	.....	.....	+561,217,000	.....
Inflation Reestimate	-832,000,000	.....	.....	+832,000,000	.....
Management efficiencies	-442,000,000	.....	.....	+442,000,000	.....
FFRDCs labs	-90,000,000	.....	.....	+90,000,000	.....
Overseas Military Fac Investment Recovery (sec. 8045)	.....	1,000,000	1,000,000	+1,000,000	.....
National Science Center, Army (sec. 8055)	85,000	120,000	120,000	+35,000	.....
Disposal & lease of DOD real property (sec. 8042)	8,000,000	26,565,000	26,565,000	+18,565,000	.....
Air Force DBOF pass through (sec. 8082)	.....	.....	-195,000,000	-195,000,000	-195,000,000
Spare parts inventories (sec. 8089)	.....	.....	-350,000,000	-350,000,000	-350,000,000
Excess funded carryover (sec. 8076)	.....	.....	-500,000,000	-500,000,000	-500,000,000
Total, title VIII	-1,947,132,000	27,685,000	-1,017,315,000	+929,817,000	-1,045,000,000
GRAND BILL TOTAL	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Total, Department of Defense:					
Bill total	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Scorekeeping adjustments	-1,338,900,000	100,000,000	.....	+1,338,900,000	-100,000,000
Grand total	242,067,297,000	234,678,433,000	245,759,703,000	+3,692,406,000	+11,081,270,000

NOTE: Grand total does not include $820 million in emergency appropriations enacted in PL 104-134. The FY 1996 grand total including these appropriations is $242,887,297,000.

1/ Included in Budget under Procurement title.

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
RECAPITULATION					
Title I - Military Personnel	69,191,008,000	69,782,830,000	70,115,160,000	+924,152,000	+332,330,000
Title II - Operation and Maintenance	81,597,627,000	78,462,166,000	80,590,383,000	-1,007,244,000	+2,128,217,000
Title III - Procurement	44,069,316,000	38,137,109,000	43,871,857,000	-197,459,000	+5,734,748,000
Title IV - Research, Development, Test and Evaluation	36,490,109,000	34,745,672,000	37,611,031,000	+1,120,922,000	+2,865,359,000
Title V - Revolving and Management Funds	1,902,920,000	1,910,902,000	2,851,902,000	+948,982,000	+941,000,000
Title VI - Other Department of Defense Programs	11,765,266,000	11,208,830,000	11,380,730,000	-384,536,000	+171,900,000
Title VII - Related agencies	337,083,000	303,239,000	355,955,000	+18,872,000	+52,716,000
Title VIII - General provisions	-1,947,132,000	27,685,000	-1,017,315,000	+929,817,000	-1,045,000,000
(Additional transfer authority)	(3,100,000,000)	(2,000,000,000)	(2,000,000,000)	(-1,100,000,000)	.....
Total, Department of Defense	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Scorekeeping adjustments	-1,338,900,000	100,000,000	.....	+1,338,900,000	-100,000,000
Grand total	242,067,297,000	234,678,433,000	245,759,703,000	+3,692,406,000	+11,081,270,000

NOTE: Grand total does not include $820 million in emergency appropriations enacted in PL 104-134. The FY 1996 grand total including these appropriations is $242,887,297,000.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. MURTHA. Mr. Chairman, I yield back the balance of my time.

Mr. POMEROY. Mr. Chairman, I rise in support of the fiscal year 1997 Department of Defense appropriations bill.

The bill before contains many valuable provisions that will enhance the readiness of our Armed Forces and improve the quality of life for the men and women who serve in our Nation's military. The 3 percent pay raise for military personnel, the additional funding for medical care for active duty members and military retirees, and the resources dedicated to repair and upgrade substandard military barracks are three important provisions that will strengthen troop morale and in turn improve the combat readiness of our military.

I also take this opportunity to highlight two items in this bill that are critically important to the Nation's defense and to my State of North Dakota. First, this bill fully funds the Minuteman III life extension/modernization program to preserve the viability and reliability of our ICBM force well into the next century as recommended by the Nuclear Posture Review. Second, the legislation maintains the number of fighters assigned to the Nation's general purpose Air National Guard fighter units at 15 Primary Assigned Aircraft. Given the increasing reliance on the National Guard to defend our national interest, it makes good sense to maintain current fighter force levels.

Mr. Chairman, I am disappointed that this bill does not include a provision similar to Section 1302 of the fiscal year 1997 Defense Authorization bill to strictly prohibit the retirement of B–52 bombers. The B–52 remains our Nation's most combat capable bomber and should not be prematurely retired as proposed by the administration. While I understand that the Appropriation bill provision may suffice in blocking the retirement of B–52s, I am hopeful and confident that the final Defense Appropriations will include a similar provision.

Finally, Mr. Chairman, I do have concern regarding the $10.2 billion increase this bill provides over and above the Pentagon's request. I voted in favor of both the Schroeder and the Shays amendments to reduce bill's funding and make it more consistent with our effort to balance the Federal budget. Although I am disappointed that these amendments failed, I will support passage of the bill because, in the final analysis, it fulfills an important commitment to our troops and the Nation's defense.

I urge my colleagues to support this legislation.

Mr. McCOLLUM. Mr. Chairman, I rise in support of H.R. 3610, the National Security Appropriations bill, and to thank my friend and colleague from the great State of Florida, Chairman BILL YOUNG, for all his good work on this bill that is so important to U.S. interests at home and abroad.

Defense spending, adjusted for inflation, has been cut each and every year since 1985. Despite this decline, the President's budget called for a $10 billion cut in fiscal year 1997. During testimony before the House Committee on National Security, all of the Joint Chiefs have suggested the President's budget was not adequate to address the needs of our national defense.

Mr. Chairman, H.R. 3610 provides the funds needed to ensure that we have the best equipped troops in the world prepared to defend our Nation. Chairman YOUNG has made great strides at increasing military readiness by increasing the quality of life for our troops. The world remains a dangerous place at the same time the U.S. force structure has hit its lowest level in 50 years. The frequent deployment of our troops has created many problems for our soldiers and their families. To address this situation, this bill provides a needed 3 percent pay raise for the brave men and women who have volunteered to defend our Nation.

Another important issue addressed in this bill is the need to maintain adequate health care for our soldiers. By adding $475 million to the President's request for defense health care, we are insuring that our troops will be ready for whatever mission might surface. If this House had not supported a higher level of health care funding, the services would have had to make deep reductions in the medical care we promised our service members.

This bill also adds $400 million for the repair and upgrade of military barracks. Two-thirds of this housing is currently rated by the DOD as substandard. This is an important component of maintaining a high level of readiness for our Armed Forces. Our sailors and soldiers make many personal sacrifices to provide for our Nation's defense. We owe it to them to provide a decent place for these men and women and their families to live.

H.R. 3610 also addresses the concerns of the Joint Chiefs by adding necessary funds for the weapons procurement needs identified by our field commanders. The Joint Chiefs and the Chairman know that funding for weapons procurement has declined by nearly 75 percent in real terms over the past 11 years. With a smaller force structure, our troops will have an even greater need for the most modern and capable weapons available. This bill ensures that our troops will be equipped with these weapons.

I will gladly support this bill and urge my colleagues to do the same. Again, thank you, Mr. Chairman, for your hard work on this bill that balances the need for a fiscally sound defense program with the needs our men and women who serve our great Nation. Your work is truly appreciated.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 3610, and particularly want to commend the Committee for including funds for cooperative DOD/VA medical research. In providing $25 million in funding for this important activity, the Committee is helping foster valuable research that serves not only our active duty personnel, but veterans as well.

These moneys will help fund research into such areas as combat casualty care, Persian Gulf veterans' illnesses, and post-traumatic stress disorder.

Members may not be fully aware of the kind of bang Congress and the Nation have gotten from putting bucks into VA research. By way of example, the contributions VA research program has given us over the years include such developments as:

Surgical transplanting of kidneys using drugs to suppress organ rejection; an artificial foot that allows amputees to jog and play sports; drugs for the treatment of diseases including tuberculosis; and a taking computer for the blind.

The military and this Nation will benefit by providing funds that encourage cooperative VA and DOD research efforts.

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104–619 if offered by the gentleman from Florida [Mr. YOUNG] or his designee. That amendment shall be considered read, may amend portions of the bill not yet read for amendment, shall be debatable for 20 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as an original bill for the purpose of further amendment.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less that 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. YOUNG of Florida: On page 17, line 9, strike ''$1,044,767,000'' and insert ''$988,567,000''.

On page 17, line 10, strike all after ''1999'' through the end of line 12, except the period.

On page 22, line 6, strike ''$4,719,930,000'' and insert ''$4,469,930,000''.

On page 24, line 17, strike ''$7,326,628,000'' and insert ''$7,274,628,000''.

On page 24, line 19, strike ''$54,700,000'' and insert ''$2,700,000''.

On page 29, line 10, strike ''$14,969,573,000'' and insert ''$14,869,573,000''.

On page 29, line 15, strike ''$1,698,486,000'' and insert ''$1,598,486,000''.

On page 82, line 6, strike ''$350,000,000''' and insert ''$400,000,000''.

On page 82, line 11, strike ''$226,400,000'' and insert ''$276,400,000''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Florida [Mr. YOUNG] and a Member opposed will each control 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I explained during general debate, in order to conform this bill to the budget resolution that was adopted yesterday in the House, it was necessary to cut another $500 million, actually $508 million, over a half billion, from this bill, and that is the purpose of the amendment that I just offered, and I will submit a statement that will explain in detail how we had to arrive at this point. But I wanted to point out for the RECORD so that it would be clear exactly what it is that we are doing so that no one has any questions.

We have reduced the MLRS launcher line by $56.2 million. That leaves an increase over the budget of $10 million. We eliminate, basically eliminate the TAGS ship. We leave $4 million in that account but we take $50 million. The third *Seawolf,* we reduce by $100 million. That still leaves $599 million in the budget. The new attack submarine program line, we have reduced by $100 million; that still leaves $704 million in that account.

□ 1430

The C–130, the airborne command and control version of that aircraft, we would eliminate one that we had added. That is $52 million. And then we have a classified item that we are not able to discuss on the floor but those Members cleared for the information are aware of it. That is another $100 million cut. That comes to $508 million. I would hope that we could expedite the consideration of this amendment. It is necessary to conform this bill to the budget request or to the budget resolution as passed.

Mr. Chairman, pursuant to the rule, I send to the desk an amendment made in order by the rule.

Mr. Chairman, as I explained during general debate, in order to conform this bill to the conference agreement on the budget resolution, it is necessary to cut the funds in this bill by an additional $500 million.

That is the purpose of the amendment I just offered—to bring this bill in line with the budget resolution.

In the budget resolution process, the House originally recommended a total for Defense which was $1.6 billion higher than the Senate.

The House position was higher. And when we passed the Defense authorization bill 4 weeks ago, that bill was marked to the higher House level.

And when we marked up this bill, we also went to the original House-passed level.

We brought this bill to the full Appropriations Committee last week. Based on tentative discussions in the budget conference, we were led to believe the House and Senate would split the difference in the defense number. That meant the House number would come down by $800 million.

So in full committee, I offered an amendment which cut our subcommittee bill by $800 million.

So the bill before the House right now is already $800 million under our original target.

But when the final budget agreement was reached, it turns out we did not get a split, we went all the way to the lower Senate figure.

That means we have to cut this bill, again.

So, I find myself in the somewhat awkward position of offering this amendment.

For those of you who know me, I think if you had approached me a few years ago, or even a few weeks ago, and said Bill, we want you to offer amendments to cut your committee's Defense appropriations bill by $1.3 billion, I probably would have told you not on your life.

Our subcommittee wrote a good bill. FLOYD SPENCE, and his committee, and LARRY COMBEST and the Intelligence Committee, they wrote good bills.

We are trying to take care of the troops and their families. We are trying to make sure our personnel have the best equipment, the best training, the best intelligence to do their jobs around the world.

So when as chairman of this subcommittee, I get the pleasure of trying to find $1.3 billion in cuts to what we thought was a pretty good Defense appropriations bill, it is not a job I enjoy.

But we all have to deal with the hand we have been dealt. So here we are, cutting half a billion dollars out of the Defense bill.

Finding this money has not been easy. We have been working over a week to come up with a balanced package, one that does not do irreparable harm.

And when I say we, I mean myself and our ranking minority member, Mr. MURTHA. I worked with Mr. MURTHA from the start on this. We went back and forth, and believe me, neither of us enjoyed it because we had to make some tough decisions. Everybody had to give something.

We also ran this past our subcommittee, getting their input as well as the members of the committee.

So this is not a perfect amendment, but it is one we tried to develop on a bipartisan basis, one that was fair and that did the least harm.

This amendment cuts a total of $508.2 million.

We propose cutting $50 million out of excess spare parts inventories. This a cut we found based on audit work done at the Pentagon that shows in certain instances we have overbudgeted for spare parts.

That was the easy one. To find the other $458 million, we had to cut, or trim back, money we recommended in modernization programs, each one important to the services.

The amendment cuts $56.2 million from Army missile procurement, which we recommend to come from the total in the bill for MLRS launchers.

We originally proposed an add over the President's budget of $66.2 million—we would cut that back by $56 million.

We take out $52 million from Air Force aircraft procurement, that being for one airborne command, control, and communications aircraft—or A–B–Triple C.

This was on the Air Force shortfall list, as a top unfunded item. We originally added funds for three A–B–Triple C's, but the amendment takes out money for one of the three.

Navy shipbuilding—there would be a reduction of $250 million.

This comes in three pieces.

Fifty million dollars is from an oceanographic ship, the TAGS ship. Again, this was on the Navy's shortfall list so we had $54 million in the bill. We take out $50 million in the amendment, which leaves $4 million which could be used with money we provided last year for long-lead purchases needed to build a TAGS ship.

One hundred million dollars comes from the new attack submarine line. Right now the bill has $800 million for the new attack submarine, providing long lead money for the first sub, which is being built in Groton, CT, and the second sub which will be done at Newport News, VA.

The amendment cuts this back by $100 million. It does not specify which sub it will come out of. This leaves $700 million, still an increase of $404 million over the budget which we think is enough to keep this program underway.

And the final shipbuilding piece comes from the SSN–23, the third *Seawolf.*

Before this year, we had appropriated $1.6 billion for the third *Seawolf.*

The budget for this year requested $699 million. The last increment for the *Seawolf* is budgeted for next year, at $100 million for a total cost of $2.4 billion.

We think we can take $100 million out from the $699 million in the bill, without really disrupting the program.

Most of the money in the request this year is for Government-furnished equipment, or GFE, which means components like pumps and valves, and electronics. These go into the submarine after it is basically built and so we think taking this money out will not really impact the construction schedule.

That brings us to one last item, a $100 million reduction in Air Force research and development.

This is for classified activities, and I'm constrained from describing what this is because of the sensitivity of the issues.

Let me just say the bill had recommended additions over the budget to accelerate certain activities. This reduction of $100 million will not stop this effort, and in fact still allows these projects to move out.

On all these items, we know we may need to make adjustments down the line and I expect if we have taken out too much we will have another chance to deal with them in conference.

That's our proposal, a $508.2 million cut.

If adopted, this would bring the bill down to a total of $245.3 billion.

This level is significantly less than last year, if you adjust for inflation.

We would be 2 percent less than fiscal year 1996, or about $4.7 billion less than 1996 when adjusted for inflation.

In fact, if this amendment is adopted, we will be at a level which you could consider as being below the 1996 enacted level, if you back out the pay raise and the extra $475 million for medical care we have in the bill to restore the cuts for medical care proposed by the President.

I mention all this because you will hear throughout the debate today that this bill is over last year's level—and you will be asked to vote on any number of cutting amendments to bring the bill down even further.

I want to say again—if you vote for this amendment, then we will be nearly $5 billion less than last year, adjusting for inflation. The DOD will be asked to operate with $4.7 billion less in terms of buying power. This will be the twelfth straight year Defense budgets will have lost ground.

And we will actually be below a hard freeze, if you give us credit for the pay raise and the medical funding in the bill.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. YOUNG].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Florida [Mr.YOUNG] will be postponed.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $20,692,838,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,000,856,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,103,808,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses for temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C.(b)), and to the Department of Defense Military Retirement Fund; $17,099,550,000.

RESERVE PERSONNEL ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,083,379,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,392,406,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 to title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $387,943,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $780,497,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,279,393,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,294,490,000.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $18,365,679,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided,* That of the funds appropriated in this paragraph, not less than $300,000,000 shall be made available only for conventional ammunition care and maintenance: *Provided further,* That of the funds appropriated in this paragraph,

$12,084,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $3,995,000, can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $20,390,397,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided,* That of the funds appropriated in this paragraph, $39,933,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $2,465,077,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,362,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $17,938,755,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided,* That of the funds appropriated in this paragraph, $39,133,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $10,212,985,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $28,500,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,116,436,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $882,927,000: *Provided,* That of the funds appropriated in this paragraph, $24,000,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $108,467,000: *Provided,* That of the funds appropriated in this paragraph, $2,000,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,491,553,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,268,477,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $2,671,373,000.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $6,797,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense; $1,333,016,000, to remain available until transferred: *Provided,* That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time periods as the appropriations of funds to which transferred: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); $60,544,000, to remain available until September 30, 1998.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $302,900,000, to remain available for obligation until September 30, 1999.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, resulting from unfunded shortfalls in medical programs and the repair and maintenance of real property of the Department of Defense (including military housing and barracks); $975,000,000, of which—

(1) $475,000,000 shall be transferred to funds made available under the heading ''Defense Health Program'' in title VI of this Act and be available for operation and maintenance; and

(2) $500,000,000 shall be available for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair) and shall remain available for obligation until September 30, 1998, as follows:

Army, $165,000,000;
Navy, $75,000,000;
Marine Corps, $40,000,000;
Air Force, $120,000,000;
Army Reserve, $20,000,000;
Navy Reserve, $20,000,000;
Marine Corps Reserve, $2,000,000;
Air Force Reserve, $16,000,000;
Army National Guard, $29,000,000; and
Air National Guard, $13,000,000.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MS. FURSE

Ms. FURSE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. FURSE: At the end of title II (page 16, after line 3), add the following new paragraph:

REDUCTION OF FUNDS

Amounts appropriated in other paragraphs of this title are hereby reduced as follows:

From OPERATION AND MAINTENANCE, ARMY, $12,950,000.

From OPERATION AND MAINTENANCE, NAVY, $3,500,000.

From OPERATION AND MAINTENANCE, MARINE CORPS, $1,750,000.

From OPERATION AND MAINTENANCE, AIR FORCE, $7,700,000.

From OPERATION AND MAINTENANCE, DEFENSE-WIDE, $9,100,000.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Ms. FURSE. Mr. Chairman, I am just going to thank the chairman and the ranking member for accepting the amendment. I will not take any more of the time.

Mr. Chairman, I rise to offer an amendment that makes sense for the U.S. taxpayer and that makes sense for our military transportation system. First, however, I want to express my appreciation for the excellent leadership of Chairman YOUNG and Ranking Member MURTHA. Their collegiality is the hallmark of this fine institution in which we work.

My amendment reduces funding for USTRANSCOM—the transportation command—by an additional $35 million. It will cut out layers of unnecessary wasteful bureaucracy so that the Department of Defense transportation system can operate more efficiently and adopt practices more similar to those utilized in the private sector.

The U.S. Transportation Command budget is estimated at $4 billion for fiscal year 1997. The General Accounting Office recommended reducing that budget in order to encourage making needed organizational changes.

Our defense transportation costs are much higher than necessary. The Department of Defense frequently pays double or triple the cost of the basic transportation, ocean freight, for example, because of redundant bureaucratic structures.

DOD's transportation system is organized in substantially the same way it was more than a decade ago before the era of containerization. Containers are a much more efficient means of moving cargo intermodally—a container can be trucked overland, shipped across the ocean and then trucked to its ultimate destination without being unpacked at transfer points.

Mr. Chairman, my State of Oregon that is perched on the Pacific rim knows about trade. Our industries know how to move our products around the world in an efficient manner. I know that we can create a seamless, intemodal transportation system that best serves our national security needs. DOD has begun to make some efforts in that direction, but I believe organizational changes are needed in order to achieve real savings.

I urge support for my amendment which will build upon the outstanding work of the subcommittee in implementing those changes.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

The SPEAKER pro tempore (Mr. MCCRERY) assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 178) ''Concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.''.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment because we are not exactly sure what the effect of it would be. Basically these cuts come from operation and maintenance for all the services. We have made substantial efforts to substantially improve quality of life for the people who serve us in the military.

Mr. Chairman, having just been handed a different copy of the amendment, let me ask the question, is this one not operational now?

Mr. Chairman, I yield to the gentlewoman to answer the question. We are not sure what amendment is pending. It is difficult to get these amendments at the last minute and not know exactly what the effect might be. We have been very careful in crafting the bill to pretty much know what the effect of what we did might be.

Mr. Chairman, I would like to ask the gentlewoman from Oregon [Ms. FURSE], to give us some assurance that her amendment is not directed at operation and maintenance for the services that would affect barracks repair, for example, or quality of life issues, education, things of this nature.

I yield to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, it would help the Department of Defense transportation system operate more efficiently. It would be just directly at that efficiency of operation for U.S. Transcom.

Mr. YOUNG of Florida. Mr. Chairman, just to make sure that we understand, the paper that I was given originally as the gentlewoman's amendment that did relate to operations and maintenance, that is not the operational amendment that we are dealing with now?

Mr. FURSE. That is correct, Mr. Chairman. I apologize that I caused that confusion. I thank the gentleman for his patience with me.

Mr. YOUNG of Florida. Mr. Chairman, we are willing to accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon [Ms. FURSE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Florida [Mr. YOUNG] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 396, noes 25, not voting 13, as follows:

[Roll No. 239]

AYES—396

Abercrombie	Chabot	Ehlers
Ackerman	Chambliss	Ehrlich
Allard	Chapman	Emerson
Andrews	Chenoweth	Engel
Archer	Christensen	English
Armey	Chrysler	Ensign
Bachus	Clay	Eshoo
Baesler	Clayton	Evans
Baker (CA)	Clement	Farr
Baker (LA)	Clinger	Fattah
Baldacci	Coble	Fawell
Ballenger	Coburn	Fazio
Barcia	Coleman	Fields (LA)
Barrett (NE)	Collins (GA)	Fields (TX)
Barrett (WI)	Collins (IL)	Filner
Barton	Collins (MI)	Flake
Bass	Combest	Flanagan
Bateman	Condit	Foglietta
Becerra	Conyers	Foley
Beilenson	Cooley	Ford
Bentsen	Costello	Fowler
Bereuter	Cox	Fox
Berman	Coyne	Frank (MA)
Bevill	Cramer	Franks (CT)
Bilirakis	Crane	Franks (NJ)
Bliley	Crapo	Frelinghuysen
Blumenauer	Cremeans	Frisa
Blute	Cubin	Frost
Boehlert	Cummings	Funderburk
Boehner	Cunningham	Furse
Bonilla	Danner	Gallegly
Bono	Davis	Ganske
Borski	de la Garza	Gekas
Boucher	Deal	Gephardt
Brewster	DeFazio	Gibbons
Browder	DeLay	Gilchrest
Brown (CA)	Dellums	Gilman
Brown (FL)	Deutsch	Gonzalez
Brown (OH)	Diaz-Balart	Goodlatte
Brownback	Dickey	Goodling
Bryant (TN)	Dicks	Gordon
Bryant (TX)	Dingell	Goss
Bunn	Dixon	Graham
Bunning	Doggett	Green (TX)
Burr	Dooley	Greene (UT)
Burton	Doolittle	Greenwood
Buyer	Dornan	Gunderson
Calvert	Doyle	Gutierrez
Camp	Dreier	Gutknecht
Campbell	Duncan	Hall (OH)
Canady	Dunn	Hall (TX)
Cardin	Durbin	Hamilton
Castle	Edwards	Hancock

Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—25

Barr
Bartlett
Bishop
Clyburn
DeLauro
Everett
Gejdenson
Geren
Hansen
Hefley
Hostettler
Hunter
Johnson, Sam
Kennedy (RI)
Kennelly
McIntosh
Meek
Montgomery
Pickett
Reed
Sisisky
Skelton
Stump
Talent
Taylor (MS)

NOT VOTING—13

Bilbray
Bonior
Callahan
Ewing
Forbes
Gillmor
Hayes
Houghton
Lincoln
Lowey
McDade
Moran
Schumer

□ 1459

Messrs. BARTLETT of Maryland, PICKETT, and EVERETT changed their vote from ''aye'' to ''no.''

Mrs. EDDIE BERNICE JOHNSON of Texas and Mr. YATES changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during roll-call vote No. 239 on H.R. 3610 I was unavoidably detained. Had I been present, I would have voted ''aye.''

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,308,709,000, to remain available for obligation until September 30, 1999.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,044,767,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $16,938,000 shall not be obligated or expended until authorized by law.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,500,414,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $175,600,000 shall not be obligated or expended until authorized by law.

Mr. GEKAS. Mr. Chairman, I move to strike the last word for the purpose of entering into a colloquy with the chairman of the committee. Mr. Chairman, I wish to engage the chairman, the distinguished gentleman from Florida [Mr. YOUNG], in a colloquy of importance to my district and to the Nation as a whole.

I would say to the chairman of the committee, it had been my intention to come before the Subcommittee on National Security, which the gentleman chairs, to ask for his support of an environmental restoration database center at the Superfund site of the former Olmsted Air Force base, now the Harrisburg International Airport, which is in my congressional district in Pennsylvania. However, knowing that the committee's preference was to proceed without such amendments, I have instead come to the floor of the House to discuss my concerns about the database center.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding to me.

I have read the information the gentleman has provided to me about the need for the database center at the Harrisburg International Airport. We see merit with the gentleman's conclusions that such a database center is, in fact, necessary for the continued environmental restoration of the former Olmstead Air Force Base and that the Air Force should fund such a database center.

Mr. GEKAS. I thank the chairman. In fact, for a sum of $123,000 over 5 years, the Pennsylvania State Data Center has proposed to professionally manage and maintain the mountains of Superfund data that have been collected. I doubt that a better choice could be made, since this is the only data center for the entire Commonwealth of Pennsylvania, and is also located adjacent to the said Harrisburg International Airport.

I pledge to the distinguished chairman of the Subcommittee on National Security that I will report to him regularly on the progress we are making with the Air Force on this matter, as this appropriation bill makes it way to conference.

Mr. YOUNG of Florida. I thank the gentleman from Pennsylvania and will look forward to the gentleman keeping the committee informed.

Mr. GEKAS. Mr. Chairman, as previously discussed with Subcommittee Chairman YOUNG of Florida, I had intended to offer an amendment to title II, Air Force Operation and Maintenance, of H.R. 3610, the fiscal year 1997 Department of Defense Appropriations Act. My amendment would have addressed Air Force funding for the operation and maintenance of an environmental restoration database center on the site of the former Olmsted Air Force Base, a current Superfund site in Middletown, PA.

The Air Force, which has been fully funded by past Congresses to complete the environmental restoration of the former Olmsted Air

Force Base—now the Harrisburg International Airport and other properties—refuses to fund a site database center. The center, which would serve as the final step in the site's complete restoration and deletion from the Superfund list, would incorporate data from all current and future environmental investigations. There are two options available to the Congress: either compel the Air Force to use the funds it has already been appropriated, or obtain an additional appropriation.

The Harrisburg International Airport [HIA] located in Middletown, PA, near the State capital of Harrisburg, is situated on the immediate and surrounding grounds of the former Olmsted Air Force Base. The former Air Force base is now a 1984-designated Environmental Protection Agency Superfund site—referred to as the Middletown Airfield Site. The site's existence is due directly to the activities that took place during the operation of Olmsted Air Force Base from 1917 to 1967. For the last 13 years, an intense effort has been undertaken at the local, State and Federal level to determine the nature of the hazardous waste left by the Air Force when it closed Olmsted, the origins and locations of its spread, and the proper remediation of the waste, all within the dictates of the EPA Superfund designation and with the goal of getting HIA deleted off the Superfund list by the end of this year.

I have been involved with the HIA/Olmsted waste site since 1983 when it was thought that its inclusion on the Superfund list would be the fastest, cheapest and best way to clean up the waste left by the Air Force. In the years since HIA was put on the Superfund list, the Air Force, the Army Corps of Engineers, the Commonwealth of Pennsylvania—the current owner of the land—local, regional and private entities, our late U.S. Senator John Heinz, former Senator Wofford, current Senators SPECTER and SANTORUM, Congressmen MURTHA, MCDADE, GOODLING, WALKER, and this Member of Congress—along with many others too numerous to mention at this time—have sought to make the efforts at HIA a model site cleanup program for emulation by other formerly used defense sites [FUDS] across the United States.

As part of the cleanup effort, adequate funds were dedicated in several Defense Appropriations bills to provide for a full cleanup of the site. At this moment it is doubtful that all those funds have been expended. All parties have understood that full cleanup meant that follow up Superfund delisting the land in question would be available for public and private development.

Throughout the cleanup process, a huge amount of data has been collected from the several public and private environmental investigations conducted. A crucial part of the current EPA-mandated delisting effort—and any post-delisting development that occurs—is the continued interpretation and management of this data. Remediation could not occur under Superfund without the requisite interpretations of site data. Personnel at the Harrisburg International Airport and post-Superfund developers must be able to determine what happened on the site, and any future environmental questions that arise at HIA must refer back to the data from the current cleanup effort. When all the current participants have left the site, the only reliable reference source will be a database.

If new contamination is discovered at HIA in the future, the current data will be consulted to determine how to respond. In fact, if any new contamination is found and determined to be from the same source—Olmsted—as was the previous contamination, the Air Force may be called back to conduct new remediation efforts. Or, in a worst case scenario, on-site personnel from the airport and localities might have to make quick decisions about how to deal with an emergency situation. To adequately and accurately do this will require a fully functioning and accessible site database. If no database is centrally maintained after HIA Superfund delisting—that is, after the Air Force discontinues its work—the new remediation efforts will be much more difficult, much more costly, and take much longer to accomplish, and any emergency response effort may be critically flawed by the lack of necessary data.

But, unfortunately, as we near the end of the long march to delisting, the issue of who will fund and maintain this database has arisen as a very serious bar to post-cleanup development. The Air Force, through the Army Corps of Engineers, refuses to either maintain or pay for the maintenance of a site database. The Air Force is wrong in their refusal. From the very beginning, in the many meetings with various Assistant and Under Secretaries of Defense regarding HIA, it was fully understood that post-Superfund site maintenance would include a managed database and appropriations were made with the database in mind.

The ''Report of the Defense Environmental Response Task Force'' of October, 1991, submitted by then-Chairman Thomas E. Baca, recommended that ''* * * adequate resources [be] available * * * for environmental restoration and oversight at closing bases.''

As recently as this year, the Department of Defense stated its support for the type of post-remediation followup the HIA database would allow. A February 22, 1996 letter from Sherri W. Goodman, Deputy Under Secretary of Defense—Environmental Security—cites her support for the annual report to Congress of the Defense Environmental Response Task Force [DERTF], which she chairs: ''The purpose of the DERTF is to study and provide findings and recommendations for expediting and improving environmental response actions at military installations being closed or realigned.'' Further, section 3.3 of the DERTF report states: ''Effective measures must be in place before transfer of property to ensure adequate protection of human health and the environment.'' And, in the same report, section 3.4—Liability For Subsequent Response Actions: ''However, further cleanup may be required if the land use changes and the original remedy, although protective for the anticipated land use, is not fully protective under the new land use.''

And, finally, and most importantly, I offer excerpts from the April, 1996, ''Final Report of the Federal Facilities Environmental Restoration Dialogue Committee,'' which is an EPA advisory committee whose participants include the Department of Defense. In its report, the committee notes the importance of the role of local governments in Federal facility environmental restoration, stating that ''local governments very often serve as first responders in emergency response situations.'' In discussing the role of the Federal Government in the Federal facility cleanup process, the committee states that policies should include:

''The identification and characterization of contamination and the evaluation of health impacts on human populations are essential parts of the cleanup process.''

''* * * provid[ing] access to resources, information, and training so all stakeholders are able to participate in decision making.''

''Designating locations for access to information appropriate and convenient for the affected communities.* * *''

''* * * funding of preventative pollution control activities should be viewed as a cost of doing business and funded in conjunction with the activity causing the problem.''

Mr. Chairman, how can the Department of Defense, in publication after publication, express a need for and responsibility of site maintenance in the future and then deny such maintenance as is proposed with the site database for Harrisburg International Airport? And, further, the Commonwealth of Pennsylvania has offered the Pennsylvania State Data Center, located next to HIA, to manage and maintain the HIA site database for 5 years for under $123,000. The State data center is a public entity, a professional data center, and an on-site location which has offered to manage a database for a very reasonable cost.

The phrase ''penny wise, pound foolish'' seems appropriate here.

The Commonwealth of Pennsylvania is on record in complete support of the database center, especially as it impacts the Harrisburg International Airport. In a recent letter to Senator RICK SANTORUM, Elizabeth Sarge Voras, Deputy Secretary for Aviation, states;

The Commonwealth of Pennsylvania considers this matter to be of paramount importance in meeting the airport's operational, preventive maintenance and repair, health and safety, and developmental requirements.

The facts are these: I believe the Department of Defense made a commitment to this and other Members of Congress and the Commonwealth of Pennsylvania to manage and maintain a post-cleanup database; the Department of Defense has stated in a report to Congress this year its commitment to post-cleanup development and database management at its waste sites; and, the Pennsylvania State Data Center has offered the best database management service at the best location for the best price. Mr. Chairman, based on the simple facts, I believe that the Committee on Appropriations may want to take action in the future to persuade the Department of Defense to fund this site database. We hope that the Department of Defense—and specifically the Air Force and Corps of Engineers—will see that the Pennsylvania State Data Center is the best way to proceed and will make available funds for the database from the appropriations it has already been given by the Congress.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-

owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,150,128,000, to remain available for obligation until September 30, 1999.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed 14 passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,899,040,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $86,800,000 shall not be obligated or expended until authorized by law.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $6,896,552,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $227,600,000 shall not be obligated or expended until authorized by law.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,384,408,000, to remain available for obligation until September 30, 1999: *Provided*, That in addition to the foregoing purposes, the funds appropriated above under this heading shall be available to liquidate reported deficiencies in appropriations provided under this heading in prior Department of Defense appropriations acts, to the extent such deficiencies cannot otherwise be liquidated pursuant to 31 U.S.C. 1553(b): *Provided further*, That of the funds appropriated in this paragraph, $79,100,000 shall not be obligated or expended until authorized by law.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $341,689,000, to remain available for obligation until September 30, 1999.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; $4,719,930,000, to remain available for obligation until September 30, 2001: *Provided*, That additional obligations may be incurred after September 30, 2001, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $2,889,591,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $18,096,000 shall not be obligated or expended until authorized by law.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 88 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $623,973,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $77,225,000 shall not be obligated or expended until authorized by law.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $7,326,628,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $54,470,000 shall not be obligated or expended until authorized by law.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $2,279,500,000, to remain available for obligation until September 30, 1999.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $272,177,000, to remain available for obligation until September 30, 1999.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 506 passenger motor vehicles for replacement only; the purchase of 1 vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $287,000 per vehicle; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,078,539,000, to remain available for obligation until September 30, 1999.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts

therefor, not otherwise provided for; the purchase of not to exceed 389 passenger motor vehicles for replacement only; the purchase of 2 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles, but not to exceed $200,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $2,247,812,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $357,600,000 shall not be obligated or expended until authorized by law.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $908,000,000, to remain available for obligation until September 30, 1999: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component: *Provided further*, That of the funds appropriated in this paragraph, $103,000,000 shall not be obligated or expended until authorized by law.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. OBEY: Page 22, line 6, after the dollar amount, insert the following: ''(reduced by $404,000,000)''.

Mr. OBEY. Mr. Chairman, with the end of the cold war, the Navy acknowledges that they have no military requirement for an additional nuclear attack submarine. At the present time we are cutting up dozens of submarines, including a number of Los Angeles class submarines, but the Navy nonetheless decided that they were going to proceed to spend billions of dollars to build a new attack submarine because they wanted to maintain the industrial base.

That is not a bad reason. I do not argue with that. But the fact is that from there on, what the Pentagon wanted to do has been sidetracked by the Congress and by the authorizing committee. DOD essentially wanted to build two submarines. They paid for one last year. They wanted to do another one, not this year but the coming year after this, but the committee instead decided what they wanted them to do is to build four different prototype submarines.

End result: We are going to be spending $4 billion more than the Pentagon wanted us to spend to determine what kind of attack submarines we ought to be building in the future. My amendment simply removes $404 million to eliminate the congressional expansion of what was originally a limited Department of Defense decision in terms of proceeding with the construction of attack submarines.

Mr. Chairman, there is absolutely no reason why we are building more than two submarines except pork. The only reason is that we have a competition between a number of shipyards, Connecticut and Virginia being the two in question here, and as a result, we are going to wind up keeping both happy at an additional cost of $4 billion.

Mr. Chairman, when this bill is done today, we are going to go over to the Rayburn Building and we are going to be voting on the Labor, Health, Education bill that requires us to squeeze education, squeeze student loans, squeeze job training, squeeze social services, and yet we are buying into, in this bill, the idea that we ought to proceed with this expanded acquisition of attack submarines. That does not make any financial sense, it does not make military sense; it may make a lot of political sense for the people involved in the decision, but it is a cockamamie way to go about meeting a threat that does not even exist.

Mr. Chairman, I would suggest that is all there is to the argument. People will know where they are going to come from. I do not see any reason to take more time. I would simply urge the Members, if they are interested in meeting the requirement laid down by DOD, rather than meeting the political requirement laid down by the Congress, they will save $404 million by voting for this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the vote we have just had already reduced this submarine line by $100 million. Without going into a lot of detail why we need the new submarines, the old submarines are getting older and older. The fact is that the Navy had planned to build 30 of these new attack submarines and do them at one yard. We believe that the idea of building all of the submarines in one yard is not good for the taxpayer. We believe that competition is the smart way to go in dealing with large military procurement programs. The program in this bill provides for competition. If we do not have the competition, it is going to cost us a lot more per submarine as we get into the future.

I would just give one big example. A few years back we were having a major battle over aircraft jet engines. One supplier, one manufacturer, was making basically all of the jet aircraft engines.

We decided to go into competition and we ended up with a strong competition between two aircraft jet engine builders, and we got a better engine for less money. The same thing will happy to the submarines. So let us defeat this amendment. Let us continue the program as we have worked it out in the committee and with the administration.

Mr. Chairman, I yield to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding to me.

Mr. Chairman, I think it is important to understand that this amendment undoes the agreement that was struck last year, not just here in the Congress, but between the Congress, the administration, the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations of the Navy. This completely undermines that agreement, which would have the future submarine construction program of America developed in two shipyards with a competition for a series of the later attack submarines following the procurement of the first four. This totally undoes that.

The gentleman speaks in terms of the economy of having all submarines constructed in one shipyard. There is a lot of logic to that, but his amendment flies in the teeth of the logic by basically consigning all future submarine construction to the yard which would be the most expensive yard in which to build. Every expert, everyone in the Navy, has conceded that if we are going to have but one yard to build submarines, it could be built more economically in Newport News, where there is no overhead of other naval ship construction and commercial shipbuilding to spread the cost, whereas at the other remaining yard capable of building a nuclear attack submarine, all of the overhead is attributable just to the submarines.

The amendment makes no sense in terms of a single purpose yard. It makes no sense in terms of we in the Government mandating where future submarines will be built, rather than having them built where competition says they can be built at the most economical basis for the taxpayers of America. Heaven only knows, we need the submarines.

The Secretary of the Navy wrote us, saying that funding for this submarine that he was eliminating was the highest priority for the Navy. The Secretary of the Navy said the same thing. The Secretary of Defense reaffirmed his support for last year's agreement. Let us not undo it.

Mr. YOUNG of Florida. Mr. Chairman, this amendment was offered in the Committee on Appropriations and it was defeated on a very strong bipartisan vote of 35 against, 12 for. I hope the ratio is equally strong here. I ask

the Members to oppose this amendment.

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment, and ask for a vote on the amendment.

The CHAIRMAN. Is there further debate on the amendment?

If not, the question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title III?

Mr. BONILLA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 3610 the fiscal year 1997 Department of Defense Appropriations Act. I ask my colleagues to join me in supporting this bill, which provides the bare minimum to keep the peace and ensure that America's military remains second to none.

I am troubled that some fail to recognize that the only guarantee of peace is a strong America. Those who would disarm, those who would further downsize the military fail to understand the basic concept of cause and effect. Like most dreamers they steadfastedly refuse to cloud their crystal clear vision with reality. Others argue we can't afford our military. They argue that America cannot continue to spend funds on our defense. This view is as dangerous as it is irresponsible.

But don't take my word for it. Walk across the street. Go to the Library of Congress. Pick up any history book and read about the past. I ask the dreamers to read about Nazi Germany's respect for their disarmament treaties; read about imperial Japan's respect for other's independence. Read this before you vote. I ask the penny pinchers to read about how unprepared America and democracies were. To read about how small our military was, to think about what kind of world we would live in today if that decade's penny pinchers had won their argument and stopped the modernization of the R.A.F. I shudder to think who would have won the Battle of Britain and ultimately the war in Europe if they had won that debate. These are the facts, it's history, it's there in black and white for each and every one of you to read.

I am disturbed that some of you ignore these experiences saying that's old news. History is for the past and mankind is different today. My friends you are playing with fire. Remember we have a sacred responsibility to uphold the Constitution and defend our Nation. If you remain unconvinced take a few minutes and go to Arlington National Cemetery. Listen to those who speak so articulately in their silence. Remember their sacrifices and remember your responsibility to those who are following in their footsteps by serving America and defending freedom. Then stop and visit the Archives. Look at our Declaration of Independence and our glorious Constitution and remember your responsibility. These are not mere pieces of papers. These are the heart and soul of what America is.

As Americans we can make only one choice if we are to remain true to those heroes who fell defending our freedom. Our only choice is to vote for this bill. A ''no'' vote betrays those who have made the ultimate sacrifice. A ''no'' vote jeopardizes the freedoms we hold so dear. A ''no'' vote is wrong for America. My friends as we vote today under the watchful gaze of our first Commander in Chief—our greatest leader—George Washington—be true to his legacy—be true to America—and vote ''yes'' for this Defense appropriations bill.

□ 1515

Mr. MURTHA. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Vermont [Mr. SANDERS] numbered 20 may be considered as the Smith-Sanders amendment at this point, notwithstanding it addresses a portion of the bill not yet read, because one of the Members cannot be on the floor later on.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to object, I do so to inquire of the gentleman if this is amendment No. 20 as printed on page 6287 of the CONGRESSIONAL RECORD of June 12?

Mr. SANDERS. If the gentleman will yield, Mr. Chairman, that is correct.

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 20 offered by Mr. SMITH of New Jersey: Page 87, after line 3, insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my friend and colleague from Vermont [Mr. SANDERS] for his cooperation in working on this amendment. We have been working on this for some time now.

Mr. Chairman, if you thought taxpayers were outraged and dismayed over the revelation that the Pentagon was shelling out $500 for hammers and $600 for toilet seats, wait until they learn that Uncle Sam is now subsidizing big corporate mergers and acquisitions, which by design, are intended to throw thousands of people out of work.

That's right, American taxpayers are footing the bill to merge, downsize, and fire people. This is corporate welfare at it worst.

Wait until the public discovers, Mr. Chairman, that thousands of hard-working Americans who have or recently had high paying defense industry jobs, got pink slips not necessarily because of fewer purchase orders, but because the Clinton administration's cynical policy of providing huge subsidies for corporate mergers.

In July 1994, the GAO's first and only available report on just one subsidy approved for payment makes clear a connection between payoffs and layoffs: ''The contractor's proposed savings were based entirely on workforce reductions.'' (GAO/NSIAD–96–80)

The amendment I am offering today, which is cosponsored by Messrs. SANDERS, DUNCAN, MINGE, DEFAZIO, KLUG, and NEUMANN, puts a stop to this outrageous and largely obscure policy of subsidized downsizing until Congress and the taxpayers receive some reliable data on how much has been spent and what the human and budgetary impact of these subsidies are.

Make no mistake: Nobody is trying to interfere with legitimate private business decisions to merge. Of course, the establishment of monopolies is a different story. And nobody denies that leaner defense firms have the potential to save DOD some money on future cost-plus contracts.

But when Uncle Sam crosses the line between simply permitting mergers, and actively promoting and partially underwriting them, we have strayed.

Mr. Speaker, my amendment will end this fatally flawed policy from inflicting any more damage that has already been done.

The Smith-Sanders-Duncan-Minge-DeFazio-Klug-Neumann amendment is based on common sense—because the proponents of the Clinton policy have not proven their case—they have not even performed the duties that they were required by law to do.

Amazingly, the report by DoD called for in section 818 of Public Law 103–337 has still not been released, even though it was to be available by November 1995. This report was at the heart of congressional demands for accountability over these merger subsidies.

And when the hard data becomes available, it may show that the Clinton policy isn't just antijobs, but a net loss to taxpayers as well. GAO's testimony on this policy said the amount of restructuring costs charged to DoD contracts ''could be substantial, possibly involving several billions of dollars.'' (GAO/T–NSIAD–94–247) Furthermore, GAO added that money spent on merger subsidies was ''likely to place further increased pressure on DoD procurement budgets.''

How can we, as guardians of the public purse, just watch as money goes out the door and nobody knows who's getting what and exactly how much this is costing us?

To date, some 32 defense contractors have lined up to receive some of Uncle Sam's corporate largess. Lockheed-Martin is just one of those contractors, but their requests could cost the taxpayers $1.6 billion. Among Lockheed-Martin's approved requests for downsizing costs is a proposal submitted on January 31, 1996, to close down the Astro Space facility in East Windsor, NJ, which puts 3,200 jobs in jeopardy.

Mr. Speaker, this policy is the direct cause of some 3,200 layoffs in my district alone, and it uses the tax dollars of these every same people to do it.

Nor does anybody know what the net impact of these layoffs are likely to be. The premise, behind this policy are fundamentally at odds with America's free-market economy. Firms merge and restructure when they believe it is in their best interest to do so. If Wall Street lacks the confidence to underwrite a merger, why should Uncle Sam come to the rescue, doling out the tax dollars to make it work?

The flaws in current law are legion. Current law says DOD can only pay out restructuring costs if they see audited cost savings. That sounds nice, but what about the ripple effects of all these layoffs? What about the lower revenues realized and higher government services needed to assist those thrown out of work? What about the reduction in competition as mergers lead to monopolies?

This amendment is supported by a wide variety of organizations and individuals. Charlie Marciante of the New Jersey State AFL–CIO says ''Republican Smith's amendment ensures that Uncle Sam's reimbursement offers do not prompt otherwise unlikely layoffs and it also ensures that taxpayers are not forced to pay for programs that put people out of work.''

Steve Moore of the CATO Institute described the policy as ''an egregious example of unwarranted corporate welfare in our budget.'' Dr. Lawrence Korb, a former Under Secretary of Defense during the Reagan administration, said, ''By this policy of subsidizing defense mergers and acquisitions, the Clinton administration has already created megacompanies that will stifle competition and wield tremendous political power.''

Defenders of merger subsidies argue that putting taxpayer money up front to pay for restructuring will lead to cost savings on future contracts. My question is: Since when is it the obligation of the Federal Government to inject itself into a firm's decisionmaking process by offering multimillion dollar inducements to merge and downsize?

For defense contractors, the only thing that seems to separate a good business deal from a bad business deal is how much money Uncle Sam injects into the process. In fact, the former CEO of Lockheed-Martin, Norman Augustine, stated in congressional testimony: ''specifically, had [DOD] refused to [subsidize or reimburse] Martin Marietta's proposed General Dynamics Space Division acquisition *we would not have made the purchase, certainly not because of spite, but simply because it would have been a bad business deal.''* (emphasis added) (HASC 103–56, page 46).

Furthermore, why should taxpayers give a windfall to companies to merge if it can be shown that they would have merged anyway? And the idea that Uncle Sam must share savings on cost-plus contracts in order to give incentives to defense contractors is seriously flawed.

The fact of the matter is that when a contractor restructures, they save money for themselves and potentially to DOD. With lower overhead costs distributed throughout the newly merged organization, contractors pick up big savings on both fixed and cost-plus government contracts.

So when contractors tell you how much money DOD may or may not save, what they conveniently leave out is how much money they—not us—are going to save on existing fixed-price contracts.

In fact, Secretary Deutch actually conceded in congressional testimony that lower overhead costs for contractors will lead to windfalls on existing fixed-price contracts.

My colleagues, this issue should be a no-brainer. We need to put a stop to merger subsidy payments until we actually get some hard evidence that this policy even comes close to being what its proponents suggest. I think when all the facts are in, you will agree with me to kill this policy outright. Let's take a breather from government-subsidized ''merger mania'' and assess the damage already been done. Support the Smith-Sanders amendment to H.R. 3610.

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to thank the gentleman from New Jersey [Mr. SMITH] for his strong efforts and willingness to work with us on this very important amendment, and also point out that the gentleman from Minnesota [Mr. MINGE], the gentleman from Oregon [Mr. DEFAZIO] and the gentleman from Wisconsin [Mr. NEUMANN] are also cosponsors and working with us on this effort.

Mr. Chairman, let me begin by thanking the chairman, Mr. YOUNG, and the ranking member, Mr. MURTHA, and all the Members of the House for the support that they gave me last year for an amendment which I successfully offered, which stopped the disgrace of the Pentagon providing a $32-million bonus for the CEO's and board members of Martin-Marietta for their merger, and that is a merger which ended up laying off at least 19,000 American workers.

Well, if my colleagues think the $32 million was a waste of taxpayers' dollars, then they better listen up, because what the gentleman from New Jersey [Mr. SMITH] and I are talking about today amounts to billions of dollars. Yes, the taxpayers are providing payoffs for layoffs. We are actually giving multibillion-dollar corporations huge amounts of money in order to merge their companies, stifle competition, and lay off American workers. This is an absurd policy, it is a disgraceful policy, it is the worst kind of corporate welfare, and it is a policy that we should end today.

Mr. Chairman, the Members who have come together to sponsor the Smith-Sanders amendment have different philosophical points of view, but we are in agreement that it is absurd that the U.S. Government is providing billions of dollars in taxpayer subsidies to huge profitable corporations so that they can merge and then lay off tens of thousands of American workers. That makes no sense to anyone.

Mr. Chairman, this amendment has widespread support. It is supported by the Taxpayers for Common Sense, the CATO Institute, the Project on Government Oversight, and also supported by Lawrence J. Korb, the former Under Secretary of Defense under President Reagan.

Mr. Chairman, there are a number of reasons why we should support this amendment. First, we have a $5-trillion national debt. We should not be providing billions of dollars in subsidies to large corporations to lay off American workers. Second of all, we have received almost no documentation from these companies as to what they are doing. What they are saying basically is, ''Don't worry, give us the money, trust us, we're going to save the government money.'' At the very least, we must have a clear outline of the net savings, and we want to know what savings will be effectuated.

Mr. Chairman, if we can believe this, the Pentagon has never submitted any of the annual reports required by law on this program, and the first report was scheduled to be due in November 1995. It has never been filed.

Mr. Chairman, in August 1995 the GAO began their own investigation in

spite of the inaction of the Pentagon. The GAO's first and only report on the two companies that applied for and received these payments stated that, and I quote, the contractor's proposed savings were based entirely on work force reductions, end quote.

The GAO also found that in exchange for free taxpayer cash up front, the same companies—FMC Corp. and Harsco Corp. BMY—projected out-year savings fell 85 percent short of what they originally presented to DOD. Further, the GAO reported that only one hearing has ever been held on a policy the GAO has said could cost, quote, several billions of dollars. The GAO also reported that 32 contractors have already lined up and put in requests to receive merger subsidies. One hearing. Billions of dollars.

Third, Mr. Chairman, we can agree about the wisdom or lack of wisdom of industrial policy, but I think everybody here understands that it makes no sense for the government to get involved in the private sector so that we can lose American jobs. That is insane.

I would support industrial policy if it created decent-paying jobs. Some in this body would not support any industrial policy. The thing they must ask themselves is why is the government selecting certain very large corporations and saying to them, quote, the taxpayers are going to help your company engender certain efficiencies, end quote.

Essentially what the Pentagon is doing is saying to this company, ''We're going to help you, we're not going to help the other company.'' They are encouraging mergers. I think there is a lot to be discussed in terms of this whole issue.

Last, Mr. Chairman, it seems to me that at a time when real wages in this country for working people are in decline, at a time when people are scared to death about whether or not they are going to have their decent paying jobs, they do not want to see their tax dollars going to large multibillion-dollar corporations so that these companies can then merge and lay off American workers.

The CHAIRMAN. The time of the gentleman from Vermont [Mr. SANDERS] has expired.

(By unanimous consent, Mr. SANDERS was allowed to proceed for 1 additional minute.)

Mr. SANDERS. In fact, Mr. Chairman, we should be standing in opposition to that policy. Our tax dollars should not be going to that policy. Imagine the worker from Lockheed-Martin who has been laid off because of the merger saying, ''My tax dollars went to laying me off and to hurt my family.'' That makes no sense.

Mr. DUNCAN. Mr. Chairman, I move to strike the requisite number of words.

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

Mr. DUNCAN. Mr. Chairman, I will be very brief because I understand the managers of this amendment have agreed to accept it. I appreciate their graciousness in that regard very much but I also want to say that I appreciate Mr. SMITH's work on this and the work of many others. This amendment, I think, would have received widespread support on both sides of the aisle. I have been told that there are already some 32 companies that have filed approximately 2 billion dollars' worth of claims under this program and I think that if we had not been careful that this would very quickly turn into one of the largest boondoggles in the entire Federal Government.

The gentleman from New Jersey [Mr. SMITH] and the gentleman from Vermont [Mr. SANDERS] both made reference to the $92 million in bonuses that were paid out in one merger, approximately a third of those paid by the taxpayers. One man received a bonus of $9.2 million. I do not believe there is any way that he could have really earned that type of bonus. I think this is a program that really would horrify most taxpayers if they realized that it was going on and is something that we have never done and would not even consider, I don't believe, for 99.9 percent of the small businesses in this country. I am pleased that this amendment is going to be accepted, and I hope it survives in conference.

Mr. SISISKY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really did not want to get into this fight here, but I have been working on this same thing for 3 years. It seems strange that somebody who is almost fighting a single battle about privatization in this country and worried about Federal employees has to come up here and try to bring a lot of sensibility into this.

The gentleman said that there were no documents submitted and they are right. They were supposed to submit them in November 1995. Today I talked to the Defense Department. OMB held it up for some unknown reason, I cannot imagine that long, but they will be in in 2 weeks.

□ 1530

As far as no documentation that the gentleman said, I want to show this body section 818 and what we did in that, and then with the Defense Department. This is all of the loops before one penny can come out that they have to go through and be signed off by the Secretary of Defense or an Assistant Secretary of Defense.

I want DOD held accountable when they reimburse defense contractors for restructuring costs. Section 818 achieves this goal. And I think the gentleman from Vermont [Mr. SANDERS] and the gentleman from New Jersey [Mr. SMITH] fully appreciate that. We have certainly briefed their staff on that.

They object to the payment of any reimbursement whatever, and all of us understand why. I know in the case of the gentleman from New Jersey I would be the same way if a merger or combination led to a plant being closed in my district, and that is how I got started in this out in California with former Congresswoman Schenk, who came to me, and that is why we had hearings on it.

But the question is whether this is a good policy. Should DOD reimburse restructuring costs? And I think the answer is yes. Perhaps some of the reason why is for over 10 years DOD procurement spending declined more than 60 percent, 60 percent. There is a significant overcapacity in the defense industry, and that leads to higher overhead and higher prices for defense goods and services.

Yes, it is sad to lay off people, but it is also sad for a plant to go into bankruptcy and lay off people. We just do not have enough business for all the defense contractors. In some cases the most effective restructuring comes from business combinations, acquisitions, and mergers. DOD reimburses contractors for restructuring after acquisitions or mergers that will clearly result in overhead savings for DOD. DOD provides this incentive because the quicker a restructuring occurs, the sooner the Department of Defense and this Government saves money.

Restructuring costs are costs the company incurs to combine facilities and eliminate layers of management. DOD pays a share of allowable costs, such as severance pay, retirement incentives, job training, moving equipment, and relocating employees.

Now, listen to this carefully. This came from the Department of Defense, I have not had GAO, although we have had a report which came from GAO, but DOD does not pay for executive golden parachutes, good will, or for gains or losses resulting from the transfer of assets. No matter what Members read in the paper, and I just heard it now, DOD does not pay for executive bonuses that are contingent solely on merger or acquisitions.

When I learned about DOD's policy of reimbursing restructuring costs, I held hearings and wrote section 818. GAO says it works because they want to repeal it. The industry wants to repeal it because it is too hard to get that money. Section 818 protects taxpayers by forcing DOD to benefit from the legitimate savings of restructuring.

For over 3 years DOD has negotiated restructuring agreements that will save this Government over $1.4 billion by agreeing to pay restructuring costs of about $300 million. I think that is a heck of a deal for the taxpayers, and I ask Members to oppose changes in a sound policy and good law.

I have come out of the business world and I think I know a little bit about what is happening. I have a lot of public facilities down my way, and what we are trying to do now is reduce overhead, no matter how we have to do it, to reduce overhead. And this flies raw in the face of just that.

I ask, and I know that Members will accept the amendment and I will not argue with Members on that, but the argument is not over yet because this is the wrong policy that we are getting ready to do.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SISISKY] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. SISISKY was allowed to proceed for 1 additional minute.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SISISKY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman for his work on this thing, and I have great sympathy for what the gentleman from Vermont, Congressman SANDERS, and the gentleman from New Jersey, Congressman SMITH, are doing, but I think there is one other point that needs to be made here. When we go from $135 billion a year in procurement down to $38.5 billion a year in procurement, we need less infrastructure, less industrial base to handle those things, and it will require some downsizing.

I think one of the things I have been committed to, I know the gentleman from Virginia has too, is to help when these Government workers, and other workers, private sector workers, get dislocated, to try to have funds to help them get retrained and back into some new endeavor. But to think we can completely avoid any downsizing when we go from $135 billion a year in procurement down to $38 billion, I think we have to think about that.

Mr. SISISKY. Mr. Chairman, reclaiming my time, therein lies the problem, really. It is not an easy problem to solve, but we just cannot afford to save everybody and save every company.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

I would like to point out to my colleagues that we have discussed this, and although the Department of Defense strongly opposes this, we think there is some merit to what the gentleman from New Jersey and the gentleman from Vermont are trying to do. We have agreed to accept the amendment with the understanding that we would certainly allow the Department of Defense to come back to us with whatever legal information that they would have relative to this.

One of the reasons we did this was to save a lengthy debate. If we are going to get into a lengthy debate, we may have to start getting into the details of this and maybe we will not be able to accept it.

So at this point I am prepared to accept it with the understanding that we will have to take a close look at this between now and conference, because the Department of Defense is definitely opposed to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY. Page 24, line 17, after the dollar amount, insert the following: ''(reduced by $314,100,000)''.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, to be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MONTGOMERY. Mr. Chairman, reserving the right to object, could I ask the gentleman from Wisconsin [Mr. OBEY], what weapon systems are covered in this?

Mr. OBEY. Mr. Chairman, if the gentleman will yield, I do not want to impose on the House a lengthy explanation, but essentially what I am trying to do is to eliminate six C–130–J airplanes from this bill because we can save $10 million a year by waiting until next year to buy the same six planes.

So that is basically what I am trying to do with the amendment, and I do not really much care how much time we have on the amendment.

Mr. MONTGOMERY. Mr. Chairman, how much time was asked for?

Mr. YOUNG of Florida. My unanimous consent request is still pending; correct, Mr. Chairman?

The CHAIRMAN. The gentleman is correct.

Mr. YOUNG of Florida. Mr. Chairman, does the gentleman want to change the time?

The CHAIRMAN. The gentleman from Mississippi [Mr. MONTGOMERY] has the time.

Mr. MONTGOMERY. Forty minutes?

Mr. YOUNG of Florida. Twenty?

Mr. MONTGOMERY. Yes.

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. OBEY. Mr. Chairman, if there are no other requests pending, might I be recognized?

The CHAIRMAN. If there is no unanimous consent, the gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, the Air Force wants to buy C–130–J transport aircraft but they only wanted to buy one of them. The Air Force, instead, is getting six more planes than they expected.

I do not really know whether they need those additional planes or not, that is up to somebody who knows a whole lot more about the military requirements of the Air Force on this point than I do. But the problem is that they do not need these planes for more than a decade, and the real kicker is that the Air Force documents, which were obtained by the General Accounting Office, indicated that the Air Force and Lockheed have agreed that the price will drop in fiscal 1998 by $8.4 million a plane or $50 million total for the six aircraft.

In other words, all we have to do to save the $50 million is to wait 1 year. Now, it seems to me under those circumstances that the decision to buy in bulk before the discount defies common sense, but that is exactly what we are going to do.

The issue here is very simple. There will be a lot of people who will want to buy these planes. I am not getting into that argument. All I am saying is if the Air Force needs the planes they can get them next year at a discount. But by buying them this year it will cost us $50 million more. That is very expensive $50 million ride the taxpayers are being taken on, and so I would simply, in the interest of economy, say go ahead and buy these planes, but do not buy them until next year because we can save $50 million if we simply wait 1 year. It is a done deal.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the gentleman's amendment, and I would call to the attention of our colleagues that we have already reduced the C–130 line in the manager's amendment we adopted earlier today.

Among the six aircraft that the Obey amendment would eliminate are four hurricane hunters, WC–30s. These hurricane hunters are extremely important to the United States and especially areas that are subject to hurricanes. The other two of those aircraft would be airborne command and control aircraft. We have already eliminated one of those in the amendment that we have already done.

The gentleman from Wisconsin [Mr. OBEY] makes the case that the Air Force does not want them. Not so. During our hearings, for those Members who attended the hearings, they will recall that when we asked the Air Force for their list of unfunded requirements, these aircraft were on that list.

So the Air Force does not want these airplanes and those of us who are concerned about prediction of hurricane paths and things of this nature, we want these airplanes. We want them to be able to fly, to give us advanced warning to protect our properties and our lives.

So I hope we will defeat this amendment. It is definitely on the Air Force's list of aircraft they would have funded if they did not have a political number so low that they could not ask for it. But it is on their list.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and let me say from the national security side and the procurement subcommittee we also asked the Air Force what they needed, and they, in fact, sent these aircraft over to us on a list. They do want it,

and we are having that list sent over here and we will supply it to the gentleman from Wisconsin whenever he wants it.

It is requested and it is very important to the Air Force.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for those comments, but I have the list here. This is a copy of the Air Force unfunded requirements list, and the C–130 requirement is right on this page.

Mr. Chairman, I ask for a ''no'' vote on this amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I have great respect for the gentleman from Wisconsin and the gentleman from Pennsylvania, as well as the chairman of this subcommittee, they have done well on the procurement of appropriations, but I am worried we are moving a little too fast on this amendment.

We have already cut one C–130 from this bill and this, now, is six C–130's. Last night it was seven C–130's. Now it is cut back to six. Four of these C–130's are going to the Air Reserve for the hurricane hunters who are flying 40-year-old C–130's now.

It is a dangerous mission going out and looking for hurricanes, seeing which way they are going, how much danger is in the turbulence of these hurricanes. And so these six that he is eliminating, four will go to the Air Reserve. If it had not been for this Congress, we would not have any new equipment for the Air Guard and for the Air Reserve.

I think this is a mistake. I hope we will vote against the amendment.

□ 1545

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Chairman, I thank the dean of the Mississippi delegation. It is common knowledge that world's populations are moving to the shorelines. Even in this country, well over half of the people in this country live within 50 miles of the coast.

Mr. Chairman, that means that every one of them is vulnerable to a typhoon or hurricane and every one of them needs to know when to leave prior to that hurricane. The greatest commission that these planes that the gentleman from Wisconsin [Mr. OBEY] would do away with serves is to let people know where and when a killer storm is going to land.

Coming from a place which Hurricane Camille literally knocked off the map, where 250 people in south Mississippi were murdered in one night by a storm, I call tell my colleagues how important it is that people know where and when a storm hits. People thought Hurricane Camille was going to hit New Orleans. It did not. It hit Mississippi, and because people did not leave, 250 lives were lost.

So, Mr. Chairman, I want to thank the gentleman from Florida [Mr. YOUNG] for his opposition to this amendment, and I thank the senior member of the Mississippi delegation for standing firm in trying to replace these 30-year-old aircraft, that is the newest, where people are literally playing Russian roulette every time they fly a mission because they are the most dangerous peacetime missions that the Air Force serves.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me point out that we are not eliminating the hurricane-seeking capability that the gentleman is talking about. They can use existing aircraft for that, and the Air Force testified to that.

All we are saying is if we are going to buy new replacement airplanes, wait 1 year so that we can save $8.5 million a copy. Given the squeeze on the budget, I do not think that is an unreasonable request since the agreement has already been reached that any planes that are bought next year will be $8.5 million cheaper.

Mr. MONTGOMERY. Mr. Chairman, reclaiming my time, with the new equipment that we have given the Guard and Reserve in the Air Force, 40 percent of all the missions of the Air Force are flown by the Air Reserve and the Air Guard.

Mr. Chairman, this is a step backward. I hope Members will vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered is withdrawn.

The CHAIRMAN. Are there other amendments to title III?

If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,874,537,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $194,558,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $8,399,357,000, to remain available for obligation until September 30, 1998: *Provided*, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operations Forces: *Provided further*, That of the funds appropriated in this paragraph, $209,400,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $14,969,573,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds made available in this paragraph, $25,000,000 shall be only for development of reusable launch vehicle technologies: *Provided further*, That of the funds appropriated in this paragraph, $1,698,486,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,068,558,000, to remain available for obligation until September 30, 1998: *Provided*, That not less than $304,171,000 of the funds appropriated in this paragraph shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) program.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $272,038,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $20,000,000 shall not be obligated or expended until authorized by law.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evacuation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $26,968,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $5,000,000 shall not be obligated or expended until authorized by law.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the bill be considered as read, printed in the

RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designated the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. OBEY: Page 29, line 10, after the dollar amount, insert the following: ''(reduced by $1,000,000,000)''.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 10 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 5 minutes, and a Member opposed, the gentleman from Florida [Mr. YOUNG] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would simply cut $1 billion of the roughly $2 billion appropriated in the bill to continue research and development for the F–22 fighter aircraft. The amendment would direct the Air Force to use the remaining $1 billion to restructure and delay the program by 5 years for one simple reason: Because the General Accounting Office said it ought to be delayed 7 years, and it seems to me that that being the case, we ought to delay it at least 5 years.

Mr. Chairman, the reason, as I see it, is very simple. The Air Force and the F–22 supporters want us to spend some $70 billion to buy 442 F–22 replacement planes for the F–15E's. The fact is that we right now have 734 F–15E's. They are estimated to have a military useful shelf life to at least 2010.

So, Mr. Chairman, it seems to me, therefore, that it is absurd for us to buy replacement aircraft for the best fighter aircraft in the world 7 years or more before we need to.

I recognize that there is tremendous pressure to proceed with this purchase and this expenditure. They have subcontracts salted in virtually every State in the Union, and I understand why so few people are going to vote for this amendment. But that does not mean that cutting out this expenditure at this time is the wrong thing to do.

Mr. Chairman, it is the right thing to do. We are seeing a squeeze on the budget all over, whether we are looking at what is happening on housing, whether we are looking at what is happening on the environment, on education, and in fact and indeed other defense programs.

It seems to me, therefore, that we ought to listen to the accounting arm of the Congress itself, the General Accounting Office, when it says that we ought not to replace these planes early.

I realize that I just misspoke, Mr. Chairman. I indicated that the military useful shelf life of the existing F–15E's took us out to at least 2010. I misspoke. It takes us out to at least 2015, so we have plenty of margin. We have incredible overlap by this purchase.

It seems to me that we ought to save the billion dollars that I am talking about in this bill by stretching out the purchase of this new fighter for at least 5 of the 7 years recommended by the GAO.

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

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this amendment. Again, this amendment was defeated in the full committee on a very large vote, and I would ask that we have that same negative vote on this amendment now.

Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I will be very brief, and I appreciate the gentleman from Florida yielding me time.

Mr. Chairman, the F–22 is the Air Force's No. 1 priority. I think this has been an outstanding program. My only concern about it, frankly, is quite the contrary of my good friend from Wisconsin. I think we are going at this program too slowly and we are going to wind up spending more money on it because we are dragging it out.

Mr. Chairman, to cut this program this significantly this year would delay it even further and completely disrupt this R&D program. This plane will give us stealth capability and the highest military capability for the future.

Our committee is just as concerned as anyone about long-range power projection and tac air, and we have ordered a study to look at these two issues. I am prepared to wait and see what the outcome of the study is, but I urge my colleagues to stay with the committee, support the F–22. This is an outstanding program and the Air Force's No. 1 priority.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER], a member of the Committee on National Security.

Mr. HUNTER. Mr. Chairman, let me say to the gentleman from Wisconsin [Mr. OBEY], my friend, it is not the shelf life of the aircraft that is important; it is the survival time and the survivability of the pilot who is flying the aircraft who may happen to be in a kill zone, meaning that he is being tracked by a SAM system with a missile at the end of that SAM system.

Now, the F–22 has a stealth capability. That means if we have people with SAM's down on the ground aiming at our aircraft with an American pilot, they have a much smaller chance of being able to hit that American airplane than they do with the F–15's which have more shelf life.

We preserved the F–117 program, we in Congress preserved it. It served us well in Desert Storm. We should preserve the F–22 program because that will save the lives of American pilots and project our air power.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding me time.

Mr. Chairman, representing tens of thousands of Americans and tens of thousands of American fighting men and women all across the world, I rise today and urge strong defeat of this amendment.

Its proponent, the gentleman from Wisconsin [Mr. OBEY] said it is absurd to buy new fighter aircraft. Hogwash. It is essential that we purchase these new fighter aircraft. It is essential that we continue the efforts to develop the next generation of fighter aircraft which will take us well into the 21st century.

Mr. Chairman, while the gentleman is busy listening to the accountants and the bean counters, I am listening to, and you are listening to, the fighting men and women who depend on that air superiority for their very lives.

This is a foolish amendment. Let us stand up for a program that is recognized by Presidents, Republican and Democrat alike. This is extremely important. This is bipartisan. I urge defeat of this wrong-headed and misguided amendment. Support the F–22 program. Support our troops in the world, and support air superiority into the 21st century. Defeat the amendment.

Mr. YOUNG of Florida. Mr. Chairman, might I inquire as to how much time I have remaining?

The CHAIRMAN. Each side has 2 minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, could I ask who has the right to close?

The CHAIRMAN. The manager of the bill has the right to close.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me simply read two quotes from the senior DOD official who gave the background briefing on March 1, 1996, who said the following: ''We're committed to it (the F–22) even though I can't project a threat right now that justifies an F–22.''

That was said by the Defense Department official who provided the background briefing. The GAO report in March 1994 said, ''Our analysis shows that the F–15 exceeds the most advanced threat system expected to exist

* * * Thus, the F–22 initial operational capability can be delayed 7 years.''

Now, I know the usual game on this bill. We have military contractors all over the country and because this country is doing very little else to generate jobs and employment, the Defense Department is having its budget used as a fancy public works program.

But the fact is, Mr. Chairman, it is ludicrous for us to spend $70 billion on a new system that we do not need for at least 7 years and probably twice that long. It is absolutely ludicrous. There is only one reason that this Congress is proceeding, and that is because it is being lobbied to death by all kinds of contractors and subcontractors.

I do not doubt that there are some Members of the House who intellectually feel that this is a good system, but we are going to be in a budget squeeze. We have to recognize that just because the service wants something, we cannot necessarily afford to give them everything they want. The fact is that on the merits, especially given competing priorities in the Defense Department as well as out, we ought to delay this.

That is what this does. This does not end the program; it simply delays it. There is no reason to rush to building a new $70 billion system for which, in the words of the DOD official doing the background briefing, there is no threat that he can cite right now to justify moving ahead with this aircraft.

Mr. YOUNG of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from Washington [Mr. DICKS] a distinguished member of the subcommittee.

Mr. DICKS. Mr. Chairman, I would like to point out that both the F–15E and the F–16 are not stealthy aircraft, and there has been a proliferation of surface-to-air missiles, including the SA–10, which is a threat to any nonstealthy aircraft that flies today.

So if we are going to send our young men and women into combat in these aircraft, we need to have a stealthy airplane. I have been a major advocate for stealth because it saves money and it saves lives. We can send them into the most heavily defended areas and with standoff weapons take out the surface-to-air missiles where conventional planes would be shot down.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, one of the many responsibilities that members of this subcommittee have is to look out for the taxpayer and make sure that their tax dollars are spent wisely, and at the same time make sure that we provide enough money to ensure our national security.

On this particular program, the F–22, previous program stretchouts have delayed completing the F–22 by nearly 3 years with a cost growth of $1.8 billion. We could have used that $1.8 billion somewhere else. Additional slowdowns or growth time involved in the program will cost additional money.

The gentleman's reduction, as recommended by the Obey amendment, would postpone indefinitely the deployment of the F–22 at the time we are now beginning to build the airplane. Any reduction in this program could be very costly, in fact it could lead to as much as a 40-percent increase in the cost of the balance of this program.

This subcommittee is trying to play catchup. We are trying to pay off some credit card bills that developed over the years.

□ 1600

Mr. Chairman, we are trying to make sure we conduct defense procurement on a very strict, businesslike basis. This amendment will upset all of those plans. Let us defeat this amendment, as we did in the full committee, on a strong bipartisan vote and guarantee that the flyers, the pilots, the aviators, the warriors of just a few years from now will have the best equipment possible should they be required to risk their life in the defense of our Nation. I oppose the amendment and ask for a no vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 14 offered by the gentleman from Wisconsin [Mr. OBEY]; amendment No. 17 offered by the gentleman from Wisconsin [Mr. OBEY].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 14 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 14 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 285, not voting 6, as follows:

[Roll No. 240]

AYES—143

Barrett (WI)
Becerra
Beilenson
Berman
Blumenauer
Boucher
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Campbell
Castle
Chabot
Chapman
Clay
Clayton
Coble
Coburn
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Dingell
Doggett
Dooley
Duncan
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Fattah
Filner
Flake
Foglietta
Foley
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gejdenson
Gibbons
Gunderson
Gutierrez
Gutknecht
Heineman
Hinchey
Hoekstra
Inglis
Jackson (IL)
Jacobs
Johnson (SD)
Kennedy (MA)
Kennedy (RI)
Kennelly
Klug
LaFalce
Levin
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Matsui
McCarthy
McDermott
McKinney
Meehan
Menendez
Meyers
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Poshard
Ramstad
Rangel
Reed
Riggs
Rivers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Sanders
Sanford
Sawyer
Schroeder
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Thurman
Torres
Towns
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—285

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Brewster
Browder
Brown (FL)
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
English
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gekas
Gephardt
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde

Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Richardson
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—6

Bilbray
Gillmor
Hayes
Lincoln
McDade
Schumer

□ 1623

Mr. GREENWOOD, Mr. HANCOCK, and Ms. MILLENDER-McDONALD changed their vote from ''aye'' to ''no.''

Messrs. BERMAN. TORRES, INGLIS of South Carolina, and CASTLE changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 240 on H.R. 3610 I was unavoidable detained. Had I been present, I would have voted ''aye''.

AMENDMENT NO. 17 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment number 17 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the ''noes'' prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device and there were—ayes 126, noes 299, not voting 9, as follows.

[Roll No. 241]

AYES—126

Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Borski
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Campbell
Clay
Coble
Coburn
Collins (IL)
Collins (MI)
Conyers
Cooley
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Doggett
Doyle
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gephardt
Gibbons
Goodlatte
Green (TX)
Gutierrez
Heineman
Hilliard
Hoekstra
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kennedy (MA)
Kleczka
Klug
Lantos
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Martini
McCarthy
McDermott
McKinney
Meehan
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Obey
Olver
Owens
Payne (NJ)
Pelosi
Porter
Ramstad
Rangel
Rivers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Sanders
Schroeder
Sensenbrenner
Serrano
Shays
Slaughter
Smith (MI)
Stark
Stockman
Stokes
Studds
Tiahrt
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Woolsey
Wynn
Yates
Zimmer

NOES—299

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (FL)
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Manton
Manzullo
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torkildsen
Torricelli
Traficant
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—9

Bilbray
Gillmor
Hayes
Johnson (CT)
Lincoln
Martinez
McDade
Schumer
Williams

□ 1630

Mr. DEUTSCH and Mr. BRYANT of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mrs. JOHNSON of Connecticut. Mr. Chairman, on rollcall No. 241, I was unavoidably detained. Had I been present, I would have voted ''no''.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 241 on H.R. 3610 I was unavoidably detained. Had I been present, I would have voted ''aye.''

AMENDMENT NO. 19 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 19 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 119, noes 307, not voting 8, as follows:

[Roll No 242]

AYES—119

Barrett (WI)
Becerra
Beilenson
Blumenauer
Bonior
Borski
Brown (CA)
Brown (OH)
Brownback
Campbell
Cardin
Chapman
Clay
Collins (IL)
Collins (MI)
Conyers
Cooley
Coyne
Cummings
Danner
DeFazio
Dellums
Deutsch
Dingell
Doyle
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gephardt
Gunderson
Gutierrez
Hilliard
Hoekstra
Holden
Jackson (IL)
Jacobs
Johnston
Kanjorski
Kennedy (MA)
Kleczka
Klink
Klug
LaFalce
Lantos
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
McCarthy
McDermott
McHale
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Petri
Rahall
Ramstad
Rangel
Rivers
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stokes
Studds
Stupak
Torres
Towns
Upton
Velazquez
Vento
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—307

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hinchey
Hobson
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—8

Bilbray
de la Garza
Gillmor
Hayes
Lincoln
McDade
Norwood
Schumer

□ 1639

Mr. ROYCE and Mr. JOHNSON of South Dakota changed their vote from ''aye'' to 'no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 242 on H.R. 3610, I was unavoidably detained. Had I been present, I would have voted ''aye.''

The CHAIRMAN. Are there any other amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For the Defense Business Operations Fund; $947,900,000.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs (including the development and acquisition of lighterage), projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); $1,904,002,000, to remain available until expended: *Provided,* That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further,* That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further,* That the Secretary of the military department responsible for such procurement may waive these restrictions on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further,* That of the funds appropriated in this paragraph, $781,000,000 shall not be obligated or expended until authorized by law.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $9,667,658,000, of which $9,398,188,000 shall be for Operation and maintenance, of which not to exceed three percent shall remain available until September 30, 1998; and of which $269,470,000, to remain available for obligation until September 30, 1999, shall be for Procurement: *Provided,* That notwithstanding any other provision of law, of the funds provided under this heading, the Secretary of Defense is directed to use and obligate, within thirty days of enactment of this Act, not less than $3,400,000 only to permit private sector or non-Federal physicians who have used and will use the antibacterial treatment method based upon the excretion of dead and decaying spherical bacteria to work in conjunction with the Walter Reed Army Medical Center on a treatment protocol and related studies for Desert Storm Syndrome affected veterans.

CHEMICAL, AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $799,847,000, of which $477,947,000 shall be for Operation and maintenance, $273,600,000 shall be for Procurement to remain available until September 30, 1999, and $48,300,000 shall be for Research, development, test and evaluation to remain available until September 30, 1998.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $774,724,000: *Provided,* That the funds appropriated by this

paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further,* That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further,* That of the funds appropriated in this paragraph, $92,000,000 shall not be obligated or expended until authorized by law.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $138,501,000, of which $136,502,000 shall be for Operation and maintenance, of which not to exceed $400,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $2,000,000, to remain available until September 30, 1999, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $196,400,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Intelligence Community Management Account; $149,555,000.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; $10,000,000, to remain available until expended.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title V, title VI and title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided,* That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further,* That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further,* That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided,* That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further,* That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further,* That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided,* That transfers may be made between such funds and the ''Foreign Currency Fluctuations, Defense'' and ''Operation and Maintenance'' appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other non-institutional health care providers in excess of the amounts allowed in fiscal year 1996 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8009. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least thirty days in advance of the proposed contract award: *Provided,* That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further,* That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further,* That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further,* That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

Javelin missiles;

Army Tactical Missile System (ATACMS);

MK19–3 grenade machine guns;

M16A2 rifles;

M249 Squad Automatic Weapons;

M4 carbine rifles; and

M240B machine guns.

SEC. 8010. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be

reported to Congress on September 30 of each year: *Provided,* That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: *Provided further,* That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8011. (a) During fiscal year 1997, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 1998 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1998 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1998.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8012. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided,* That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further,* That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8013. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8014. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided,* That in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further,* That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided,* That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further,* That this subsection applies only to active components of the Army.

SEC. 8015. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided,* That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8016. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8017. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided,* That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further,* That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further,* That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8018. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided,* That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8019. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8020. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided,* That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further,* That the Department of Defense's budget submission for fiscal year 1998 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further,* That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further,* That each such Executive Agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8021. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, or M–1911 pistols.

SEC. 8022. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8023. None of the funds appropriated by this Act shall be available for payments under the Department of Defense contract with the Louisiana State University Medical Center involving the use of cats for Brain Missile Wound Research, and the Department of Defense shall not make payments under such contract from funds obligated prior to the date of the enactment of this Act, except as necessary for costs incurred by the contractor prior to the enactment of this Act: *Provided,* That funds necessary for the care of animals covered by this contract are allowed.

SEC. 8024. None of the funds provided in this Act or any other Act shall be available to conduct bone trauma research at any Army Research Laboratory until the Secretary of the Army certifies that the synthetic compound to be used in the experiments is of such a type that its use will result in a significant medical finding, the research has military application, the research will be conducted in accordance with the standards set by an animal care and use committee, and the research does not duplicate research already conducted by a manufacturer or any other research organization.

SEC. 8025. No more than $500,000 of the funds appropriated or made available in this Act shall be used for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided,* That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and Senate that such a relocation is required in the best interest of the Government.

SEC. 8026. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, or 12406 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8027. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8028. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8029. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8030. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8031. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase ''qualified nonprofit agency for the blind or other severely handicapped'' means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8032. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8033. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided,* That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriation or fund which incurred such obligations.

SEC. 8034. Of the funds made available in this Act, not less than $22,700,000 shall be available for the Civil Air Patrol, of which $15,426,000 shall be available for Operation and Maintenance.

SEC. 8035. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense Federally Funded Research and Development Center (FFRDC), either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(b) LIMITATION ON COMPENSATION.—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, may be compensated for his or her services as a member of such entity, or as a paid consultant, except under the same conditions, and to the same extent, as members of the Defense Science Board: *Provided,* That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the Department of Defense from any source during fiscal year 1997 may be used by a defense FFRDC, through a fee or other payment mechanism, for charitable contributions, for construction of new buildings, for payment of cost sharing for projects funded by government grants, or for absorption of contract overruns.

SEC. 8036. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided,* That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further,* That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further,* That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8037. For the purposes of this Act, the term ''congressional defense committees'' means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the subcommittee on Defense of the Committee on Appropriations of the Senate, and the subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8038. Notwithstanding any other provision of law, during the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided,* That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further,* That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8039. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement

memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1997. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8040. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8041. During the current fiscal year and hereafter, voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 8042. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8043. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided,* That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further,* That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8044. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8045. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8046. During the current fiscal year and hereafter, annual payments granted under the provisions of section 4416 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–428; 106 Stat. 2714) shall be made from appropriations in this Act which are available for the pay of reserve component personnel.

SEC. 8047. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters: *Provided,* That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8048. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000.

SEC. 8049. During the current fiscal year and hereafter, appropriations available for the pay and allowances of active duty members of the Armed Forces shall be available to pay the retired pay which is payable pursuant to section 4403 of Public Law 102–484 (10 U.S.C. 1293 note) under the terms and conditions provided in section 4403.

SEC. 8050. (a) During the current fiscal year, none of the appropriations or funds available to the Defense Business Operations Fund shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Defense Business Operations Fund if such an item would not have been chargeable to the Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 1998 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1998 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 1998 procurement appropriation and not in the supply management business area or any other area or category of the Defense Business Operations Fund.

SEC. 8051. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided,* That this prohibition shall not apply to safety modifications: *Provided further,* That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the United States to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8052. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1998.

SEC. 8053. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8054. (a) HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM.—Of the funds appropriated in this Act under the heading ''Procurement, Defense-Wide'', $143,235,000 shall be made available for the High Performance Computing Modernization Program (referred to in this section as the ''program''). Of the funds appropriated in this Act under the heading ''Research, Development, Test and Evaluation, Defense-Wide'', $61,380,000 shall be made available for the program. Of the total funds made available for the program pursuant to this subsection, $20,000,000 shall be for the Army High Performance Computing Research Center.

(b) IMPLEMENTATION OF PROGRAM.—The procurement funds made available for the program pursuant to subsection (a) shall be used only for the procurement of computer hardware and ancillary equipment for the high performance computing facilities of the Department of Defense.

(c) ANNUAL PUBLICATION OF PROGRAM PLANS.—Hereafter, the Secretary of Defense shall annually prepare, and make available to the public, an updated and unclassified program plan and program implementation plan.

(d) REDUCTION OF ACQUISITION DELAYS.—Hereafter, the Secretary of Defense shall take such actions as may be necessary to minimize delays in the acquisition of computer hardware under the program.

SEC. 8055. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986 and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8056. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8057. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term ''Buy American Act'' means title III of the Act entitled ''An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes'', approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a ''Made in America'' inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8058. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8059. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1997 until the enactment of the Intelligence Authorization Act for fiscal year 1997.

SEC. 8060. (a) None of the funds made available by this Act may be obligated for design, development, acquisition, or operation of more than 47 Titan IV expendable launch vehicles, or for satellite mission-model planning for a Titan IV requirement beyond 47 vehicles.

(b) $59,600,000 made available in this Act for Research, Development, Test and Evaluation, Air Force, may only be obligated for development of a new family of medium-lift and heavy-lift expendable launch vehicles evolved from existing technologies.

SEC. 8061. None of the funds available to the Department of Defense in this Act may be used to establish additional field operating agencies of any element of the Department during fiscal year 1997, except for field operating agencies funded within the National Foreign Intelligence Program: *Provided,* That the Secretary of Defense may waive this section by certifying to the House and Senate Committees on Appropriations that the creation of such field operating agencies will reduce either the personnel and/or financial requirements of the Department of Defense.

SEC. 8062. Notwithstanding any other provision of law, for resident classes entering the war colleges after September 30, 1997, the Department of Defense shall require that not less than 20 percent of the total of United States military students at each war college shall be from military departments other than the hosting military department: *Provided,* That each military department will recognize the attendance at a sister military department war college as the equivalent of attendance at its own war college for promotion and advancement of personnel.

SEC. 8063. None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.

SEC. 8064. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8065. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8066. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided,* That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further,* That such duty shall be treated as full-time National Guard duty for purposes of sections 12602 (a)(2) and (b)(2) of title 10, United States Code.

SEC. 8067. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the General Defense Intelligence Program and the Consolidated Cryptologic Program: *Provided,* That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8068. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1996 level.

SEC. 8069. All refunds or other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to current year appropriations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8070. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,218,000,000.

SEC. 8071. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8072. Appropriations available in this Act under the heading ''Operation and Maintenance, Defense-Wide'' for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8073. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided,* That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8074. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8075. None of the funds appropriated by this Act shall be available to lease or charter a vessel in excess of seventeen months (inclusive of any option periods) to transport fuel or oil for the Department of Defense if the vessel was constructed after October 1, 1995 unless the Secretary of Defense requires that the vessel be constructed in the United States with a double hull under the long-term lease or charter authority provided in section 2401 note of title 10, United States Code: *Provided,* That this limitation shall not apply to contracts in force on the date of enactment of this Act: *Provided further,* That by 1997 at least 20 percent of annual leases and charters must be for ships of double hull design constructed after October 1, 1995 if available in numbers sufficient to satisfy this requirement: *Provided further,* That the Military Sealift Command shall plan to achieve the goal of eliminating single hull ship leases by the year 2015.

SEC. 8076. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $500,000,000 to reflect savings from reduced carryover of activities funded through the Defense Business Operations Fund, to be distributed as follows: ''Operation and Maintenance, Army'', $60,000,000; and ''Operation and Maintenance, Navy'', $440,000,000.

SEC. 8077. During the current fiscal year, the Army shall use the former George Air Force Base as the airhead for the National Training Center at Fort Irwin: *Provided,* That none of the funds in this Act shall be obligated or expended to transport Army personnel into Edwards Air Force Base for training rotations at the National Training Center.

SEC. 8078. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate

of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8079. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—(1) This section applies to—

(A) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(B) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8080. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8081. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8082. The amount otherwise provided by this Act for ''Operation and Maintenance, Air Force'' is hereby reduced by $195,000,000, to reflect a reduction in the passthrough to the Air Force business areas of the Defense Business Operations Fund.

SEC. 8083. None of the funds provided in title II of this Act for ''Former Soviet Union Threat Reduction'' may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

SEC. 8084. Beginning in fiscal year 1997 and thereafter, and notwithstanding any other provision of law, fixed and mobile telecommunications support shall be provided by the White House Communications Agency (WHCA) to the United States Secret Service (USSS), without reimbursement, in connection with the Secret Service's duties directly related to the protection of the President or the Vice President or other officer immediately next in order of succession to the office of the President at the White House Security Complex in the Washington, D.C. Metropolitan Area and Camp David, Maryland. For these purposes, the White House Security Complex includes the White House, the White House grounds, the Old Executive Office Building, the New Executive Office Building, the Blair House, the Treasury Building, and the Vice President's Residence at the Naval Observatory: *Provided,* That funds made available to the WHCA (or any successor agency) for support services for the President from funds appropriated for the Department of Defense for any fiscal year (beginning with fiscal year 1997) may be used only for the provision of telecommunications support to the President and Vice President and related elements (as defined in regulations of that agency and specified by the President with respect to particular individuals within those related elements).

SEC. 8085. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading ''Shipbuilding and Conversion, Navy'' shall be considered to be for the same purpose as any subdivision under the heading ''Shipbuilding and Conversion, Navy'' appropriations in any prior year, and the one percent limitation shall apply to the total amount of the appropriation.

SEC. 8086. During the current fiscal year, and notwithstanding 31 U.S.C. 1552(a), funds appropriated under the heading ''Aircraft Procurement, Air Force'' in Public Laws 102–172 and 102–396 which were available and obligated for the B–2 aircraft program shall remain available for expenditure and for adjusting obligations for such program until September 30, 2002.

SEC. 8087. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): *Provided,* That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: *Provided further,* That the total amount charged to a current appropriation under this section may not exceed an amount equal to one percent of the total appropriation for that account.

SEC. 8088. During the current fiscal year the Marine Security Guard Program shall be administered under the terms and conditions of the March 29, 1994 Memorandum of Understanding between the Department of Defense and the Department of State concerning such program and the Department of State shall continue to pay, or provide reimbursement for, Marine Security Guard costs which are the responsibility of the State Department under the provisions of such Memorandum.

SEC. 8089. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $350,000,000 to reflect savings from improved management of spare and repair parts inventories of the Department of Defense, to be distributed as follows: ''Operation and Maintenance, Army'', $91,000,000; ''Operation and Maintenance, Navy'', $32,600,000; and ''Operation and Maintenance, Air Force'', $226,400,000.

SEC. 8090. Notwithstanding any other provision of law, the Air Force shall not introduce any new supplier for the remaining production units for the AN/ALE–47 Countermeasure Dispenser System.

SEC. 8091. In applying section 9005 of the Department of Defense Appropriations Act, 1993 (Public Law 102–396)—

(1) synthetic fabric and coated synthetic fabric shall be deemed to include synthetic fiber and yarn and their products; and

(2) such section shall (notwithstanding section 34 of Public Law 93–400) be treated as being applicable to contracts and subcontracts for the procurement of commercial items that are articles or items, specialty metals, or tools covered by that section 9005.

SEC. 8092. TRADE-OFF STUDY OF CURRENT AND FUTURE DEEP-STRIKE CAPABILITIES.—

(1) The Secretary of Defense shall carry out the deep-strike tradeoff study announced by the President to study tradeoffs between bombers, land and sea-based tactical aircraft, and missiles capable of striking targets in an enemy's rear area.

(2) The Secretary of Defense shall establish an ad hoc review committee under the auspices of the Defense Science Board to establish the methodological approach to the tradeoff study, to establish a broad range of stressing scenarios of interest, and to review assumptions regarding the analyses to be conducted.

(3) The ad hoc review committee to be established under paragraph (2) shall include among its members analysts who have performed or participated in bomber trade-off analysis, retired military personnel with broad experience in recent conventional warfare operations, and experts on the logistics of both initial deployment and sustaining support. These members shall be selected without regard for current service on the Defense Science Board.

(4) After submitting its recommendations for the conduct of the deep-strike tradeoff study to the Secretary of Defense, the ad hoc review committee shall continue to meet regularly to review preliminary results of the analysis and to recommend additional variations in assumptions that may be required to illuminate particular force tradeoff issues.

SEC. 8093. TACTICAL AIRCRAFT REQUIREMENT STUDY.—The Secretary of Defense and the Chairman of the Joint Chiefs of Staff shall carry out a joint study under the direct supervision of the Joint Requirements Oversight Council (JROC) assessing future tactical aircraft requirements across service jurisdictions. This study shall determine the best and most affordable mix of weapon systems to carry out different mission areas and shall include recommendations for changes to the planned numbers and types of tactical aircraft to be developed and procured over the next ten years if appropriate. Such report shall be submitted to the Congressional

defense committees no later than March 30, 1997.

SEC. 8094. (a) CONSIDERATION OF PERCENTAGE OF WORK PERFORMED IN THE UNITED STATES.—None of the funds available to the Department of Defense under this Act may be obligated or expended to evaluate sealed bids and competitive proposals for a contract for the procurement of property or services except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a factor in such evaluation is the percentage of work under the contract that the bidder or offeror plans to perform in the United States; and

(2) a high importance is assigned to such factor.

(b) BREACH OF CONTRACT FOR TRANSFERRING WORK OUTSIDE THE UNITED STATES.—None of the funds available to the Department of Defense under this Act may be obligated or expended to procure property or services except when it is made known to the Federal official having authority to obligate or expend such funds that each contract for the procurement of property or services includes a clause providing that the contractor is deemed to have breached the contract if the contractor performs less work in the United States than the contractor stated, in its response to the solicitation for the contract, that it planned to perform in the United States.

(c) INELIGIBILITY FOR CONTRACT RENEWAL.—(1) None of the funds available to the Department of Defense under this Act may be obligated or expended to renew a covered contract when it is made known to the Federal official having authority to obligate or expend such funds that the amount of work performed outside the United States under the covered contract exceeded the maximum amount of work that the contractor was expected to perform outside the United States, based on the amount of work that the contractor stated, in its response to the solicitation for the contract, that it planned to perform inside the United States.

(2) For purposes of this section, a covered contract is a contract for the procurement of property or services that is made pursuant to a solicitation described in subsection (a).

(d) WAIVER.—Subsections (a), (b), and (c) shall not apply with respect to funds available to the Department of Defense under this Act when it is made known to the Federal official having authority to obligate or expend such funds that an emergency situation or the national security interests of the United States requires the obligation or expenditure of such funds.

(e) EXCEPTION FOR CONTRACTS BELOW SIMPLIFIED ACQUISITION THRESHOLD.—This section does not apply to contracts for amounts not greater than the simplified acquisition threshold (as specified in section 2302(7) of title 10, United States Code).

(f) EFFECTIVE DATE.—This section shall apply with respect to contracts entered into more than 60 days after the date of the enactment of this Act.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title VII through page 87, line 3, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to that portion of the bill?

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Obey: Page 87, after line 3, insert the following new section:

PROHIBITION AGAINST UNNEEDED AND HIGH COST ACQUISITIONS

SEC. 8095. None of the funds in this Act may be made available for any acquisition program, project or activity under Title III of this Act (except under the appropriation ''National Guard and Reserve Equipment'') if it is made known to the Federal official having authority to obligate or expend such funds that such acquisition—

(a) has no documented military requirement under established Department of Defense procedures; and

(b) has a cost per job created of more than $100,000 according to documentation submitted to the staff of the House National Security Committee by the military services.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment.

Mr. OBEY. Mr. Chairman, I have in my hand, as Senator McCarthy from my home State used to say, a pork barrel catalog. What happened this year is that the authorizing committee asked the various services at the Pentagon to prepare a list of projects in the authorization bill, by Member of Congress, indicating what the economic impact would be for each of the items in the bill in each Member's congressional district.

□ 1645

They were also asked to estimate how many jobs were created by the projects in each Member's congressional district. Again, there is nothing wrong with that. But what this amendment says is very simple, and I offer it with absolutely no expectation it will be adopted because I understand how much pressure thee is on this bill.

But nonetheless, the amendment says something very simple: It simply says if there is a project in this bill and if the military says it has no military value, that it has no documented military requirement under their formal mission needs statement process, and, second, if it is so extremely high in cost, as defined by this pork catalog put together by the national security authorizing committee, that the cost per job of that project would exceed $100,000, then we should not do it. That is all it says.

The CHAIRMAN. Does the gentleman from Florida [Mr. YOUNG] insist on his point of order?

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my reservation of the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to this amendment.

I do so mainly because we are having a hard time figuring out what the amendment would really do or what the effect of this amendment would be. The way it is written, it is hard to figure that out.

I do not know what this means, who establishes what, whether he is talking about by law, by regulation, by policy. We have no idea what the list is that he is waving around over there, the list of projects that are so-called pork projects. This could be very disruptive of this entire legislation which has been crafted with great sensitivity.

But I want to make this point, and I wish the gentleman would listen. I have discussed it with him before. When the members of this committee sat down to prepare this bill to present to the committee, the full committee and to the House, we were extremely cautious. We applied a number of tests.

One is, does whatever is gong into this bill have an application to our national defense, national security or quality of life for our military forces?

No. 2, is there a requirement for it?

And, No. 3, how do we do it, if it should be done, in the most cost-effective way?

I can assure the gentleman from Wisconsin that nothing in the bill that we present today is going to fall into any category of being a political addition for some Member of Congress or for some contractor. We have been extremely careful not to do that. I say that to the gentleman with all sincerity. He has waved this little booklet around before. I do not know what is in it and I do not know where it came from. We certainly never asked for any information of this type.

I would have to oppose the amendment at this time.

Mr. MURTHA. Mr. Chairman, I move to strike the last word and in opposition to the amendment.

Mr. Chairman, this sounds like a good government amendment and we always try to accommodate Members, but on the other hand we make sure that it is something that the services need, something that is important to the services, before we accept any amendment.

This amendment is so widespread, and I understand the point he is making. We certainly never ask where the jobs come from, we do not ask whose district creates how many jobs. We ask what is military implication, how does it apply to the threat, how important it is to our national security. That is what we ask when we are doing any kind of amendment to the bill.

I would ask the gentleman to give us an opportunity to study this. This is the first we have seen it. I have to oppose this as it is now. Maybe we can work something like this out in the bill, if the gentleman would give us an opportunity to take a look at this thing and work it out as we move to conference.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Washington.

Mr. DICKS. I concur with the gentleman. I think we should try to work with the gentleman from Wisconsin [Mr. OBEY]. But the one think I do worry about is sometimes there are occasions when Congress says we want

them to build something or buy something.

I remember the SL–7 incident where the Navy steadfastly said, ''We don't need to have these fast sealift ships'' and Congress said, ''Yes, you must buy them.'' They probably did not have a mission statement or something like that. Therefore, we would have not gotten the ships that were absolutely essential to moving the forces out to the gulf.

I worry that without knowing the implications of this or having talked to the Pentagon about this, and I do not believe this amendment was offered either in the subcommittee or in the full committee where we would have had an opportunity to really take a look at it.

I would not forgo the opportunity of trying to work something out with the gentleman, but I think this is very dangerous when we do not know the full implications.

Mr. MURTHA. Mr. Chairman, I would ask if the gentleman would withdraw this, give us an opportunity to look at this amendment, see what the gentleman is trying to do, and see if we cannot work something out.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I want to address my friend from Wisconsin who has held that list up, which incidentally I have not seen yet, but I as the chairman of the procurement subcommittee in National Security requested the information from DOD that the gentleman has in that book. I am the guy that asked for that information. Although I have not yet received my copy of the book, I am glad he has got it.

But let me just say, Mr. Chairman, that we put a request together after we had held extensive hearings, after all the services had come in, after the services made their requests for what they needed, and the chiefs of the services requested some $15 billion in additional modernization above and beyond what President Clinton presented for them in his budget. When they did that, we held extensive hearings. We had 3 major themes. One of our themes was first to give enough ammo to the troops so they could carry out the two-MRC scenario. We plused up the ammo accounts with the Marines and with the Army. We put in precisely, in those ammunition accounts, what they asked for.

Second, we wanted to arm the bombers with precision-guided munitions because we have no precision-guided munitions to speak of in our bomber force today. We put that together.

Third, we had hearings on aviation safety. After the crashes of the F–14s and the AV–8Bs, we said to the Navy and the Marine Corps, ''What do you need to make your planes safer?'' They said, ''Here it is'' and we went down from there and asked the services to give us their request. When they gave us their requests, the bill that we built was 95 percent, in the additions, 95 percent consistent with what was requested by the services. In some cases, I believe the Navy, it was as high as 99 percent requested.

Having said that, at the same time I thought that it was important, since our President was going to places like California and standing before all the McDonnell Douglas workers and saying, ''My defense bill means jobs,'' that they should have additional information, the rest of the story.

The rest of the story is that while the President's bill might mean jobs, so did the bill that we were putting together in the Armed Services Committee. So I asked our staff to put together the number of businesses and the number of jobs that would be increased in the defense plus-up that is manifest in the bill before us today. We wanted that to be put together by the same gentlemen who put together the President's brag sheet that he was using at McDonnell Douglas in California and other places.

That is a fact. It is a fact that defense spending is different from foreign aid spending, for example, in that it does produce jobs in the defense industrial base and the Members of this House have a right to know what that is. But if the gentleman is implying that somehow we put together a list after we had gone through and analyzed districts, that is absolutely wrong.

The chairman of the full committee said the most important thing we have got here is what the services want. He asked the services to go on record. They went on record. We gave them what they asked for. For example, in the ammunition account, and the gentleman from Wisconsin [Mr. OBEY] mentioned a few items himself to me that were important items, we looked at some of those items, and some of them we were responsive to the request because he was right, the services did not need them. So we did precisely what the services needed.

In the ammo account, for example, every single ''T'' that was crossed and ''I'' that was dotted in type of munition was given that was requested by the Marine Corps or by the Army. There is nothing inappropriate about that list. I would be happy to take a look at it.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the only thing I would say to the gentleman is that the President went out to California, but what he was out there talking about is a program that enjoys bipartisan support in the House of Representatives, and that is the C–17, unquestioned military value. They had some problems producing it for several years, but they finally got their act together and it is now a very good aircraft. I think we have got to be careful here in trying to justify defense expenditures based on companies and jobs. If we start doing that, I think we get into the public works scam.

Mr. HUNTER. If I could take back my time, I agree with the gentleman, but I think it is also important to have the facts on the table. The facts on the table, according to the report I have gotten back, is the increase in defense expenditures we put in this year, along with making the country more secure, provides an additional 200,000 plus jobs above and beyond the level that the President was talking about in California.

I think it is important to have a complete record, and I might remind my friend that the President did not make that speech to the Joint Chiefs of Staff or to a security group. He made it to workers who were concerned about their jobs. He was plainly making a pitch to aerospace workers to the effect that the Clinton administration is going to maintain aerospace jobs. We say fine. We would also like to put on the record exactly how many jobs are created by this defense bill.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words and in support of the amendment that has been offered.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MINGE. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, let me simply say that I will simply repeat what the amendment does, because I do not know how else to make clear that it is so simple. What this amendment says is that if there is a project in the bill which has no documented military requirement under their formal mission needs statement process, and if any project is so high in cost per job that it exceeds $100,000 per job as defined by this project which was requested by the House authorizing committee, that they simply not proceed with the project. That is all it says.

I make no value judgment about anyone's project in this bill. This applies to all procurement except Guard and Reserve. All I am saying is that if there is no mission needs statement for the project in question, and when they total up the total number of jobs created by the project and divide it into the total number of dollars for the project, if that cost exceeds $100,000 per job, they do not go ahead with it. It seems to me that that is a rational thing to do.

I did not ask each service to provide this information. The gentleman did. I have a copy of a letter from the Navy to a person who I believe is his staffer, Mr. Steve Thompson, dated May 13, transmitting this information, so he knows as much about it as I do.

Mr. MINGE. Mr. Chairman, I would like to support the amendment that has been offered. What we have here is a commonsense proposal. There is concern that common sense if applied to the defense budget might result in some untoward conclusion.

Certainly we ought to let this proceed as proposed. If indeed there is something that the Defense Department has not been able to justify that is in the bill, that should be justified, I suggest that there is ample opportunity in the conference committee process or in the Senate for the Defense Department to identify this.

But it certainly does not make sense for the United States House of Representatives to be appropriating billions of dollars or millions of dollars, whatever it may be, for military expenditures that the Defense Department has not said are necessary. I cannot overemphasize this. Here we are, one day after we have passed a budget resolution which increases the Federal deficit from the fiscal 1996 to the fiscal 1997 years. This is an amazing result, that the majority in this body would increase the deficit when we are trying to eliminate the deficit. This amendment is but one humble way to try to achieve that conclusion.

□ 1700

Mr. EVERETT. Mr. Speaker I move to strike the requisite number of words.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from California, the chairman of the procurement committee.

Mr. HUNTER. Mr. Chairman, I thank my friend for getting this time for me.

Let me just say that under the formula that the gentleman from Wisconsin has offered, that if a job, if a particular defense job amounts to $100,000 or more per job, and if it is not requested by the services that it should not be authorized and appropriated, let me just suggest that under the formula he has offered the F–117 stealth aircraft would not be with us in the numbers it is with us today because of the fact that program was put forth by Congress over the objections of the administration and because it is such a high-tech program it cost a lot per job.

But that aircraft did much more work in the Desert Storm operation than any of the conventional aircraft. It had stealth capability. It was highly valuable. So we have a very arbitrary equation that the gentleman has tried to stick in in an attempt to embarrass the Committee on National Security, and I am just here to tell the gentleman we took requests from all the services. We had $15 billion in requests on system; over 95 percent commonality of the additional spending was in fact spending that was requested by the services, and ultimately we only put in about $6 billion in additional funds in modernization.

So the services requested $15 billion, far more than we put in, we put in about $6 billion, and our budget was put together before that analysis was done. We put the budget together and we said we want to do the same thing the President does, we want you to tell us how many jobs are in our budget just like he goes out and talks about how many jobs are in his budget.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would ask the gentleman if it is true if there was such an expenditure, that the administration, the Defense Department, could seek a rescission on it under current law. Is that not correct?

Mr. HUNTER. Mr. Chairman, if the gentleman will continue to yield, absolutely.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, what level would the gentleman from California feel is appropriate?

Mr. HUNTER. Mr. Chairman, if the gentleman will continue to yield, first, here is what is appropriate to this gentleman. What is appropriate to this gentleman is to put in the Armed Services bill what we need to defend the country. That means we hold hearings like the ones we had on aircraft safety, on Army and Marine ammo, on the needs of the Navy, on the needs of the bomber force, and we put together a bill that we think does that. And sometimes, as in the case of the F–117, Congress is right and the Pentagon is wrong.

When we said we need F–117's, they said, no, you can kill the program now. We said, no, we need them. So we do not always agree. But the idea the gentleman has put forth that the Pentagon is always right and that Congress cannot have any different idea about a weapon system, so if we are off 1 percent, we are wrong, I think the idea the gentleman puts forth is highly invalid.

I am telling the gentleman again, the increases we put together were 95 percent requested by the Army, the Air Force, and the Marines.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I just hope we can come to a vote here because we are trying to get this thing over. A lot of people have commitments and so forth, and I just wonder if we could not get a vote here.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Florida, the chairman.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I want to give one example of why I am concerned about this amendment, since we really have not had a chance to totally understand its effect: The tragedy of Secretary Ron Brown flying in an OSA aircraft into Croatia, losing his life and that of the crew and those with him, because the aircraft did not have certain types of safety equipment, including global positioning systems.

Now, in this bill we provide money to outfit that fleet with GPS, a safety upgrade. Now, is that documented by something in the service? Did the Air Force ask for it? No. But we put it in and we think it is a good add.

I just think we really need to know who would do the documentation, how will they do the documentation. I think there are too many questions unanswered in this, and I am like the gentleman from Pennsylvania [Mr. MURTHA], I would like to move along. Maybe we can address this in conference.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. I thank my friend for yielding.

I do not know whether this amendment applies to, for instance, the $200 million that we have put in the bill, the defense bill in the past, for breast cancer research. Is that part of the documentation for job creation that the gentleman is trying to get at? Is that one of the items we will use this criteria against in terms of jobs?

And my second point is what do we mean by job creation? Does that mean subcontracting job and sub-subcontracting job? There is so much ambiguity here it is very difficult to understand what we are voting on.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. EVERETT] has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. EVERETT was allowed to proceed for 1 additional minute.)

Mr. EVERETT. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to make the point that on the item that the gentleman mentioned in connection with Secretary Brown there is, in fact, a request from the Pentagon on that point, and that would not be covered by this amendment.

Mr. EVERETT. Mr. Chairman, reclaiming my time, I urge a ''no'' vote against this strictly political amendment.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

The gentleman from Wisconsin is correct, Mr. Perry changed the requirement just a few days ago, but up to that point they said they do not need this equipment and they did not put it on these planes because of monetary considerations.

If we had the Obey amendment in place, if that had been the policy and Congress had added the money, to fix the problem it might not have been spent. And what bothers me the most is this looks like a line-item veto. Giving the Defense Department the ability to go in and pick out items it does not want and strike them out without Congress having a chance to reconsider it. That is why I think DOD should send up a rescission. If it is as bad as the

gentleman from Wisconsin [Mr. OBEY] points out, they should send up a rescission and we should consider it.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Chairman, I would make this point to the distinguished ranking member of the Committee on Appropriations. Is he aware that the administration has yet to request one dollar of funding for the Nautilus program, that he has told the Israelis is the highest priority for their national security?

Is the gentleman aware there has been no request for that funding, yet we in this bill and the authorization bill are taking the lead to provide that funding?

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply say I find this discussion highly interesting and entertaining. The fact is that the item mentioned as far as the Commerce Secretary's plane is concerned is a hypothetical with respect to this bill. The Congress never put that money in. This amendment does not apply to something that Congress does not do, it only applies to something Congress does do.

Mr. DICKS. Mr. Chairman, reclaiming my time, Congress thought these planes had the equipment on them. We could not believe the Air Force had not put the equipment on the planes. We gave them directives to do it. We told them to put this equipment on and they refused to do it.

Mr. OBEY. Mr. Chairman, if the gentleman would continue to yield, again, this amendment cannot make up for congressional lack of effectiveness, but this amendment does not attack something Congress has not done.

Mr. DICKS. Mr. Chairman. once again reclaiming my time, I think it is a lack of effectiveness on the part of the Air Force and the Department of Defense for not having put it on in the first place. They should have known, because the equipment is available. They just did not do it for budgetary reasons.

Mr. OBEY. Mr. Chairman, if the gentleman would yield once more, the gentleman from Wisconsin is hardly a Member who always takes the advice of the Pentagon over the services, but I would simply say that this is an honest attempt to try to save some money. For every project the gentleman can point out that might be essential to national interest, I will show you 50 that are straight pork, and I would urge a vote on this amendment.

Mr. DICKS. Mr. Chairman, once again reclaiming my time, I would assume we could again take a look at this list, and I think we should try to cut these things out, if they are unnecessary, in the conference committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: At the end of the bill (before the short title), add the following new section.

SEC. . The amount of appropriations provided by this Act is hereby reduced by $6,572,000.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mrs. SCHROEDER. Mr. Chairman, reserving the right to object, we have had many people say they want to speak, but because of the confusion of the scheduling I do not know if they will get here or not. So I am a little troubled about what to do on time.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, first off, I thought there had been an agreement reached on the 20-minute time limit, is the reason I made the request. If the gentlewoman would like me to withdraw it, I will do so, but we are attempting, as diligently as we can, to complete this bill this evening, because I know that Members have commitments for tomorrow.

Again, I thought we had an agreement on the 20 minutes.

Mrs. SCHROEDER. Mr. chairman, reclaiming my time, as the gentleman knows, there are three authors to this amendment, and so I hesitate to speak for all three. But I think if we could maybe not put a time limit on this one, it would be helpful. I do not think it will take a tremendous amount of time. I think it is very clear what we are doing, but I just hesitate to shut people off if people do come over.

Mr. YOUNG of Florida. Mr. Chairman, if the gentlewoman will continue to yield, as I told the gentlewoman earlier in the discussion of this on the rule, we would not attempt to deny anyone the opportunity to speak, but we would hope that we would get cooperation to continue to expedite the bill as well as we have.

Mr. Chairman, I withdraw my unanimous-consent request.

Mrs. SCHROEDER. Mr. Chairman, the gentleman is indeed a gentleman and has stuck by his word and I appreciate that very, very much.

Members of this body, my amendment is really quite simple. It is different from the one that was in the RECORD because I just amended it to make it in line with the distinguished gentleman from Florida's amendment, the manager's amendment, that did cut the spending. So what my amendment does now is what it was supposed to do from the very beginning. We have changed the numbers to make sure it is right on point, and that is it lowers the amount of this bill to what was in the blue dog coalition budget. I am one of the people who voted for the coalition budget. I think newspaper editorials all over the country backed the coalition budget and said that this was a very fair number.

What is this number? This number is more than the Defense Department and the President asked for and it is, obviously, less than what is in this bill. this number is what the administration requested plus 3 percent because we care very much and want to guarantee that the pay raise is included.

I think everyone understands one of the most important things for any fighting force is morale, morale, morale, morale, and whatever happens we want to be absolutely assured that we do not end up with a shortfall for the pay raise. So this is the administration plus a guarantee by the 3 percent that there will be money for a pay raise.

Now, that still leaves megabucks and gigabucks in the whole budget. We still end up spending 2.5 times more than all of our adversaries combined and, actually, we spend more than all of our allies combined. And there comes a point when we begin to say how much more money should we throw at this.

I want to back up, however, and remind people of the debate we had yesterday and how difficult it was to get people to vote in the end for that budget, because the budget that was adopted yesterday had a higher deficit than the one that we had this year. Now, if my amendment passes, it would mean that this year's budget deficit would be almost equal to the one that we now have. I mean, next year's budget deficit would be almost equal to the one we have now. We would still be a couple billion more, but is would be down from the budget resolution that was adopted last night.

I think when we look at the coalition budget, when we listen to the cries of civility and a bipartisan approach to these things, this makes an incredible amount of sense. This was the bipartisan attempt to try to come together, and it says we should be spending this money but we also must be sure our personnel do not get squeezed.

Now, if we cannot get a defense budget that will defend this country for that kind of money, we ought to throw in the towel.

□ 1715

Mr. Chairman, we listen every day to debates about children who are not doing as well, so we are going to cut back their school lunches and cut back this person and cut back that. But when it comes to defense it seems no matter what happens, it never ever transpires that we bring it down. They have been the sacred cows in this whole budget debate. I have pointed out that the British have been affected by the mad cow disease, but this House seems to be affected by the sacred cow disease every time the defense budget comes to the floor. And I think that this amendment that is coauthored by the gentleman from Minnesota [Mr. MINGE] and the gentleman from Oregon [Mr. DEFAZIO] makes a tremendous amount of sense.

So, Mr. Chairman, I ask everyone who voted for the coalition budget to please stand for what we said we stand for. And I ask every other Member to look at this amendment with an open mind. If Members do not think this is enough, why is it not enough? Why can the Joint Chiefs of Staff and the President not be trusted with a plus-up for 3 percent just in case they are wrong? When we look at how we are treating every other aspect of the budget, chop, chop, chop, chop, chop, and when we realize this is over half of the discretionary spending, half, that we are debating today, we really need to look at this as sensibly and reasonably as everything else.

So, Mr. Chairman, I stand here proudly with my other two coauthors. I certainly hope the body will adopt this amendment. And I think what we will find is that we will be moving forward and it will really help the deficit. It will put next year's budget much more in line this this year's.

I urge an ''aye'' vote on this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I have a question to begin with. The gentlewoman said that her amendment would exempt this cut applying to the pay for military. I have read the amendment three or four times now and I do not see any exemption in this amendment to exempt pay for military.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, basically, what I said was it was the figure that was utilized in the coalition budget, which was the administration plus 3 percent. This does not exempt, but what the purpose was, was to make sure that there was adequate pay for the pay raise. We wanted to make sure that did not come out without being covered.

Mr. YOUNG of Florida. Mr. Chairman, I did not want anyone to misunderstand. This did not exempt anything. This could be across the board. What would it cut? How about the $475 million that we had to add for medical care that was identified by the Surgeon General, a serious addition that we made that the President did not ask for; the billion dollars that we added for barracks renovation and real property at bases; $125 million for breast cancer research and treatment?

Mr. Chairman, all of these things would be gone, because what we would do under her amendment was to allow the Pentagon officials to decide where to make these cuts. The items that I just mentioned were not on the Pentagon's list, so obviously would be on the top of their list to cut.

So I say we should not spend any time on this amendment. We ought to go to a vote and defeat it soundly because it is not workable.

Mr. MINGE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to begin by making a brief comment on the remarks of the distinguished chair of the subcommittee. I do not believe that we are just giving this to the Pentagon to make the decisions and acting irresponsibly in that sense. We certainly have ample opportunity in the conference committee process and at the Senate to deal with this amendment.

Second, I would note that the Chair actually reduced the level of expenditures by $500 million as a manager's amendment at the outset of the debate today. And certainly this change is parallel to the proposal in that respect.

Mr. Chairman, I would like to direct my comments this afternoon to the Members on both sides of the aisle who voted against the budget resolution last night, because we recognized in that vote that the budget resolution actually increased the deficit for the 1997 fiscal year.

This amendment gives those of us who are uncomfortable with a deficit increase an opportunity to follow through with our concern. The Schroeder-Minge-DeFazio amendment would reduce spending in the Department of Defense appropriations by 6.58 billion. Adoption of our amendment would reduce the deficit to $146 billion and would eliminate virtually all of the increase in the 1997 deficit that was proposed in the budget resolution. Here we have a chance to redeem ourselves.

This amendment would also eliminate 60 percent of the increased spending above what the administration requested. And I certainly think that it behooves us to listen to the Defense Department and the administration when it comes to defense spending.

Mr. Chairman, we certainly would like to think that wisdom, truth, and justice all resides in this Chamber, but on the other hand we cannot micromanage an agency of that size. I think that if we exercise good oversight function we have played a critical role, but to determine the exact level of expenditure and then increase it over what the Defense Department has asked I think is irresponsible.

I also am disturbed when I look at the appropriations bill that we considered last night, which was the House agricultural appropriations bill. We reduced the outlay for the U.S. Department of Agriculture by a very substantial amount over 1996 fiscal year expenditure levels.

It is certainly something that needed to be looked at, and it was done. But at a time when we are at peace with our former enemies in this world, the world war is over, why is it that we need to make an increase in defense spending above what the Pentagon asks, and at the same time cut expenditures in other sectors of our economy?

I submit that this is not responsible budgeting. We certainly ought to treat all sectors of the budget proportionately and appropriately.

Mr. Chairman, I would like to remind every Member that this amendment still allows for an increase in defense spending by $5 billion over the President's request. I must confess that I am uncomfortable in doing this; however, I am a member of the blue dog coalition and I feel that what we attempted to do in the blue dog coalition report was to strike a balance between what the administration requested and what the Republican leadership is submitting.

I also feel it is only responsible to attempt to avoid a veto. What sense does it make to submit to the President a defense appropriation which he has said he expects to veto and then start the shutdown dance all over again?

We certainly ought to listen to the 19 freshman Republicans who voted to hold the line on the deficit. This is a common sense compromise.

In closing, I would like to call to the attention of the Members of this Chamber this chart, which shows military spending comparisons, U.S. spending versus potential threats.

We are spending approximately 75 percent of this pie, whereas the potential threats to this country are spending approximately 25 percent of this pie.

And when you look at what Russia is getting in Chechnya for its defense expenditures, I think you can see that this comparison is not irrelevant. There is no reason why we need to continue this massive level of expenditures when we find that the potential threats to this country are spending such an insignificant amount.

And I certainly, Mr. Chairman, have a great deal of trust in the Pentagon and defense contractors that the money that we are appropriating is at least as well spent as the money that is being appropriated in those other countries.

Mr. HUNTER. Mr. Chairman, I move to strike the last word.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I think this might be a good time

to address this issue that we heard all last year, and we are hearing it again now, that we are talking about things that the Pentagon does not want. That is not true.

I want to unroll this scroll sometime during the debate, and I am going to show you several thousand items that the Pentagon said they really needed but could not be included in the budget because they had a political number that said they could not go beyond that number.

Here is what Secretary Perry said when he presented the fiscal year 1997 budget. He said:

> If there's more money put into the defense budget, I would urge that it be done the same as they did last year, which is not add new program * * * but rather move forward programs that are already in the budget.
>
> That is what I asked them to do last year, when they were putting more money in. And by and large, they did that.

And that is what we did this year. So do not come on the floor and try to tell our colleagues that the military does not need these things or does not want them. They were given an artificial political dollar amount and they had to abide by that. We do not have to abide by that.

Mr. HUNTER. Mr. Chairman, reclaiming my time, I thank the gentleman from Florida for his point, and he makes it so well.

Mr. Chairman, if the gentleman from Minnesota who was just talking would just listen for 1 minute, we added in procurement about $6 billion to the request that was made by the services. Now, the entire approximately $40 billion in request that was made by the services, that is about a 70-percent cut under what we used to spend in the Reagan years. That was all requested by the services. So, the base budget that was requested by the services was approved.

We then asked the services, after Mr. Perry said we really need an additional $20 billion in modernization spending, we then added $6 billion after we asked the services what they wanted. They came up with a list of $15 billion. The increased $6 billion that we added was 95 percent requested by the services.

So if my friend looks at the total procurement bill that we have before us right now, less than 1 percent of that bill is congressional initiatives that were not requested by the services. And I would just ask the gentleman if he listened to the gentleman from Florida [Mr. YOUNG], he listens to the gentleman from Pennsylvania [Mr. MURTHA] and other leaders on the committee. The gentleman says he trusts the Pentagon. Fine. The Pentagon has 99 percent of this budget, 1 percent, like the smart guys in Congress who kept the F–117 Stealth program going when the Pentagon said stop; those were people like Mr. MURTHA, Mr. YOUNG, and other people. Don't you trust your own leadership in the committee and in the Congress to even add or even participate in 1 percent of the defense damage, or do you want to take a total veto from the Pentagon? What is the answer to that? Do you trust them?

Mr. MINGE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Minnesota.

Mr. MINGE. Mr. Chairman, first I notice there was a discrepancy. The gentleman said it was 95 percent and now he says it was 99 percent.

Mr. HUNTER. Mr. Chairman, reclaiming my time. If the gentleman will listen carefully to me, I am talking about 90 percent of the add-on. The add-on is approximately $6 billion. But that is not the $39 billion that the Pentagon sent over to us under the Clinton budget.

If the gentleman would add all of that together, take 95 percent of the add-on of the total procurement bill, that is, everything we buy in the modernization accounts, roughly 1 percent or less is done purely by congressional initiative. All of the rest of the items have been requested by the services.

Mr. MINGE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. And I would ask the gentleman, and I have yielded to the gentleman a lot more than he yielded to me.

Mr. MINGE. The gentleman has asked me a question. I have not asked the gentleman any questions.

Mr. HUNTER. Mr. Chairman, I want to get the same courtesy I gave the gentleman when he did not want to yield. We have a budget that is 99 percent put together by the Pentagon, 1 percent put together by the members of the defense committees and the Members of Congress. I think that is a pretty good balance, and I think the good judgment and wisdom of Members like the ones who wanted to see the changes in the aircraft that would bring about greater safety, like those who wanted to see greater ammunition accounts should be listened to and relied on by our fellow Members of Congress. I thank the gentleman.

MODIFICATION TO AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent to modify the amendment by correcting the clerical error in the dollar figure. I confess to the body I am a math nerd.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

> Modification to amendment offered by Mrs. SCHROEDER: At the end of the bill (before the short title), add the following new section:
>
> SEC. . The amount of appropriations provided by this Act is hereby reduced by $6,572,000,000.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

Mr. YOUNG of Florida. Reserving the right to object, Mr. Chairman, I would like to point out that the effect of this amendment is to take this from a $6 million cut to a $6 billion cut. And I would rather deal with a $6 million cut. But to extend the courtesies that the gentlewoman will extend to us throughout the day, I will not object.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman and I owe him a plate of cookies.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

□ 1730

Mr. DEFAZIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question before the Members of the House is quite simple. Will the Pentagon be exempt from the cuts which we are going to exact on every other part of the Government as we move toward a balanced budget in the year 2002, something that is absolutely essential to the economic security of our Nation? Is the Pentagon spending every penny and has it spent so well every penny in its whole budget that it should be exempt and not only exempt but it should get an add-on over and above that requested by the Joint Chiefs of Staff, the Secretary of Defense, and the President of the United States?

Should they be exempt from procurement reform, prioritization, new efficiencies? I think not. I will use a couple of examples. I mentioned one earlier.

In a GAO audit of procurement by the Department of Defense over the last decade, there is $15 billion, B, billion dollars totally unaccounted for, $15 billion was spent for which no one can find a receipt, a disbursement or a purpose, $15 billion. What was it spent on?

Was it spent on essential things, perhaps it could have acquired the GPS little handout units and the little laptop computers that will cost about 5,000 bucks a plane for the 500 planes in the fleet, $2.5 million. That would be a tiny fraction of the missing $15 billion, but it was not spent there.

I believe if Congress begins to clamp down a little bit on the mismanagement at the Pentagon that they will spend the money more wisely and effectively and defend America even better than they have in the past, certainly more cost effectively.

Fifteen billion dollars. If any other agency of the Government could not account for $15 billion of spending over the last decade, there would be an uproar like we would not believe, but here it is ho hum, give them more money. If they cannot account for $15 billion, let us increase their budget this year by $11 billion.

Then there is the warehouse situation. We have done a little bit of looking at what is in the warehouses. It is essential that we must have more money this year. Well, there is $36 billion of equipment in the warehouses that exceeds the 100-year requirement

of the Pentagon for operations, including wartime contingencies. This is $36 billion of wasteful acquisition, things sitting in warehouse, vacuum tubes for equipment that no longer exists. They did get rid of the leather stock, I believe, for chaps for the cavalry, but there is still other things in 10 million cubic feet of warehouses. Yet this is the same agency that we are told has to be able to write its own ticket that comes forward and tells us what additional acquisitions they need with no scrutiny.

Now, I believe the original request was excessive, given these points. But certainly the request before this body which busts the budget and puts us on an upward trend in the deficit next year is not warranted nor necessary. I believe that the Pentagon, the defense of the United States and certainly the taxpayers of the United States, we would all benefit if very simply we just said no. You got a lot of money over there. Spend it a little more effectively. Figure out what you did with that $15 billion and maybe you can spend it again, or how about you figure out what to do.

Let us have a garage sale with the $36 billion of equipment that exceeds the 100-year operational requirement of the military even in wartime contingency. Maybe there are some antique collectors somewhere that would like to buy some of that stuff.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was impressed with the candor of the explanation as to how the appropriations subcommittee budgets for the Pentagon. They ask them what they want; they give them most of it. That is a pleasant way to spend one's time but not a wise way to spend one's money.

Let us understand a couple of points. First of all, the price of this budget, absent the amendment of the gentlewoman from Colorado, who spent more than 20 years on the Committee on Armed Services and has time and again demonstrated the wisdom of her judgments in this area, the price of this amendment being defeated is cutbacks everywhere else.

We are going to balance the budget. We are going to reduce spending. If you continue the pattern of insulating the pentagon and the CIA and the intelligence agencies, which are included in this budget, from any significant budgetary discipline, and it does not seem to me that it is budgetary discipline when the justification for the budget is, that is what the agency wanted, if you continue to insult the Pentagon from that, then every other area government gets hurt.

Now there are Members in the House who do not care much about environmental programs. There are Members who think that we should not be spending as much money to help young people to go to college. There are Members who do not like the community development block grant program. I assume they can easily vote against this amendment.

But any Member who has told people in his or her district, I am sorry we cannot do more in Medicare, I regret that we have to cut back as much as we have in Medicaid, I wish we could do more for this program, I am sorry about it, vote against this amendment and you have undercut the accuracy of these statements, because if you give the Pentagon an additional $6.5 billion because they want it, then that $6.5 billion will come from education, from the environment, from public safety.

Yes, this is a dangerous world. But I believe $6.5 billion could be far better spent protecting Americans against crime in their cities, against drug-induced problems, against serious environmental hazards than it would be against foreign enemies who are already dwarf with our military power.

That is the choice. Do you think people are endangered by hazardous waste or are they endangered by crimes, by drugs, or by outdated infrastructure, or are they endangered by the countries which collectively spend a very small percentage of what we spend?

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding to me.

I thought of one more thing. The gentleman has such an active mind, but there is also the threat of the debt. We could decide not to spend it at all and assign it to the debt.

Mr. FRANK of Massachusetts. Mr. Chairman, I understand that, but the Pentagon wants it. What is debt reduction compared against the desires of the Pentagon? The gentlewoman must understand what is going to win around here. So I assume we are not going to do that.

This, of course, is the account in which the magical increasing missing intelligence pot comes. You remember that. That was the $1 billion that we checked into, and we made it $2 billion. Then our diligent overseers checked into it and it became $4 billion. That is hidden in here. Who knows how much it is?

You are saying now that, gee, we cannot afford to take away $6 billion which is what happened when we caught them with money that they were withholding. We let them spend it elsewhere. So the first part is the real cost of this. Second, let us also retitle this bill. This is the foreign aid bill. We spend more in foreign aid in one military budget than we spend in all the so-called foreign aid budgets because, as was noted, Japan and England and Germany and France and Norway and Belgium and all of the other wealthy countries in the world are the beneficiaries of those who vote to kill this amendment because none of them have military budgets as a percentage of their governments, of their gross product like ours. We confer on them this great benefit.

Of course, there are bad people in the world. But there are also some good countries in the world that are the potential victims. They understand that they do not have to do things. Virtually, all of our allies are making very significant military cutbacks. Why? Because the Soviet Union has collapsed and because the Pentagon wants more money. Therefore, since we will give the Pentagon what they want, they do not have to do it in England, in Germany, and elsewhere.

This is the subsidy to our competitors economically. It is an imposition on every other Government program. It undercuts one basic point. People have said we have to tell the American people they have to sacrifice, we have to cut back on Medicare. They cannot have Social Security. Give the Pentagon everything it wants, and you undercut your ability to get other people to accept sacrifice.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Schroeder-Minge-DeFazio amendment. This is a sound amendment that should appeal to Members on both sides of the aisle. This amendment cuts the bloated military budget by just under $7 billion and brings it in line with the conservative blue dog budget and closer to the President's budget and the Pentagon's own request. Cutting $6,572,000,000 is not a radical proposal, not at all. It is one small step for fiscal sanity at a time when we really should be taking a giant leap.

Right now we are considering a defense bill which is loaded up with expensive cold war hardware like seven Trident D–5 missiles which will cost $267 billion in 1997, and continuation of the *Seawolf* submarine program at the outrageous price of $699 million in 1997. For the price of continuing the *Seawolf* submarine program, Mr. Chairman, we could send over 200,000 children to Head Start for a full year.

Think about it. We waste money on weapons we do not need which in turn prevents us from spending money on our children, our families, our seniors, and our environment. Those are investments we do need. Just last night the majority passed a budget agreement which cuts college loans for students, raises taxes on poor working families and eliminates the guarantee of health care for low-income seniors.

Just last night, the Gingrich majority told children: If you are poor, do not get sick, do not get hungry, do not get cold, because we really do not think you are important. In fact, we will no longer guarantee health care for you if you are poor. But, on the other hand, if you are a defense contractor, you are really important. This budget provides $246 billion for defense programs, $11.1 billion more than the

President's request and $3.7 billion more than last year's budget.

Let us get our priorities straight. Let us add back some sanity to the defense budget by subtracting $6.5 billion in wasteful spending. And for heaven's sakes, let us invest in our children and their education, our seniors and their health care, and our families and their security while we invest wisely in our military.

Vote for the Schroeder-Minge-DeFazio amendment.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with about 10 legislative weeks left in the 104th Congress, I think it is a good time to examine the priorities of the new majority. The Republicans have relentlessly attacked education and health care and environmental protection, energy conservation, crime control. The minimum wage remains unlivable, corporate welfare unstoppable. The deficit is going to go up each of the next 2 years under the plan that was adopted last night while taxes are deliberately increased on working families who earn under $25,000 a year. But spending on unrequested and unneeded weapons systems is off the charts: billions of dollars for new missile defense systems to defend against hypothetical or imagined enemies that do not exist, millions for further development of the B–2 bomber, many millions more for other aircraft and hardware the Pentagon says it does not need to defend either our shores or our interests.

This defense budget is an utter perverse reading of the peace dividend the end of the cold war was supposed to produce. It makes you wonder who really wants to balance the budget. Makes you wonder who is really willing to make tough choices of shared sacrifice.

Both the President's budget and the coalition budget are fair and more human, more honest, more realistic plans to balance the budget in 6 years. The amendment by the gentlewoman from Colorado brings defense spending in line with the coalition's budget, almost $7 billion less than the Republican majority's plan. That would leave a full $238 billion for defense and might open the door for protection for working families that the President rightfully demands. If we would do that, if we would pass this amendment, we might get a balanced budget agreement.

□ 1745

Is that not really what the Republicans say they want?

I urge all of us to take a constructive step to adopt a dose of common sense to put our children's future before special interests, and the next time we have an opportunity to take a commonsense, constructive step on behalf of our children's future, we find it easier.

I urge my colleagues to support the amendment that has been offered by the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER] will be postponed.

Mr. ZIMMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the chairman of the subcommittee, the gentleman from Florida [Mr. YOUNG] for his work on this legislation and for taking action to reduce the funding for the Operational Support Airlift. The OSA provides air transport for senior military officials, Members of Congress, and the executive branch. Some of these trips may be necessary, but many are clearly questionable.

Mr. Chairman, each year the Pentagon spends $300 million on military travel for top Government officials. According to the General Accounting Office, roughly $24 million of this amount is being spent needlessly by government officials flying military planes rather than commercial transport.

The press regularly reports about abuses by congressional junketeers who use military planes at taxpayers' expense to fly to destinations such as Victoria Falls, Amsterdam and Bali.

The Defense Department's inspector general reprimanded a general who used a C–141 cargo jet to fly from Italy to Colorado with only his personal aide, his cat and himself as passengers. The cost of this trip was estimated at $120,000. The general paid the Government $5,000, but the rest of the tab was picked up by the taxpayers.

The GAO has reported on members of the executive branch utilizing the military airplanes for personal purposes, like the White House staffers who in 1994 used a military helicopter for a famous golf outing.

If taxpayers are going to pay millions of dollars a year for Government travel, they have a right to know exactly who is running up the tab, where they are going and why.

Last year the GAO estimated that the Department of Defense had a fleet of 600 aircraft that could be used by the OSA. GAO has estimated that the costs for operating military aircraft range from $5,300 per hour to $15,000 per hour. Because the cost of operational support aircraft is so high, members of the military, Congress and the executive branch should be more responsible when requesting trips.

For instance, many military and civilian officials take frequent trips by military helicopters from Andrews Air Force Base in Maryland to the Pentagon, which is 15 miles away. The cost of some of these military helicopter flights is $1,600. A Yellow Cab costs $18 for the same trip.

This bill reduces the funding for the OSA by $68 million. Equally important, it calls for a study of the use of military aircraft. I believe this action by the committee will help the Pentagon to better manage its assets and save substantial amounts of taxpayers' money, but I would urge Congress to take an important step beyond this and require full disclosure of all air trips taken on military transport.

In this regard I would ask to engage the gentleman from Florida [Mr. YOUNG] in a colloquy regarding the Operation Support Airlift.

I have expressed concern about the use and possible abuse of DOD Operational Support Airlift fleet. I am aware that the chairman of the National Security Appropriations Subcommittee shares my concern and has taken measures to reduce OSA funding levels, and I commend him for his actions. I am also aware that this bill directs DOD to prepare a thorough report on its activities. Nevertheless, I believe Congress must pursue this matter further.

As Congress proceeds to conference on this bill, I would like to have the assurance of the gentleman from Florida that he will work with me to obtain a complete accounting from DOD of who is taking these trips, why, where they are going and the estimated cost of each trip when Members of Congress and the executive branch use Government aircraft.

Mr. YOUNG of Florida. Mr. Chairman, would the gentleman yield?

Mr. ZIMMER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding, and I would like to thank him for raising this issue and respond to the gentleman by saying that in the fiscal year 1996 appropriation bill we reduced funding for this type of travel by $50 million. The bill that we have before us today reduces last year's level by an additional $68 million.

I would also have to advise the gentleman that getting information on the specifics that he is asking about is not really easy, but we are trying, and we have some reviews ongoing. But I certainly expect to continue to work with him and others who are interested in this issue and continue to do what we can to make sure that whatever is done in the way of military transportation is done properly.

Mr. ZIMMER. Mr. Chairman, I thank the gentleman for his work on behalf of the taxpayers in this connection.

Mr. MORAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am as anxious to conclude this bill as anyone here, but I do have a simple amendment that addresses a very serious problem.

Mr. Chairman, as all my colleagues know, young men and women are recruited into the military service with

the promise that they will receive free health care for life. I can show my colleagues dozens of brochures where this is in writing that they will get free quality medical care for life. Unfortunately, the Government has decided to renege on this contract. Military retirees now, once they turn 65, are kicked out of the military insurance programs and effectively denied treatment at many military facilities.

At the time when military retirees need medical treatment the most, our Government gives them the least. After age 65, military retirees are not allowed to enroll in CHAMPUS, they are not even allowed to enroll in TRICARE, and even worse they are effectively denied care at a military medical treatment facility because they are last on the priorities list.

I have heard countless stories, and I know the chairman of the committee has, the chairman of the subcommittee, the ranking member. I bet most of the Members of this body have heard countless stories of people over the age of 65 waiting all day at a military medical treatment facility having younger people than them brought up ahead of them. People that come in much later than they have been waiting are brought to the front of the line because the policy is, if they are over the age of 65, they go to the back of the line, then have to wait until everyone else gets their health care. They only get health care on what they call a space-available basis.

So, as my colleagues know, we have got to do something about this. Medicare is available to them under Medicare subvention. It is not adequate in many ways. It does not cover prescription drugs. Its reimbursement rates are simply too low. Our amendment addresses this inequity and honors the commitment made to military retirees by creating a very limited demonstration project that will allow military retirees over the age of 65 to enroll in the Federal employees health benefits program. This is the same insurance program that all of us have. All we want to do is to make it available to military retires on a limited demonstration basis to see whether this will meet the demand. We want to determine what the cost will be, how much acceptance there will be, whether it is going to work.

Now, I can go on and on, I have got plenty of compelling arguments. I am not going to, because I know there is a lot of support for this. Let me just say that the military coalition and virtually every military group has endorsed this. I have introduced legislation as well that would establish the program nationwide, and that has over 75 co-sponsors. But this amendment today would simply give us the kind of information that we need to make sure we are doing the right thing, and we know it is the fair thing, we know that there is some urgency to do it because this policy is effectively excluding people that really need medical treatment today.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding, and I appreciate the effort that he has put into this effort, and I would say to him, as I have in private, that I probably have the privilege of representing more retired military who fall into this situation than anybody in this House, and I made a commitment to my constituents, and I made a commitment to the members of the military coalition who I met with just last week to discuss this. We have sent the proposal for a demonstration program to the Congressional Budget Office. The numbers are being juggled at this point.

What I would say to the gentleman is that we are going to do everything we can to solve this problem. We have a shared jurisdiction situation with the Committee on Ways and Means and also with the subcommittee of the gentleman from Florida [Mr. MICA], but we are going to work together. When we go into our conference, we would like to address this, do whatever we can because I have the same commitment that the gentleman from Virginia has, and we are going to make this happen because it has to happen, it is only fair. It keeps our commitment that we have made a long time ago to those who served us in the military for a lifetime.

Mr. MORAN. I much appreciate the commitment of the gentleman from Florida, and my friend and colleague, the chairman of the Civil Service Subcommittee, is on his feet, and he also would have authorizing responsibility for this, is very supportive as well, and I know that the ranking member of the Defense Appropriations Subcommittee, the gentleman from Pennsylvania [Mr. MURTHA], is strongly supportive of doing this as well.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I rise to enter into a colloquy with the chairman of the Appropriation Subcommittee on National Security, the gentleman from Florida [Mr. YOUNG]. As the gentleman from Virginia [Mr. MORAN] indicated, we have agreed tonight to withdraw this amendment.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has expired.

Mr. MICA. Mr. Chairman, I move to strike the last word and continue with my colloquy.

Again, as the gentleman from Virginia [Mr. MORAN] has indicated, we have agreed to withdraw this amendment because we have an understanding, we believe, with him that this will be addressed in the conference committee. I believe the amendment that was offered needs further refinement, and by addressing this issue in conference we will have the time necessary to thoroughly examine all the ramifications of the proposal. It may be necessary, in fact, to expand the demonstration projects in the amendment to include all non-active-duty individuals eligible for military health care.

Mr. Chairman, I certainly appreciate the dedication and commitment of the gentleman from Florida [Mr. YOUNG] to resolving the deficiencies in the military health care system and his agreement to address these problems in conference. I have the honor of serving as chairman of the House Subcommittee on Civil Service, and the issue of improving access to health care for military families was a subject of our subcommittee hearing on September 12, last year. We have gathered information on this important subject, and, as my colleagues know, it is vital to our military retirees, their survivors and families, and we ask again for the cooperation of the gentleman as this legislation and this bill move on to conference in trying to find a solution, and we understand that the gentleman intends to cooperate.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Yes, the answer is exactly correct. The same response that I made to the gentleman from Virginia [Mr. MORAN]. Page 205 of our committee report, there is a page devoted to that issue, and let me add to this further.

This is just one of the reasons that we added the $475 million over the President's budget for medical health care, for members of the military and their family, and, by the way, that is one of the items that can very likely be cut by the amendment offered by our colleague, the gentlewoman from Colorado [Mrs. SCHROEDER], or the amendment that will be offered by our colleague, the gentleman from Connecticut [Mr. SHAYS], and the gentleman from Massachusetts [Mr. FRANK]. We have to be careful. We do not want to give anybody the opportunity to take those moneys out of this bill.

Mr. MICA. I would like to respond, if I may, to the gentleman from Florida [Mr. YOUNG].

First of all, we appreciate the gentleman's leadership on the issue, the leadership of the gentleman from South Carolina [Mr. SPENCE]. I thank the ranking member of our subcommittee, the gentleman from Virginia [Mr. MORAN], who has worked with us. Our intent is to provide health care to as many folks who served, and their dependents, as possible, and that is our sole intent, and we also know the fiscal constraints that the gentleman is under. I intend to support him on this next measure which would get that, and I do know the circumstances of our military personnel and their dependents who do not have this health care; visited in Europe and saw, and other places where our military, one-third of them, live in substandard housing, and

I know the damage that this potential cut could do.

□ 1800

Mr. YOUNG of Florida. If the gentleman will yield further, I would like to say this, that it was the gentleman from Pennsylvania [Mr. MURTHA], the ranking member of our subcommittee, who first raised this issue in the subcommittee with the witnesses who appeared, and he has been the driver on this issue to get us to where we are. The gentleman has our commitment that we are going to continue on this issue.

Mr. MICA. Again, I thank the gentleman, I thank him for agreeing to the colloquy, and I thank the ranking member.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

I want to comment on the gentleman from Florida's threat assessment that the amendment of the gentlewoman from Colorado cuts $6 billion or the amendment that will be offered by the gentleman from Kansas, the gentleman from Wisconsin, myself, and others, our amendment would cut $1.8 billion from this, and he says this might endanger this particular project. Only if you want to.

Our amendment gives total discretion to the defense appropriators and the Defense Department as to where to cut. So I would just make a prediction to Members. As we talk about cutting $1.8 billion, we will hear people opposing this threaten that it is going to cost about $40 billion in cuts. Add up how many times that $1.8 billion is going to be spent. In fact, a $1.8 million cut out of this $240 billion budget in no way, shape, or form would threaten this particular program unless the people involved do not like the program and want to threaten it.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the $475 million that I just identified that we added for medical care for military and their families was not in the President's request, so it obviously would be at the top of the list of those items to cut if the cutting amendment would be agreed to.

Mr. FRANK of Massachusetts. I would take back my time to point out to the gentleman that if the amendment that the gentlewoman from Colorado [Mrs. SCHROEDER] offered passes, you will still have $5 billion over the President's request. If the amendment of the gentleman from Connecticut [Mr. SHAYS], I, the gentleman from Wisconsin [Mr. NEUMANN], and others is adopted, you will have $9 billion over the President's request.

The fact is that you do not have to listen to the President's request. So the notion that by cutting $1.8 billion, which would still leave it $9 billion over the President's request, we have endangered that $475 million, I guess that is the kind of excessive threat assessment that leads you to think that you have got to keep pumping this bill up. But the fact is that there is no rational connection between the two and this is a preview of coming distractions.

Mr. MURTHA. If the gentleman will yield, I appreciate all the compliments we get on what we are doing here. I wonder if we could not move along, because I have been in the forefront of health care all these years. I do not think anybody has done any more than I have for the military health care. BILL YOUNG and I have worked on it constantly. So I wonder, instead, if we could just move right along here and go to the next amendment here.

Mr. BARTLETT of Maryland. Mr. Chairman, I move to strike the last word to enter into a colloquy with Chairman YOUNG.

Mr. Chairman, on page 214 of the report accompanying H.R. 3610 is language that says that the committee expects the President to notify and consult with Congress prior to any such deployment of peace enforcement, peacekeeping or international humanitarian assistance operations; is that correct?

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. The gentleman is correct.

Mr. BARTLETT of Maryland. Mr. Chairman, I would just like to clarify and make absolutely sure that this language in no way is an attempt to broaden the President's warmaking powers by contravening existing law.

Under the U.N. Participation Act of 1945, as amended in 1949, Congress must give prior approval before the President may deploy any troops to peacekeeping operations. His advising us is not adequate. This law says that he must get prior approval from Congress before he deploys any troops to peacekeeping operations in response to chapter VII U.N. resolutions.

I just want to make very sure that the report language in this bill is not designed in any way to change the requirement of this existing law.

Mr. YOUNG of Florida. I would respond that the gentleman is correct. The U.N. Participation Act requires prior congressional approval before the President can submit any troop to peacekeeping or peace enforcement operations. So the answer is ''no,'' the gentleman is correct.

Mr. BARTLETT of Maryland. I thank the gentleman for this clarification.

The CHAIRMAN. Are there any other amendments not precluded by clause 2(a) or 2(c) of rule XXI?

AMENDMENT OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. SHAYS: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $243,251,297,000, which amount corresponds to the new budget authority that was provided in the Department of Defense Appropriations Act, 1996.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 1 hour and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FRANK of Massachusetts. Mr. Chairman, reserving the right to object, I just wanted to clarify that if any amendments to the amendment were offered, they would not come out of the hour. We certainly, I think, would agree to the hour but just in case any amendments to the amendment were offered, they would not come out of the hour.

Mr. YOUNG of Florida. If the gentleman will yield, I would suggest we deal with that if we get to it. As we did with the gentlewoman from Colorado [Mrs. SCHROEDER], we are not going to deny anyone the opportunity to be heard.

Mr. FRANK of Massachusetts. I appreciate that, and I would not object if we were talking about 1 hour on the amendment that the gentleman is offering, and any amendment to the amendment would have to be dealt with separately, that it would not come out of that limit.

The CHAIRMAN. The Chair would state that that is the way the request is stated.

Mr. FRANK of Massachusetts. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The time limitation on the Shays amendment is 1 hour.

Mr. SHAYS. Mr. Chairman, I ask unanimous consent to designate 15 minutes to my colleague the gentleman from Massachusetts [Mr. FRANK], who is an equal cosponsor of this amendment for the purposes of yielding time.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent to yield 15 minutes of my time to the gentleman from Pennsylvania [Mr. MURTHA].

The CHAIRMAN. Without objection, the time will be divided 15 minutes for the gentleman from Connecticut [Mr. SHAYS], 15 minutes for the gentleman from Florida [Mr. YOUNG], 15 minutes for the gentleman from Pennsylvania [Mr. MURTHA], and 15 minutes for the gentleman from Massachusetts [Mr. FRANK].

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very simple amendment. This is not a cutting amendment nor is it an increasing amendment. This is an amendment that says that this Congress will authorize and appropriate the same amount next year as we have appropriated this year, $243,251,297,000.

This is an amendment that freezes defense spending for next year at the level that it is this year.

With that, Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I rise in support of H.R. 3610 and in opposition to the Shays amendment. This amendment proposes to cut funds in quality of life programs which are in the bill.

Our chairman, BILL YOUNG, should be praised for putting these items in the bill. Our service men and women serve our Nation with great dignity, and Congress and the American people should respect this fact. Of particular importance to me, and women throughout our Nation, is the commitment to breast cancer research, prevention, and treatment. This bill provides $100 million to continue the Department of the Army's peer-reviewed breast cancer research program and $25 million for prevention and education programs. More than 184,000 women will discover they have breast cancer this year, and many of those women will be members of our Armed Forces or family members.

Beyond this funding, the committee has restored the budget shortfall in the Defense Health Program. Any reduction to this account would drastically limit medical services for our military families and retirees. The very least we can do is show our support for our men and women who serve our Nation without reservation.

I urge my colleagues to support the funding levels in H.R. 3610, and oppose the Shays amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we now have the question as to whether this is a Congress seriously dedicated to reducing the budget deficit, understanding that that causes some difficult choices everywhere, or whether we will, as this appropriations bill does, exempt the defense and intelligence budgets together from any significant budget discipline.

Remember, we talk about the entitlements leaving us only a certain amount of discretionary spending. We are talking about approximately half the discretionary spending. If you go forward and provide this significant increase for the defense and intelligence budgets, an intelligence budget which found, and let us be very clear, this cut would be $1.8 billion from the appropriations proposal, which would make it a freeze. It is acknowledged by the intelligence agencies which are part of this budget that they misplaced more than twice this amount. More than twice the amount of $1.8 billion was kind of lost because they have got so much money they cannot keep track of it. So that notion that we have got to cut health or cut this or cut that, we will hear all kinds of exaggerations. All we are saying to the defense and intelligence agencies together is, "No, live this year with the same amount you had last year and you will be doing better than many, many other agencies."

Reject this amendment, and I think this is too small of a cut, but if this amendment is rejected, then you have said, no, we will get into a situation where we will reduce the deficit, reduce every other discretionary program so the Pentagon can go up and up and up, and your ability to persuade people that they should accept sacrifices elsewhere will be substantially eroded.

This leaves entire discretion to appropriators and the Defense Department to make this cut of less than 1 percent. I hope the amendment is adopted.

Mr. SHAYS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would emphasize again that this is a freeze amendment. We are not advocating that the Department of Defense spend less than we spend this year next year. We are advocating that they have a freeze. I am a member of the Budget Committee. On the Budget Committee we are allowing entitlements to grow. We are allowing the growth of entitlements like Medicare and Medicaid. We advocate freezing defense spending—at least I do—and we are cutting discretionary domestic spending. We are having real and absolute cuts in discretionary spending.

Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. KLUG] for our freeze amendment to defense.

Mr. KLUG. Mr. Chairman, I thank my colleague from Connecticut and my colleague from Massachusetts for leading the fight on this amendment today. It parallels the fight we actually tried to do several weeks ago during the defense authorization bill. Unfortunately we were not allowed that opportunity on the floor to make our case.

Let me really simply try to argue that there are three points in front of us today on this. First of all, I think it is a test for Republicans, whether we are going to apply the same kind of scrutiny to the Pentagon that we apply to every other Federal agency.

I heard my colleague from California, Mr. HUNTER, come to the well a few minutes ago and say, "Look, we came up with this list of what the Department of Defense needs because that's what the Department of Defense told us they needed."

Do we really deal that same way with any other Federal agency? If the Environmental Protection Agency came in and said: We need this money. You got it.

Or the EPA came in and said: We need this money. You got it.

Or the Interior Department came in and said: We need this money. You go it.

Of course not. We have said to every single one of those Federal agencies over the last 2 years, "We're broke."

We are broke as a country. We are hundreds of billions of dollars in the hole this year, and we are several trillion dollars in the hole in terms of the national debt itself. And so we have asked every one of those agencies to operate more intelligently and more efficiently.

Somebody please explain to me where the Pentagon suddenly developed this reputation as the poster boy for Government efficiency. This idea that somehow the Pentagon is sacrosanct just does not, I think, confront reality.

Mr. Chairman, my second point is going to be characterized in some ways as an attack on our ability to defend ourselves. We are not saying you cannot buy bullets. What we are suggesting is maybe you already have enough pencils. And we are not saying you cannot buy tanks. Maybe you already have enough offices filled with enough file cabinets.

You are going to tell me in a $260 billion budget, you cannot eliminate three-quarters of 1 percent through efficiency standards?

Folks will say if you do not pass the bill in front of us as the Committee on Appropriations wrote it, that means there will not be any quality of life, there will not be raises for our service men and our service women. Set that money aside, give them the raises, then go back and look at the other $250 billion and find another three-quarters of 1 percent.

We are not military experts. And so we did not come to the floor and say, "Here is the places you cut in order to do that." We came to the floor to say, on principle, we have got to ask the Pentagon to live by the same kind of standards we have asked every other Federal agency.

□ 1815

In fact, as the gentleman from Connecticut [Mr. SHAYS] has correctly characterized this amendment, it is not a cut, it is a freeze. We are saying they get the same amount of money they got last year, where every other appropriations bill debated on the floor over the last several weeks and over the next several months we will actually have Federal agencies substantially cut. Not freezes, but cuts. This is the same money they got last year.

Finally, I want to say to my Republican colleagues, I think if we are to earn the respect of the American public and develop the sense of credibility on other deficit issues, we have to apply the same kind of standards to the U.S. military and to the Pentagon. To somehow say we are going to look aggressively at every program and to say we are going to ask Medicare to slow its rate of growth and we are going to ask the Environmental Protection Agency to live with less money, and the National Park Service to live with less money, and the FBI, and every single Federal agency across the board, but then say, wait a minute, wait, the only guys who get more money are the folks at the Pentagon because they have operated so efficiently and so intelligently over the years that they cannot find any place to cut.

I find that absolutely incredible, Mr. Chairman, and I think every single one of my colleagues should ask themselves, if they are serious about deficit reduction and if they want a balanced budget and they want to provide a future for our children, then we should ask the Pentagon to be subject to the same kind of scrutiny we ask every other Federal agency to live with, and we should do it with a vote early this evening.

Mr. Chairman, I urge my colleagues to vote for the Shays amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, may I inquire how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] has 13 minutes remaining; the gentleman from Connecticut [Mr. SHAYS] has 10 minutes remaining; the gentleman from Florida [Mr. YOUNG] has 13½ minutes remaining; and the gentleman from Pennsylvania [Mr. MURTHA] has 15 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds to say I am struck by how we are told that cutting $1.8 billion could cause such havoc. The appropriations subcommittee underestimated its own skill. They were just told by the Committee on the Budget cut $700 million and they did it fairly painlessly. Apparently, they were able to get rid of 700 million and America is still secure; no invasion impends, no health care has been cut back.

They could cut 700 million apparently with no problem. I think if they worked a little harder, they could cut another $1.8 billion, which is still less than 1 percent of the total budget.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman. I rise to support the freeze amendment. That is what this does. It is a freeze amendment.

Now, it is interesting to me, when we voted on the balanced budget amendment there were about 300 Members of the House of Representatives who came in here and voted for a balanced budget amendment. That was the easy part, come in a vote for a balance budget amendment, go back to our districts and say, well, I voted for a balanced budget amendment; I want to balance the budget.

We tried yesterday to cut corporate welfare with very little success, then we tried to cut tobacco subsidies with a little more success, but we were unable to do it. Mr. Chairman, this defense appropriations bill adds close to $11 billion more than what the President requested, $3.7 billion more than we gave the Pentagon last year.

Adding $11 billion to the defense budget is the height of fiscal irresponsibility; 15 percent of the budget is the defense budget. How in the world are we going to tell the American people that we are serious about balancing the budget when we do not have the courage to make the difficult choices with defense?

In this particular option, $1.8 billion, as my colleague from Massachusetts said, we cut $800 million just with the rule that we passed. This is an easy amendment.

I hear this talk about we are going to cut health care, we are going to cut the extra money for the troops and the extra money for readiness. This bill appropriates $6 billion more than the President's request on weapons procurement. It accelerates the purchases of new fighter aircraft and submarines, items that the Pentagon had not planned to buy for years. And if they had not planned to buy them for years, how in the world will we pay the upkeep?

It does not make any sense. This budget sinks $858 million, 69 percent more than the President requested, into the national missile defense system.

If we are serious about balancing the budget, let us not exempt 15 percent of the budget. Let us pass this freeze amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEWIS], a distinguished member of the subcommittee.

(Mr. LEWIS of California asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Chairman, I thank the chairman and the distinguished ranking member, the gentleman from Pennsylvania.

I first want to say to both my colleagues, my chairman as well as the gentleman from Pennsylvania, that I could not admire more the work of these two gentlemen in terms of the efforts they make in that Committee on Appropriations on behalf of the country. There is not a responsibility at the Federal level that is more important, more significant to this country and to the world than the work of this subcommittee, where we either appropriate the money or we do not appropriate the money to keep America strong.

In my time in the Congress, there has been nothing more important that we have done than to lay a foundation that causes us to be strong, as the one leader in the entire world. It is the result of their work that indeed the Soviet Union eventually collapsed. The pressure it put on that process brought an end to the East-West confrontation. I do not know how many trillions of dollars that effort has saved this country.

The price of peace is great but, indeed, the price of not having it could be much, much greater. To suggest that we should continue to reduce this budget is almost laughable if it was not so important. Indeed, ladies and gentlemen, over the last 5 years we have reduced these budgets not by a billion dollars discussed here, but by $100 billion. And over those same years, every other program of much less significance has been increased beyond inflation by the very people who do not want to support defense.

It is time to recognize that this is one of the critical responsibilities of the Federal Government. It is appropriate for the Congress to go forward with this spending. Indeed, the job being done here should be commended; it certainly deserves our support.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend from Connecticut for yielding me this time. I think this is a very important amendment not only because of the money involved, but I think because of the thought process that it goes into when we vote on these amendments.

As I interpret this amendment, what we will be doing rather than spending $245 billion, we will be spending $243 billion. That seems to me to be a rather modest cut.

The speaker before had mentioned that we spent a lot of money on defense and the Soviet Union therefore is no longer. One of the reasons the Soviet Union fell is not because we spent a lot of money on defense, but because of what technology did in the Soviet Union.

But it is true we spent a lot of money to keep our country strong. I served in the Army; I served on the board at West Point. I am very partial to our military. But there is a time when we start asking ourselves why are we spending these billions?

No one here has come to the well, now that the Soviet Union is no longer, no one has come to the well and said why are we spending this money; to defend ourselves from who? Who is the enemy? Even with this amendment we are spending $243 billion. That is a lot of money.

If we want to protect the United States of America, do not build more planes or more ships. We had a hearing today. In Odessa, in the Ukraine, there is no longer communism there. They do not have school from December through March. Why? Because there is not enough heat for the schools. They do not have pens in the schools. They do not have paper. They are here in the United States looking for old books and textbooks to send to Odessa so the kids have something to go to school with, so the kids have something to write on, and we are spending billions of dollars in defense.

If we want to do something in defense of America we should start sending some textbooks, sending some pencils, sending some school supplies to Odessa and to the regions in that part of the world. Do not send more missiles. We are spending billions of dollars to help the people in the Ukraine destroy their weaponry and over here we are building more weaponry. It does not make sense.

The problem, as I see it, is one of thinking. It is difficult to have change.

We see that in our society today. The most difficult thing to do is to change our way of thinking. I have been here in the Congress for 18 years. When I came here we had a Soviet Union. I voted for all the defense spending. But that enemy is gone. It is a different era, it is a different time. We have to bring some new thinking to the world.

It is a different world and we have to acclimate to the world we are moving into and that we are in today. The world we are in today is one of economic competition, not more and more military planes and ships. What are we going to do with more subs that we will have? Who are we defending ourselves against?

I know it is difficult to bring in new thinking, to change one's thinking, but this is what we have to do and that is why this amendment is important. It is not only that we are saving a couple billion dollars, but we have to have a different mental attitude, a different thinking in this Congress. We are not acclimating to the new world.

We are like the old Communists trying to get back in power against Yeltsin in Russia today. We have to have some new thinking, and this amendment goes in that direction. That is why it is important.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2½ minutes, because I want to comment on this notion that defense and intelligence is somehow an obligation different than every other.

In this budget, remember the intelligence agencies, for instance, have now gotten into economic intelligence. The budget does not just talk about guns and ships and men and women in uniform. This funds the intelligence agency, where we have been told the intelligence agencies have decided to do economic analysis. I am glad they are, but is economic analysis in the intelligence budget of a qualitatively different nature from economic analysis elsewhere so that it should be exempted from any kind of budget scrutiny? Because all this is a freeze. All we are saying is they do not get more than they got last year. It is a freeze, not a cut, that we are advocating.

Let us talk about other Government functions; the FBI, faced in Montana with a difficult situation. We are told in the Judiciary that, yes, they did not have quite as many agents to investigate church burnings. We were going to adjourn temporarily to deal with the terrible issue of church burnings. I think putting a stop to church burnings is a very significant Federal responsibility. That takes well-financed Federal agencies.

What about Immigration protecting our borders? What about the problem of drug-induced crime? What about the problem of terrible toxic dumps? We have had to slow down the money we put into reducing hazards where small children live because we have said to people we do not have enough money.

All we are saying is, yes, defense is a very important function. So is domestic law enforcement. So is taking poison away from small children. So is having adequate control of our borders. But we cannot do all of it to the extent that we would like. And a freeze, giving the Defense Department the same amount of money this year in this budget as they had in the year before, given the trends the gentleman from Wisconsin quite thoughtfully pointed out, given the fact of the diminution in the exterior threat, indeed if we look at America today compared to 8 years ago, where has the threat to our security gotten worse? I think it is more domestic than exterior.

Frankly, I think with the collapse of the Soviet Union, we are somewhat safer internationally than we were before. I wish we could say the same about crime and about environmental problems. So does it make sense to exempt from the process of freezing and discipline the foreign area, where we are almost certainly safer, and take out even more from the domestic area where the threats sadly are even greater?

□ 1830

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, I thank the gentleman for yielding. I serve as chairman of the Subcommittee on Civil Service of the Committee on Government Reform and Oversight, and I know where the cuts in our work force are taking place. We have heard of 273,000 employees downsized; 80 percent of the cuts in this administration have come out of the civilian defense force.

We just heard the last speaker say, What is the threat? The threat is we have had the largest arms sale in the history of the world, and we have missiles, and we have subs, and we have all kinds of weapons. Pick up the newspaper today and we see the potential of the threat. And our No. 1 responsibility under the Constitution is what? To provide for the defense of this country. It does not say to get into all these programs.

It is no problem for us to come here or this administration to come here and spend $2 billion on Haiti; $2 billion on Somalia; another billion in Rwanda; Bosnia, $5 to $6 billion. And then we talk about a missile defense of $5 billion. We are really standing still. We are losing ground.

Mr. Chairman, two-thirds of our money to three-quarters of it is on salaries and retirement benefits. We are now paying more on interest on the national debt than we are in real dollars for our national security, our No. 1 responsibility under the Constitution.

Mr. Chairman, we cannot afford to err. We cannot afford as a Congress to make a mistake. That is the threat. That is where the money is being spent and that is our obligation under the Constitution.

Mr. FRANK of Massachusetts. Mr. Chairman, what is the time remaining, please?

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 7 minutes remaining; the gentleman from Florida [Mr. YOUNG] has 9½ minutes remaining; the gentleman from Massachusetts [Mr. FRANK] has 8 minutes remaining; and the gentleman from Pennsylvania [Mr. MURTHA] has 15 minutes remaining.

Mr. MURTHA. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

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

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition to this amendment. I know that there are a lot of folks who believe in the need to balance the budget, and I take second place to no one in that belief. The fact is we do need to balance the budget, that our children and our grandchildren are going to be paying for our profligacy if, in fact, we do not start getting our spending in line with our in-flow.

The fact is, Mr. Chairman, that for the last 40 years we have been spending far too much, running deficits of $100 billion a year, $200 billion a year, $300 billion a year, and the interest within the next 12 to 18 months, the interest on the debt that we have accumulated, that $5 trillion plus debt that has been accumulated over the years, will soon exceed what we spend on the defense of this Nation.

For the first time in the history of the country, our No. 1 priority, providing a defense for our people, providing security for every man, woman, and child in this country, will come second to paying interest on the debt, interest on the borrowings that we have had in order to just pay for government.

So there is no doubt that we have got to get our budget under control. But the fact is that in discretionary spending in the last year and a half, we have saved roughly $43 to $50 billion under what was appropriated 2 years ago, and by the end of this appropriations season we will have saved about $60 billion under what was appropriated 2 years ago.

Mr. Chairman, if Members look at the trend line for what President Clinton would have asked this Congress to spend had we not had the change in Congress that we have had, the savings have run about $80 billion.

Mr. Chairman, we are succeeding in getting the discretionary portion of the budget under control. We are losing the battle still, because without the President's agreement, we cannot get his consent to get entitlements or the mandatory portion of the budget under control. That is no reason, absolutely no reason to say well, therefore, we should take extra savings out of the hide of the defense of this Nation.

The fact is that we need a ballistic missile defense. That is still in contention. It is opposed by Members of the House, it is opposed by Members of the Senate, and it is opposed by the President of the United States. Oh, he says

we need to work on the development of a system, but he says we do not want to deploy one. I happen to disagree with him. I think it is one of the few threats that the American people face. It is a dangerous world when we look at North Korea, when we look at China and the technological advances of China, when we look at the Iranians and the Muslim governments.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, when we look at the advances of a hostile world out there, we begin to understand that if America does not prepare for what threats might develop in the future, that we may well find ourselves underprepared and not ready for those threats when they occur. That would be a disaster. We owe it to our troops, we owe it to our people to be secure.

As this chart shows, Mr. Chairman, we actually, with the current proposed spending, after we take off medical spending and the pay raise that has been built into the system, we are actually going down under last year. When the Joint Chiefs have said we actually need an extra $15 billion in weapons modernization, we are not giving them the $15 billion in weapons modernization. We are not even keeping even with where we were last year.

Mr. Chairman, this amendment would cut us by an additional $2 billion. That is unwise, it cuts our seed corn so that we cannot sow seeds for the future and be prepared. It will leave us ill prepared to meet the threats of the 21st century, and I urge the defeat of this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I am learning the lexicon. Sometimes a freeze is a cut, and sometimes a freeze is a freeze. A freeze is a cut when it is for some programs and a freeze is not a cut or is just a freeze for the Pentagon.

Mr. Chairman. I yield 2½ minutes to the gentleman from Minnesota [Mr. LUTHER].

Mr. LUTHER. Mr. Chairman, I rise in support of this amendment to freeze Department of Defense spending at the fiscal year 1996 level.

In the past year and a half we have seen some progress in reducing our country's deficit, but not nearly enough. With the budget crisis facing this Nation, we must look for every single opportunity we have to reduce the deficit. And we simply cannot justify spending more on defense than our own military experts believe is necessary.

Mr. Chairman, we have been elected to this body to exercise judgment, common sense, and courage to make the hard choices necessary to achieve a balanced Federal budget. Freezing military spending would demonstrate our collective commitment to getting our Nation's fiscal house in order. But more importantly, it will set the stage for asking the American people to make sacrifices in other important budget areas.

It is much easier to discuss the idea of shared sacrifice with senior citizens, children, and hardworking American people when we can assure them that all Federal programs and agencies are facing the same budget constraints.

The American people know it is wrong to ask them to share the pain of balancing the budget when a big part of the budget, the military budget, is being increased. The bottom line is simple, and we should know it by now after everything we have gone through in the last year and a half. If we are serious about balancing the budget of this country, it is essential that every Federal program and Federal agency share in the sacrifice, including the Department of Defense.

Mr. Chairman, let us show the American people that we really are committed to fiscal responsibility. Let us apply the same belt tightening to the military budget that we applied to the rest of the budget.

Mr. Chairman, I urge my fellow House Members to vote for this amendment and freeze military spending at the 1996 level.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. NEUMANN] in support of the amendment to freeze defense.

Mr. NEUMANN. Mr. Chairman, this is an amendment to freeze defense spending at last year's levels. It is no big secret in this Nation that elections are coming up in November of this year and I have become accustomed to hearing an awful lot of demagoguing. I hope this amendment passes so that there will be no demagoguing come the fall elections this year about defense spending increasing.

Mr. Chairman, if we pass this amendment, defense spending is frozen. Period. It is not an increase or decrease. It is frozen, period. And there should be no demagoguing going into the fall elections after we pass this amendment. This amendment freezes defense spending at last year's level.

Last year's level was $243 billion. Next year's level would be $243 billion if this is passed. What about defense spending and where does this rate in priorities of the Nation? I think defense spending is one of the highest priorities of the Nation and should be treated that way. But does that mean defense spending should not be treated with the same scrutiny that all other parts of the budget are?

Mr. Chairman, I personally think we need to develop a missile defense system for this Nation. Many of the American people do not realize that if somebody launches a missile against the United States of America, we have no ability to shoot that missile down and to protect our own Nation. So, I think we do need to develop a missile defense system.

If we freeze defense spending, how can we go about developing a missile defense system? Well, we go at the defense budget the same way we have gone after all the other parts of this budget. We find the programs that are not absolutely essential and we take money from those programs that are not absolutely essential and we redirect the funds into the programs that are the most important.

Mr. Chairman, my recommendation is I think we move to a high-technology military. I think we use technological advancements the best we possibly can. We develop the systems that are necessary to preserve and protect this Nation for our children.

But when we are doing that, at the same time we have to retire planes that are too old to service properly, planes that are too dangerous and other equipment that is too old, and properly bring down the support for that equipment that we no longer need with a high-technology military.

What is happening in this amendment? Defense spending will be frozen. The National Taxpayers Union supports it, and I would like to quote their letter directly. It says, ''Congress has committed to reining in wasteful spending. We cannot afford to increase military spending if we are to gain control of our Federal deficits and achieve a balanced budget.''

Last night on the floor of the House of Representatives we had a very interesting debate. The vote outcome indicated that we in this body believed that we have to have an $8 billion increase in the deficit next year.

Mr. Chairman, I would like to suggest to my colleagues that the passage of this amendment allows us to move $1.8 billion closer to a balanced budget. I would like to conclude my remarks this evening by encouraging the people in this body to do what is right for the future of our Nation, to do what is right for our children's future.

Mr. Chairman, I say to my colleagues, move us closer to a balanced budget. We are $5.2 trillion in debt. That is $20,000 for every man, woman, and child. It is time we move closer to a balanced budget. I encourage the support of this amendment which simply freezes defense spending.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Washington, [Mr. DICKS], a member of the subcommittee.

Mr. DICKS. Mr. Chairman, I just wanted to make sure my colleagues have not forgotten a little history here. I have heard a lot of talk about the defense budget not having been cut. I want to say that is the most ridiculous thing I have heard all night tonight.

Mr. Chairman, we have cut the defense budget by $100 billion a year since 1985. When we take today's budget, it would have been $350 billion. Today, it is $250 billion. We have cut procurement by 70 percent. The Joint Chiefs have just written a letter to Secretary Perry saying that we are short annually $20 billion in procurement.

□ 1845

We have downsized the military since the gulf war dramatically. In the gulf war we had 1 million men in the U.S. Army. Today we are down at 495,000. And we are operating at a higher op tempo than at any point between the Vietnam war and the gulf war.

We are sending these kids, these young men and women in the military, out more often to more places. The op tempo has never been higher. To say in the face of that evidence that we do not need to do more for defense is simply incorrect. We are operating in a very fragile situation here. We added about $6 billion to procurement. That takes us up to $44 billion. The Joint Chiefs say that we need to be at $60 billion, and Secretary Perry has admitted the fact that we have got a major shortfall in procurement. This budget does not really come close to meeting the legitimate requirement.

Now, I understand my colleagues who say we should be doing more on domestic priorities. I wish we could do more in domestic priorities. But if you cut the money out of this defense budget, it is not going to go over and help HEW or other bills. It is going to go to deficit reduction, which is a very important issue. And I do not favor tax cuts, other things that are part of the other side's budget that will make the deficit situation worse. But to say that we have not cut defense, we have cut defense more than any other discretionary spending issue in the budget. Nothing has been cut more than defense over the last decade.

The requirements today on the military are major. So I urge my colleagues not to forget history here. We have leveled this off for the last couple years. We have not really done what is necessary. I just urge Members not to take this amendment, because it will make the job even more difficult to try and have adequate procurement funding for the equipment that our services need. We are going to have a major problem out there in the future if we do not have adequate funding for procurement.

I urge Members to stay with this budget. It is not perfect, but it is certainly a step in the right direction. And to say that we have not cut defense is just ludicrous.

Mr. MURTHA. Mr. Chairman, I yield 30 seconds to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman who just spoke. We cannot cut this defense budget anymore.

It is interesting in all this debate, not much has been said about the soldier. The first place that you cut, the easiest place that you cut is from the soldier, himself or herself from those who are on the high seas, who keep the airplanes flying. We should not forget those because they are the first to be cut in an event of a cut such as this amendment would provide.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Let me say to my good friend from Washington, I do not disagree with his history. It is his mathematics that I want to focus on. The gentleman is the most honest advocate of increased military spending. He says the military budget would be $340 billion. But it was never in dollars more than about 200 billion.

What did he do? He used an inflation adjusted figure and that is at the heart of this discussion. We are talking about dollars being dollars. The gentleman from Washington says, it is a cut in part because we have not keep up with inflation. So I ask, particularly Members on the other side, if that is the accounting they want to go back to, OK. But understand that that is the basis for the gentleman from Washington's argument.

He talks about a reduction from $340 billion, but we never got to $340 billion. It is the inflation adjustment.

This is a freeze. This is the same dollars. That is the issue here. Are we going to adopt a whole different set of accounting for the military? My friend says, 340, understand that that is getting you into inflation adjusted accounting. And if you do not keep up with inflation, it is a cut.

Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, old habits break hard. That is as true of nations as it is of people. We are in the habit of spending enormous amounts of money on the military budget. Right now we are spending approximately the same amount as the next 10 nations combined.

It is simply a prudent thing to freeze our defense spending at its present level. Some might argue that we ought to go far beyond that and reduce the military budget substantially. There are people in this town, responsible people who follow the military expenditures intimately, who would argue that you could safely cut $50 billion out of the military budget without affecting the security of this country one iota. No one there is proposing anything like that. They are simply proposing that we freeze military spending at its present level so that we can begin to establish some new priorities.

Our priorities approximately have been to spend for the military, for the Second World War and for the cold war. All of that is behind us now. The major threats to our countries are within.

We have schools in this country that are falling apart. We have children who are not getting decent education. We have people who need health care. We have roads and bridges which are falling apart. Half of the bridges in this country are below standards, below safety standards. Everywhere we look the basic infrastructure of this country is in dire need. We continue to pour more and more money into larger and larger military budgets against an enemy that is no longer extant. They are gone. We have beat them. They are defeated. They are not here anymore.

This kind of military has got to be brought in line. We have to, this Congress has got to be given the opportunity to establish new priorities, reasonable priorities that meet the needs of our country. We have got to begin to focus more approximately on our domestic needs.

I have just mentioned a few. They are legion. They go far beyond those few that I have just mentioned. But the best priorities of this country are hurting and wanting, and we are not treating them appropriately. This amendment is reasonable. We should freeze military spending and refocus our priorities appropriately.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] is recognized for 2¼ minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to be very clear again about what we are discussing. The gentleman from Washington was very honest. He said he does not think this budget is enough. I will be honest and say that, even if this amendment passes, I think it will be too much. I asked for a realistic threat assessment. I asked the same intellectual and mathematical standards be applied to the Pentagon as elsewhere. We do not do enough with the FBI. We do not do enough to reduce serious hazardous weight. We do not do enough to improve air traffic safety. We do not do enough to provide health care for older people.

We are about to tell older people they will have to take some reduction in the kind of health care that is available to them. You cannot exempt one area from that. If you reject this amendment, that is what you do. This amendment does not cut the Pentagon. It cuts it from the inflation adjusted figure which I thought we were not using anymore.

This amendment says the Pentagon and the intelligence entities. Let us be clear, not just the Pentagon, It is all the intelligence agencies as well. They will get the same amount of money this year as they had last year. Unlike almost any other agency of government, they will be held harmless against the reductions.

Now look at the threats in the world. Yes, we have Iran and we have Iraq. We had them when we had the Soviet Union as well. I do not believe that they are at this point a greater threat than the collectivity of crime, hazardous waste, air traffic problems, terrorism. We have serious problems here at home as well. Here is what we do if we reject this amendment. We say to the wealthy European and Asian nations of this world, do not worry about defending yourselves because that is what we are talking about here. When we talk about a two-war strategy, had we

talked about the broad projections of American power, we are talking explicitly in defense planning of saying to Europe and Asia, those prosperous areas of the world, you need not spend very much on your own defense. We will do it. Save your money to become more efficient. Save your money so you can outcompete us.

Let us adopt this amendment as a beginning of a rational decision to deal with military spending in the same way that we should deal with other spending.

Mr. MURTHA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I just want to say to the Members, this is an across-the-board cut. We have rejected several specific cuts. Over the years we have cut substantial amounts from defense. The threat has changed dramatically. I think this would be a mistake for us to now freeze the defense spending at this level.

We go to conference, we may have to make some more adjustments. All of us know how difficult it is to make sure the troops are taken care of, make sure the threat is taken care of. All of us work diligently listening to hearings, listening to what the military wants. They have long lists of what they would like. But in order to keep our military ready to respond and our National Guard and Reserve ready to respond, we cannot take another cut at this point as we negotiate through this bill. So I would urge Members to vote against this amendment.

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

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Washington [Mr. NETHERCUTT], a member of the subcommittee.

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman very much for yielding time to me. I have been sitting in my office listening to this debate. I felt compelled to come here to the floor as a member of this subcommittee who sat through the hearings day after day, moment after moment, listening to the needs expressed by the military for our future readiness and our current readiness.

I want to speak to my Republican freshman colleagues. Be very careful about what we do here. This is a bad amendment. This is something that is going to threaten, in my judgment, the future of this Nation. Think back just recently when we were so proud in this country to have our military forces be able to go to Bosnia and rescue Scott O'Grady, a constituent of mine from Spokane, WA. Think back how we felt in 1978 and 1979 when we had the fiasco in our military problems in the Iran rescue attempts. All the reason for that success in the Scott O'Grady case is because we are prepared.

We have to be prepared for the future. This is a dangerous world. We have heard it time after time in our subcommittee. This is a dangerous amendment. In my judgment, my colleagues, we ought to reject it very, very strongly.

Mr. SHAYS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] is recognized for 4 minutes.

Mr. SHAYS. Mr. Chairman, I believe with all my heart and soul, if you tell the American people the truth, they will have you do the right thing. If you tell your colleagues the truth, they will have you do the right thing, too.

It is truthful, it is very truthful, as the opponents of this bill point out, there have been cuts in defense. In 1990, we appropriated $286 billion. In 1991, $268 billion. In 1992, $269 billion. In 1993, $253 billion. In 1994, we spent, appropriated $240 billion. Since that time, 1995, $243 billion, 1996, the budget we are in now, $243 billion.

This amendment is saying that we should not cut from defense anymore. We should not add to defense anymore. We should spend $243 billion. It is in truth a freeze.

Now, it is important to point out that, when we took over, I speak primarily to my Republican colleagues and to those who might be watching on TV, especially to the staff, when we took over, we had a rescissions bill that cut $20 billion.

The CHAIRMAN. The gentleman should address his remarks to the Chair and not to the audience.

Mr. SHAYS. Mr. Chairman, none of it was cutting defense. We were cutting discretionary domestic spending. We added back $11 billion; some of it went to defense, for very necessary things.

In 1996, the President wanted to spend $7 billion more than 1995 in discretionary spending. We spent $23 billion less. All cuts to domestic discretionary spending. No cut to defense. We cut HUD $6.3 billion from 1995 to 1996. EPA we cut $713 million. FEMA we cut $143 million. The Department of Education, we cut $1.5 billion. NASA, we cut $473 million. The National Science Foundation, we cut $141 million. The summer youth program, we cut $185 million. We cut from legal services $122 million. We did cut domestic spending. We have to be truthful about it. We did not cut Medicare. We did not cut Medicaid. We allowed the student loan program to grow. We did not cut the earned income tax credit. That is all going up.

□ 1900

Entitlement are going up under our budget. We are just slowing the growth. Domestic spending, nondefense spending, is going down. We are cutting it. And some of us happen to serve on those committees where we would have liked to have spent more, but we knew we had to cut to balance this budget in 7 years, and I just urge my colleagues to recognize that we need to get our financial house in order.

If my colleagues did not like the bump in next year's budget and they were tempted to vote against the budget resolution, that was a plan, that was not all that of a hard vote to vote ''no'' if my colleagues thought so. What is important is to vote to actually cut spending where we can, domestic spending, to freeze it where we can, defense spending, to slow the growth of entitlements.

If we do all three things, we will, in fact, balance the budget.

I urge my colleagues to recognize this is not a cut from next year, from this year to next year. We are freezing defense spending. My God, if we cannot freeze defense spending, how the heck can we continue to say that we can cut domestic spending, that we can slow the growth of entitlements?

This is our moment of truth for anyone who wants to get our financial house in order and balance the Federal budget. I urge adoption of this freeze amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Florida is recognized for 4½ minutes.

Mr. YOUNG of Florida. Mr. Chairman, I just think it is time now to get real about what it is that we are doing and what it is we are talking about. We've heard all of the facts and figures being thrown out. This $2 billion cut will have the effect of reducing this budget $6.7 billion below last year's level, adjusted for inflation. Whether my colleagues like it or not, there is an inflation factor out there that we have to take into account, and so this would not be a freeze, it would be $6.7 billion below last year in terms of actual buying power.

Now, this subcommittee that brings this bill here today has already cut $1.3 billion out of the original number that this House gave us to work with. They gave us the number, and we worked from that number. We have had to cut it $1.3 billion already, from subcommittee to the floor.

Now we talk about the defense budget. For the last 12 years, including this year, the real dollars invested in our Nation's security have declined while almost every other spending account that has been mentioned in that same 12-year period increased. So, in effect, we are playing catchup, and there is a lot more that needs to be done than we are doing here, and I am going to talk about that in just a minute.

But I think it is important that the Members know that two-thirds of the money, listen to this, two-thirds of the money appropriated by this bill goes for pay, housing, education, medical care, quality-of-life issues for our people in the military, as well as training and readiness; two-thirds of this bill go for these purposes. Now, why is that, and why is it we spend more on our military than other nations?

Mr. Chairman, it is because we have an all-volunteer military. Those men and women serving in uniform today

are volunteers. They are serving their country because they want to. They have not been drafted or conscripted. they are a volunteer military, and we have an obligation to take care of them.

Some $540 million of the money in this budget is going to pay for Bosnia, one of the many contingencies that our troops have been involved in. With all the operational tempo, the contingencies, we are wearing out our equipment, and we need to replace some of that equipment.

What do we do today, my colleagues? What we do today not only determines where we are in our military capability in 1996 and 1997. What we do today determines what our readiness situation will be 5 years from now or 10 years from now. Let us not take the chance. Let us be prepared, let us reject this amendment, and let us get on with passing this bill and getting to conference with the Senate and getting it to the President.

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

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, are we going to roll this vote? Just for the guidance of the Members, is it the intention of the Chair to now take the pending votes and go on to the next amendment in debate?

The CHAIRMAN. A request for a recorded vote on this amendment will be postponed until after disposition of the Schroeder amendment.

Mr. FRANK of Massachusetts. But we will not go on to the next debate until the next votes?

The CHAIRMAN. That is correct.

The question is on the amendment offered by the gentleman from Connecticut [Mr. SHAYS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: an amendment offered by the gentleman from Wisconsin [Mr. OBEY]; an amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER]; and an amendment offered by the gentleman from Connecticut [Mr. SHAYS].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 101, noes 319, not voting 14, as follows:

[Roll No. 243]

AYES—101

Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Blumenauer
Bonior
Brown (CA)
Brown (OH)
Bryant (TX)
Clay
Collins (IL)
Collins (MI)
Conyers
Coyne
Cummings
Danner
DeFazio
Dellums
Dingell
Doggett
Duncan
Durbin
Ehlers
Evans
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Furse
Gephardt
Gutierrez
Hilliard
Hinchey
Jackson (IL)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
McCarthy
McDermott
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Nadler
Neal
Oberstar
Obey
Olver
Owens
Payne (NJ)
Pelosi
Petri
Poshard
Ramstad
Rangel
Reed
Rivers
Roukema
Roybal-Allard
Rush
Sanders
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Slaughter
Stark
Stearns
Stockman
Stokes
Studds
Stupak
Torres
Towns
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—319

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Sabo
Salmon
Sanford
Sawyer
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stenholm
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Berman
Bevill
Bilbray
Cardin
English
Gillmor
Hayes
Lincoln
McDade
McIntosh
Moran
Saxton
Smith (NJ)
Thornton

□ 1924

Mr. UPTON, Mr. GENE GREEN of Texas, Mrs. MYRICK, and Mrs. CLAYTON changed their vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT, AS MODIFIED, OFFERED BY MRS. SCHROEDER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment, as modified, offered by the gentlewoman from Colorado [Mrs. SCHROEDER], on which further

proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 148, noes 265, not voting 21, as follows:

[Roll No. 244]

AYES—148

Ackerman
Allard
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Campbell
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
Danner
DeFazio
Dellums
Deutsch
Dingell
Doggett
Dooley
Doyle
Duncan
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gephardt
Green (TX)
Gutierrez
Hall (TX)
Hilliard
Hinchey
Holden
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Poshard
Ramstad
Rangel
Rivers
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Stark
Stenholm
Stokes
Studds
Stupak
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—265

Abercrombie
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
Matsui
McCollum
McCrery
McInnis
McKeon
McNulty
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—21

Bevill
Bilbray
Cardin
Clinger
Cox
Davis
English
Gillmor
Gonzalez
Hayes
King
Lincoln
McDade
McHugh
McIntosh
Meek
Moran
Quinn
Saxton
Smith (NJ)
Thornton

□ 1931

Mr. GORDON changed his vote from ''aye'' to ''no.''

So the amendment as modified was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SHAYS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 194, noes 219, not voting 21, as follows:

[Roll No. 245]

AYES—194

Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Camp
Campbell
Castle
Chabot
Chapman
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cummings
Danner
Deal
DeFazio
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Ford
Fox
Frank (MA)
Franks (NJ)
Furse
Ganske
Gephardt
Gilchrest
Goodlatte
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hilliard
Hinchey
Hoekstra
Hoke
Holden
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kingston
Kleczka
Klug
LaFalce
LaHood
Lantos
Latham
LaTourette
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Ramstad
Rangel
Riggs
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (WA)
Spratt
Stark
Stokes
Studds
Stupak
Thurman
Tiahrt
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Wamp
Waters
Watt (NC)
Waxman
Weller
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—219

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chenoweth
Christensen
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane

Crapo	Hyde	Reed
Cremeans	Inglis	Regula
Cubin	Istook	Richardson
de la Garza	Jefferson	Roberts
DeLauro	Johnson (CT)	Rogers
DeLay	Johnson, Sam	Ros-Lehtinen
Diaz-Balart	Jones	Rose
Dickey	Kasich	Royce
Dicks	Kennedy (RI)	Salmon
Doolittle	Kennelly	Sawyer
Dornan	Kildee	Scarborough
Dreier	Kim	Schaefer
Dunn	Klink	Schiff
Edwards	Knollenberg	Scott
Ehrlich	Kolbe	Seastrand
Emerson	Largent	Shadegg
Everett	Laughlin	Shaw
Fields (TX)	Lazio	Shuster
Forbes	Lewis (CA)	Sisisky
Fowler	Lewis (KY)	Skeen
Franks (CT)	Lightfoot	Skelton
Frelinghuysen	Linder	Smith (NJ)
Frisa	Livingston	Smith (TX)
Frost	Longley	Solomon
Funderburk	Lucas	Spence
Gallegly	Manzullo	Stearns
Gejdenson	Martinez	Stenholm
Gekas	Matsui	Stockman
Geren	McCollum	Stump
Gibbons	McCrery	Talent
Gilman	McKeon	Tanner
Gonzalez	Meek	Tate
Goodling	Meyers	Tauzin
Goss	Mica	Taylor (MS)
Graham	Molinari	Taylor (NC)
Greene (UT)	Mollohan	Tejeda
Hall (OH)	Montgomery	Thomas
Hamilton	Moorhead	Thompson
Hancock	Moran	Thornberry
Hansen	Murtha	Torkildsen
Harman	Myers	Traficant
Hastert	Myrick	Visclosky
Hastings (FL)	Nethercutt	Vucanovich
Hastings (WA)	Norwood	Walker
Hayworth	Ortiz	Walsh
Hefley	Oxley	Ward
Hefner	Packard	Watts (OK)
Heineman	Parker	Weldon (FL)
Herger	Paxon	Weldon (PA)
Hilleary	Payne (VA)	White
Hobson	Peterson (FL)	Whitfield
Horn	Pickett	Wicker
Hostettler	Pombo	Wilson
Houghton	Pryce	Wolf
Hoyer	Quillen	Young (AK)
Hunter	Radanovich	Young (FL)
Hutchinson	Rahall	Zeliff

NOT VOTING—21

Ackerman	Davis	McDade
Bevill	English	McHugh
Bilbray	Gillmor	McIntosh
Cardin	Hayes	Quinn
Clinger	Johnson, E.B.	Saxton
Conyers	King	Souder
Cunningham	Lincoln	Thornton

□ 1939

Mr. PORTMAN changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HOKE

Mr. HOKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOKE: At the end of the bill (before the short title), insert the following new section:

SEC. 8095. None of the funds available to the Department of Defense under this Act may be obligated or expended to procure landing gear for aircraft except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the manufacturer of the item is part of the national technology and industrial base;

(2) the landing gear is manufactured and assembled in the United States; and

(3) the contract through which the procurement is made is entered into more than 30 days after the date of the enactment of this Act: *Provided,* That contracts existing on the date of enactment of this Act and existing or subsequent options in such contracts through January 1, 2000 are not covered by this section if the Secretary of the military department which issued the aircraft production contract certifies to the Appropriations Committees of the House and Senate that purchasing landing gear under the terms of this section will create a significant adverse technical, cost, or schedule impact on the aircraft production program.

Mr. HOKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOKE. Mr. Chairman, this is the amendment as originally published in the RECORD with an addition to it that clarifies the intent that the gentleman from Ohio [Mr. TRAFICANT] and I had with respect to the amendment.

The clarification makes it clear expressly that the amendment does not apply to existing contracts on the date of enactment of the act or to subsequent options in such contracts through January 1, 2000. This was included at the request of the chairman of the subcommittee.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HOKE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, we reviewed this amendment and asked the gentleman to modify his amendment, which he did. We are prepared to accept it on that basis.

Mr. HOKE. Mr. Chairman, I thank the gentleman for accepting the amendment. I would like to say just very, very briefly that what this does is essentially it is a ''Buy American'' amendment that applies to landing gear with certain exceptions and its makes it clear that the landing gear that will go on our military aircraft will, to the extent possible, be manufactured and assembled in the United States of America.

Mr. Chairman, I yield to my good friend from Youngstown, OH, Mr. TRAFICANT.

Mr. TRAFICANT. Mr. Chairman, this is a good amendment, it will save a lot of jobs, and I appreciate the committee happily accepting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HOKE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: Page 87, after line 3, insert the following new section:

SEC. . (a) None of the funds appropriated or otherwise made available by this Act for the Department of Defense specimen repository described in subsection (b) may be used for any purpose except in accordance with the requirement in paragraph numbered 3 of the covered Department of Defense policy memorandum that specifically provides that permissible uses of specimen samples in the repository are limited to the following purposes:

(1) Identification of human remains.

(2) Internal quality assurance activities to validate processes for collection, maintenance and analysis of samples.

(3) A purpose for which the donor of the sample (or surviving next-of-kin) provides consent.

(4) As compelled by other applicable law in a case in which all of the following conditions are present:

(A) The responsible Department of Defense official has received a proper judicial order or judicial authorization.

(B) The specimen sample is needed for the investigation or prosecution of a crime punishable by one year or more of confinement.

(C) No reasonable alternative means for obtaining a specimen for DNA profile analysis is available.

(b) The specimen repository referred to in subsection (a) is the repository that was established pursuant to Deputy Secretary of Defense Memorandum 47803, dated December 16, 1991, and designated as the ''Armed Forces Repository of Specimen Samples for the Identification of Remains'' by paragraph numbered 4 in the covered Department of Defense policy memorandum.

(c) For purposes of this section, the covered Department of Defense policy memorandum is the memorandum of the Assistant Secretary of Defense (Health Affairs) for the Secretary of the Army, dated April 2, 1996, issued pursuant to law which states as its subject ''Policy Refinements for the Armed Forces Repository of Specimen Samples for the Identification of Remains''.

Mr. KENNEDY of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have spoken with my friend, the chairman of the committee, as well as Mr. MURTHA about this provision. These provisions deal with what is an exciting new development in the human genome project and the fact that there will probably be no larger group of donors of DNA and genetic information than all of the members of our military that will be required to provide DNA samples.

Under current Pentagon policy, the use of genetic information only goes to the identification of remains or for the investigation of the prosecution of a crime.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I know the gentleman from Florida [Mr. YOUNG] and I have looked at this. This is, I think, an important safeguard that is necessary. It may need to be cleaned up, but I certainly have no problem with it.

Mr. KENNEDY of Massachusetts. I appreciate that.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield, we are prepared to accept it and move on to the next amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the cooperation of both the chairman and the ranking member.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was agreed to.

□ 1945

Mrs. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is for the purpose of entering into a colloquy with the chairman of the Subcommittee on National Security on the question of funding reductions to Defense Business Operations Fund activities, which are included in his bill.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would be more than happy to engage in such a colloquy.

Mrs. FOWLER. Mr. Chairman, I note that the committee has reduced funding for Army and Navy activities in the Defense Business Operations Fund by $500 million to reduce funded carryover of these activities. I hope that I can receive some clarification from the chairman on how the committee intends to distribute this reduction. Could the gentleman provide some assurance that the committee intends to apply this reduction in a manner that is directly proportionate to the level of projected carryover assignable to each of the various kinds of DBOF activities?

I ask this because I am aware that the Naval Aviation Depots' budgets were reduced in the Department of Defense review of the Military Services' budget request. I am concerned about the possibility that further reductions could be applied in an inequitable manner. I would also note that the Department of Defense has convened a study group to consider modifications to the DOD policy in this area.

Mr. YOUNG of Florida. Mr. Chairman, if the gentlewoman will continue to yield, let me assure my colleague from Florida that it is the committee's intent to reduce these accounts in a manner that reflects the various DBOF activities' proportionate share of the total carryover. The committee does not intend to impose an excessive or inappropriate burden on any one kind of DBOF function or activity.

Mrs. FOWLER. Mr. Chairman, reclaiming my time, I thank the gentleman from his clarification. I also want to praise the chairman and his committee for the outstanding product they have brought us today. His bill makes significant improvements over the administration's request by enhancing readiness, modernization, and military quality of life.

I strongly support passage of this bill, and urge my colleagues to do the same.

Mr. TORRES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to enter into a colloquy with the gentleman from Florida, Chairman YOUNG, at this time.

I deeply appreciate Chairman YOUNG's efforts to improve the readiness of our U.S. Armed Forces to conduct operations in chemical and biological operations and their environment. I fully support the chairman's request for increased appropriations for the procurement of protective chemical-biological clothing.

Mr. Chairman, I have brought to the subcommittee's attention an offer to provide the Armed Services with just such individual protective clothing which may result in a cost savings to the American taxpayer. Discussions which are ongoing with our Armed Services on this offer require additional discussions, and I am seeking the chairman's support in assisting me to resolve these discussions during the conference process.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. TORRES. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for bringing this matter to our attention and assure him that we will look forward to working with him between now and conference to come to a final resolution on this matter.

Mr. TORRES. Mr. Chairman, reclaiming my time, I thank the gentleman for taking this under consideration.

AMENDMENT OFFERED BY MR. DE FAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DEFAZIO: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds provided in this Act for the National Missile Defense program may be obligated for space-based interceptors or space-based directed-energy weapons.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. DEFAZIO. Mr. Chairman, reserving the right to object, we talked about 30. Did the gentleman just say 20?

Mr. YOUNG of Florida. Mr. Chairman, I said 20, and that was my preference.

Mr. DEFAZIO. Mr. Chairman, when I discussed it earlier with the ranking member——

Mr. YOUNG of Florida. All right, Mr. Chairman, I withdraw that request, and let me offer another unanimous-consent request.

Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 30 minutes and that the time be equally divided, and, hopefully, we will not use all the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Oregon [Mr. DEFAZIO] and the gentleman from Florida [Mr. YOUNG] will each be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO.]

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

The amendment before the House is quite simple. It says, and I can read it because it is so brief, ''None of the funds provided in this act for the national missile defense program may be obligated for space-based interceptors or space-based directed energy weapons.''

The intent of this amendment is to have the Pentagon focus on effective missile defense; that is, theater missile defense and other national missile defense initiatives which have great promise, and not to spin off back into space in the fantasy of star wars once again.

As we know from our last experiences with star wars, it has an infinite capacity to consume funds. We have had much debate here today about scarce resources at the Pentagon, and I believe adopting this amendment will help the Pentagon to focus more effectively on the technologies that have the most promise to defend the United States of America and defend our allies.

It will not impact theater missile defense; it will not impact the Nautilus program, which is being developed in concert with Israel; it will not impact the Navy Upper Tier program; it will not impact the three-plus-three BMDO proposal; it will not impact the LEAP proposal of the Navy; it will not impact the EKV proposal of the Army. But what it does, within the context of this bill, which will provide $3.2 billion for missile defense programs of all types, it will prevent movement and dispersal of scarce funds into space-based fantasies.

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

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I would like to begin by putting this amendment in a little bit of context, because I think the American people do not understand exactly where we are with regard to missile defense.

There are missiles that threaten people in the United States today. There are some now and there will be more in the future. There gets to be a debate about how quickly we will have more and how quickly other countries will have this capability, but there will be more and nobody denies that.

Second, there is absolutely nothing that we can do today to stop a missile from hitting the United States. That is a fact. The children in this country are absolutely vulnerable, as is everyone else, to a missile attack by a country that has missiles now or someone that may have missiles in the future.

This amendment asks us to tie one hand behind our back as we seek to find the best way to meet that threat in the future. The truth is this is not the area where most of the work is going on now. It is not the area that offers the best possibility for an immediate kind of protection against a small sort of launch, but it is something we should explore.

We ought to look ahead to the kinds of threats we will have in the future and the best and most effective ways to prevent it in the future, and that is why I think it is foolish for us to tie one hand behind our back as this amendment seeks to do. We should explore all the options and we should take advantage of the best option to protect our people and our children, because I think that is the first obligation of this Congress and the defense that we are responsible for.

Mr. DEFAZIO. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. SPRATT].

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

Mr. SPRATT. Mr. Chairman, I rise in support of the amendment offered by my colleague from Oregon. I do so as a supporter of ballistic missile defense, both national and theater, and I do so as a supporter of the plus-up that the Committee on National Security and the appropriations subcommittee have given national missile defense.

Used wisely, this extra sum of $300 million to $350 million will take us, I think, to the point in 3 years where we will have a ground-based interceptor to test, and once we have it to test, we can decide if we want to move forward with it and deploy it in 3 more years.

A lot of people in this institution, this House, like the last speaker, decry the fact that we do not have ballistic missile defense. Let me tell my friends it is not for want of spending money. Since Ronald Reagan made his speech in March 1983, we have spent over $35 billion in pursuit of ballistic missile defenses, strategic defense. And a good bit of that, at least at the outset, was spent on space-based lasers.

To start with, there was the x–ray laser, which was to be the coup de grace. It was to be the ultimate answer to ballistic missile defense. It did not pan out. Then there was the excimer laser, and the free electron laser, both of which would have been ground-based, but they could not propagate a beam through the atmosphere without gross corrections. And then there were three or four or five different kinds of chemical lasers, and none of them has yet come to fruition, proved its efficacy as a system that can be so-called weaponized.

We have spent more money on space-based interceptors, something called Brilliant Pebbles. The idea once was to launch thousands of these cheap small satellites encircling the globe in low-earth orbit. We built Endo- and Exo-atmospheric interceptors.

If there is any lesson learned from all of this, it is simply this: It is not for lack of funding but lack of focus that we do not have anything to deploy that we can call strategic or national missile defense today. And if there is anywhere that the lack of focus has cost us more, there is nowhere more that it has cost us and bought us less than in the area of directed energy systems or spaced-based laser systems.

Now, I support a reasonable level of research on these space-based systems, on these directed energy laser systems. One day they may realize their potential. They may transform missile defense and other forms of military defense. But this amendment, the DeFazio amendment, does not preclude this kind of research. That is because this amendment does not cut the President's request for research in another ballistic missile defense account called the advanced technology line. It leaves that line untouched and unaffected.

This amendment also does not prohibit or affect at all tactical laser systems, like the Nautilus, which we are pursuing jointly with Israel right now. That is because this is funded in the Army's R&D budget. This applies only to national missile defense and says as to it, we can do research but we cannot pursue national missile defense systems which include a space-based laser.

The technology to make space-based lasers militarily useful is simply years, decades away from fruition, and the cost of developing and deploying lasers or interceptors in space is far beyond anything we can afford in this tight budget. If we try it, we will only drain dry our conventional military systems.

So this amendment keeps us from going down a very costly and maybe ultimately fruitless road.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate the gentleman's yielding. I just want to associate myself with the gentleman's remarks.

I believe that we should move forward with a treaty compliant ground-based system. I am not at all opposed to doing research on advanced systems, but I think any effort to procure them or to move ahead rapidly to a space-based system violates——

Mr. SPRATT. I yield to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, as I said, that would violate the ABM agreement and would be a very serious mistake.

I appreciate the gentleman, all his hard work and his effort and expertise on this matter, and, in my judgment, a ground-based system could be effective; and, frankly, I think the real threat to America is terrorism and, in my judgment, we should be doing more about that. I think that is more of a threat than a ballistic missile attack from an enemy.

Mr. SPRATT. Mr. Chairman, reclaiming my time, I would say that for those Members, like the gentleman from Washington and myself who support some form of ballistic missile defense, national missile defense, the way to go, the sensible approach is with a ground-based system. That is the near-term system that is attainable right now.

This amendment is important because it keeps us focused on that with limited amounts of money to spend. If we are going to have a ground-based system, we can only accomplish it by staying focused and staying disciplined.

Mr. DICKS. Mr. Chairman, if the gentleman will continue to yield, the other thing is, our first priority has to be theater missile defense and CorpsSAM. When we deploy troops, we have to be able to defend those troops, and I think the priorities the administration has are correct on this.

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Mr. YOUNG of Florida. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

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

Mr. LIVINGSTON. Mr. Chairman, I think it is interesting just to listen to that conversation that just preceded us. The two gentlemen were talking past each other. One was talking about the ground-based system and the other was talking about some system that is out there in the hinterlands for a theater-based defense, and they are not necessarily the same. So, they were not necessarily in agreement.

Look, the liberals have been saying since Gen. Daniel Graham came out with what they called the star wars system, they have been saying it does not work. Technology is not capable of delivering such a system. You cannot possibly shoot down an incoming missile. They said that all the way through the eighties.

All of a sudden, in the nineties, we started developing these systems and they started realizing, well, so much for that argument. It is gone. Because it is technologically capable. Then they said, well, we cannot develop a space-based system or lasers will never work.

Well, if lasers never work, how come the Israelis want one right now that

has been utilized in the deserts of Arizona or New Mexico and actually shot down incoming targets? And Israel says that is so neat, we would like to have it.

The liberals are saying, oh, my goodness, we cannot have a space-based laser. They are not saying it is not technologically possible. They are saying it is not treaty-compliant. What treaty are they talking about? The ABM Treaty. The treaty that was confected between the United States and a country that used to be called the Soviet Union, a monolithic totalitarian government comprised of some 16 entities, some of which do not even exist today, and certainly that entity does not exist today.

Mr. Chairman, even if we were compliant with that treaty, which was probably bad news back then, it certainly did not apply to this highly technological age of ours today where the North Koreans, the Chinese, the Iranians, the Iraqis and everybody else who is of ill will in the world will have the capability of putting ballistic missiles together with nuclear warheads, chemical warheads, or biological warheads and dropping them on New York. And we are going to say we are not going to deploy those space-based opportunities because we do not want to spend our money?

Everybody knows the ground-based system that the gentleman already talked about is the most expensive system we already have. The space-based system actually is the cheapest. The one in between is the Navy system, which probably could be deployed by the year 2000.

Mr. Chairman, the gentleman has amended the Republican plan which would call for deployment by the year 2003 by saying, well, he has got a better amendment. We can develop a system in the year 2000 which may or may not be deployed by 2003.

Weasel words. We will never deploy it if it is up to the gentleman who proceeded me in the well. The fact is he does not want an antiballistic missile system. He does not want to protect the American people. He is willing to hide behind words and good thoughts as much as he possibly can, but he does not want a missile defense system that will protect the American people or our troops, as was indicated was the preference of the gentleman from Washington.

Now, we are going to have to have a system. We can deploy a system. And whether it is space based or sea based or land based, whether it is lasers or whatever it is, it ought to be the most effective system that money can buy, and it ought to be the most cost-effective system that we can get. We should not be standing here in the well of this House of Representatives and saying one technology is off limits for whatever reason.

Mr. Chairman, that is insane. We might as well be saying we are going to tie our hands behind our backs and not defend the American people. Is that what my colleagues on the other side of the aisle want? If that is what they want, they should vote for DeFazio. If it is not what they want, they should vote against it.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I began my last statement by saying I am a supporter of ballistic missile defense, and in years past when our side was in the majority, on several occasions I came to the floor when my own committee had cut the request for national missile defense and offered amendments which plussed it back up, which prevailed in the House.

Mr. Chairman, I supported ballistic missile defense and support it now on the ground, because I think it is an attainable system. But I also think, and the chairman of the Committee on Appropriations knows well, that we have a terribly tight defense budget. If we are going to put national defense, missile defense in place by the year 2003, we have got to keep it focused on a basic system that we can, indeed, deploy.

Mr. Chairman, we are very close to being able to deploy a ground-based system which is cheaper than a laser-based system. BMDO put our cost estimates in March of 1995, which placed the cost of space-based lasers at $20 billion, $30 billion, $40 billion. Those were extrapolations. Nobody knows for sure, because it is a very, very embryonic technology. We have years to go.

There is another problem with space-based, or any kind of space-based systems, and that is their inherent vulnerability. Because once they are placed in space in fixed orbit, then they can be taken out in fixed orbit. They can be taken out by any country which is our adversary and can launch an ICBM that would truly be a threat to us. They can fire an ICBM against it, or they can use an antisatellite system which itself is space-based. They could even launch a space-based laser against it.

So, Mr. Chairman, one of the reasons that BMDO abandoned space-based systems some time ago in preference for ground-based, at least as a first stages, is the inherent vulnerability of predeployed assets in space, lasers and interceptors.

Mr. Chairman, I am against wasting more money on deployment; not on research. I specifically made that clear. This allows research to continue. But against pursuing the deployment of these systems, because they would preclude the one thing that is attainable in the near term: ground-based interceptors.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], that the gentleman from South Carolina and myself, the former chairman of the Senate Arms Services Committee, are all people who are committed to deploying a system. We think that a thin system that is treaty-compliant is the right way to go because we think it is attainable. We think it does not start an arms race with the other side, and it will be less expensive.

Now, what I said, and I think the gentleman misunderstood me, is that it is crucial. First of all, if we are going to send 500,000 troops to the Gulf again, I want them to go with theater missile defense, PAC–3, THAD, and using Navy ships with the standard missile. I think that is a good approach to defending our troops in the field. To me, that should be the highest priority.

Mr. Chairman, when we are sending men and women into combat, they have to have protection from scud missiles and other launchers. That should be first.

And then, second, we should keep working on deploying this system. We are prepared to go in that direction, and we should continue to do the research on the other, more exotic layered systems, but I think we should not deploy them; as long as we are going to maintain the ABM agreement, I do not think they should be deployed.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, three points. First of all, the gentleman that preceded me is talking about the use of existing technology, which means we could deploy that right now. We have that equipment. That is not the issue.

The gentleman is trying to substitute existing technology for future technology. The fact, is in answer to the gentleman who preceded him, Mr. SPRATT, the fact is any system is vulnerable to some degree. I mean, you could take out a ground-based system; you could take out a sea-based system; you could take out a space-based system. They are all vulnerable. The point is, are we going to provide some umbrella of protection for the American people?

Mr. Chairman, I happen to think we should look for the best technology at the best available price, and we should not start blocking out certain technologies just because they happen to be exotic for somebody who never believed in them in the first place. That is exactly the position of the author of this amendment.

Mr. Chairman, I would hope that Members would understand, we are not the experts. Let us develop the system. Actually, I have read the language very carefully, from the gentleman from South Carolina [Mr. SPRATT] to the ballistic missile defense program or the bill that we have offered on the floor, and he does not commit to deploying. The gentleman says he looks forward

to developing a system that may be deployed by the year 2003.

Mr. Chairman, we say we will deploy by the year 2003. There is a gulf of difference between those two positions. I say we should be deploying and we should be looking forward to the best, cheapest, most effective system to protect the American people. Anything less than that is an abdication of our responsibility to them, our constituents.

Mr. DEFAZIO. Mr. Chairman, I yield 30 seconds to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, the question is, what are we going to deploy? What is there to deploy? Are we going to fly before we have done the technology and worked it out and proven it will work? That is a prescription for throwing money at the problem in a ideological overreaction.

Mr. Chairman, let us try to go with technology that we know something about that will work, that will give us limited protection, because that is all we are going to get.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, star wars is the Freddie Krueger of defense. It simply will not die.

Mr. Chairman, this amendment is very simple. If Members oppose star wars, vote ''yes'' on this amendment. If they want to revive star wars, an ill-fated taxpayer boondoggle that has never done anything for the American people's defense, then oppose this amendment. It is very simple.

Mr. Chairman, if Members think it was not enough to take $30 billion of taxpayers' money to put into this program that never proved out, was never able to be deployed in the 1980's, then vote ''no'' on this amendment. To spend more money on star wars is like spending more money on the Edsel. It simply will not work no matter how hard we try. It is very simple.

Finally, if we want to take limited defense dollars and ultimately put them in a space-based system that is unproven, rather than military construction, military pay raises, theater missile defense, if Members want to take money out of their terribly important defense programs and put it once again into star wars, which I thought my Republican colleagues said in the defense bill debate right on this floor last year they had no interest in, if Members want to do all of that, they should vote ''no'' on this amendment.

If my colleagues think it is time to put a stake in the heart of this modern-day Dracula known as star wars, then vote ''yes'' for this amendment.

Mr. DEFAZIO. Mr. Chairman, could I inquire as to the remaining time?

The CHAIRMAN. The gentleman from Oregon [Mr. DEFAZIO] has 4½ minutes remaining, and the gentleman from Florida [Mr. YOUNG] has 8 minutes remaining.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, just when we thought star wars was relegated to the video rental store, it comes back as national policy.

Mr. Chairman, It is unbelievable that in the same week that the Gingrich Congress passed a budget that hurts seniors, hurts children, and hurts the environment, we are considering spending $245 billion on the military. This bill that we are talking about now will accelerate the space-based star wars program and wind up costing $30 billion to $40 billion by the time the project is completed.

That is not science fiction, folks; it is double-feature horror show: yesterday's conference report and today's defense bill.

Mr. Chairman, I rise in support of the DeFazio amendment because the Nation cannot waste $30 billion to $40 billion on a space-based star wars system.

When our seniors are losing the guarantee of high-quality health care, this Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when our young people cannot afford to go to college.

This Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when poor children are losing the guarantee of basic health care.

Mr. Chairman, let us ground ourselves in reality for a moment. The United States spends as much on the military as all of our allies combined. We spend 100 times more money on the military than Iraq. Iraq, which is the biggest spender among the rogue nations.

This Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when the threat of a missile attack has been reduced by the end of the cold war.

Inventing a threat in order to justify this star wars gravy train for defense contractors is simply irresponsible.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I remember the debate last year when the gentleman from Texas [Mr. EDWARDS] stood on this side and a Member on the other side kept saying, ''I wish you would not say star wars.'' We are not talking about star wars. We are not going back to star wars. Star wars was a failure. We are talking about ballistic missile defense and things that are workable.

Mr. Chairman, here we are now a year later, and we want to open that door again. As we heard so ably discussed by the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Washington [Mr. DICKS], there is technology out there which exists, which can potentially defend the United States against these threats that we hear so much about, the rogue nations and the single or the few multiple missiles.

But what we are talking about here, if this amendment is defeated, is opening the door again to the star wars fantasy to spend another $30 billion to $60 million, which is estimated by the majority's own Congressional Budget Office. They came up with the $30 billion to $60 billion estimate for star wars.

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That is why the bill was pulled about a week and a half ago from the floor of the House. So let us focus our scarce resources on something that might provide benefit for the United States of America in terms of defending our own Nation against rogue nations, which might, in fact already has defended our troops when they are deployed overseas hopefully defend some of our allies overseas in the co-development with Israel of the Nautilus program.

This amendment allows the TMD, the Nautilus, the Navy Upper Tier, the 3 plus 3 BMDO, the LEAP, the EKV; all those programs can go forward. They are all technologies that have a good chance of working.

What it does say is that we are not going to move ahead to deployment of a $30- to $60 billion boondoggle that will not do anything to defend our Nation.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I wish you could understand how silly it sounds, all these references to star wars, to talk about all these other theater missile defense systems that are working. Where do my colleagues think all that technology came from?

This is simply a funding limitation, doing something to ourselves that no other Nation is doing to itself. This is an R&D program, and to not spend this, and this is why I am shocked by some of the strong Democrat defense eagles on the other side, not clearing the air here. Stop this silly rhetoric, and let us not hamstring ourselves in a dangerous world. Do my colleagues not take questions at townhall meetings that indicate that this country is still undefended from a rogue missile?

Mr. YOUNG of Florida. Mr. Chairman, the author of the amendment has suggested all the things that we can do under his amendment. But there are some things that we cannot do. We restrict the ability under this amendment to move into some types of technology that really look like they might be very promising and very clean and very efficient.

I would give the example, the U.S.-Israeli program referred to as Nautilus, a laser program missile defense program. It seems to have a tremendous amount of promise, and we are funding it in this bill. Except for the range involved,

it is not unlike the type of laser that we might be talking about. The point is that may or may not be the system that we would deploy eventually. But we should not deny ourselves the opportunity to investigate, to search out, to find out what really would be the best way to defend our Nation against a rogue attack or in the future, who knows, against an intentional attack.

We know the threat is growing. The point is that we do not have the ability to defend this Nation against an incoming missile. We all know that in this Chamber. There may be some who do not believe that. But that is the fact.

The gentleman from Pennsylvania [Mr. MURTHA] and I, because of the positions that we hold in this Congress, have the opportunity to know whether we have that kind of a protective device or not. The answer is we do not.

It is interesting. Just about 3 weeks ago I was talking with a group of business people, some of who were involved in military industry. And one of the persons who really should know said to me: Look, I do not care what you guys say. I know you have something out there to defend us if the enemy should send a missile or whether it should come by mistake or however it might come.

Of course we know that the North Koreans are developing longer-range missiles all the time. We know that Libya and Iraq and countries like those are and have been developing weapons of mass destruction that could easily fit on a North Korean No Dong missile.

We also know that Iran is willing to put up plenty of money to harass the United States and our interests. So the threat is there, and the threat is growing.

We ought not to deny ourselves the opportunity to really find out what is the best way to defend our Nation. The administration says we do not have to worry about this for at least 15 years. I disagree with that. I think the capability on the part of a rogue nation will be there long before the 15-year period, and I think even the gentleman from Washington [Mr. DICKS] would agree with that.

Here is what I want to tell Members. Despite the gentlemen in industry who told me we really have something, in your town hall meetings, in your meeting with children in schools, the question comes up about defending America from missile attacks. Most of the people in our country believe that somewhere, someone has the answer, has something to pull out of the magic hat to defend our Nation. The fact is we do not.

When Pearl Harbor was attacked, I was just a little kid. I was growing up in a small coal mine town in western Pennsylvania. We did not have television back then, so we did not know too much about what was happening. But the radio accounts and the newspaper accounts were frightening to young kids who wondered if we were going to be invaded next week or next month because we had suffered such a devastating blow in Pearl Harbor.

As I began to learn more about what was happening, as our Nation rebuilt after Pearl Harbor, we had time in those days; we would not have time today. I began to realize that in America someone was looking out for me and all the other little kids in my same generation. And they did. They came back and rebuilt the armies and the navies and the air forces. After a tremendous struggle, tremendous sacrifice, tremendous loss of life, we won World War II. Today those kids in those schoolrooms where you go to visit believe that we have the capability to defend your Nation against an incoming missile. They think in their hearts, like I did when I was a kid, and I will bet many of you did, that, OK, so there is a threat out there; but someone somewhere is going to make sure that we have whatever it is we need should the time ever come.

Mr. Chairman, that is us. We are the ones that those young kids of today believe have something somewhere to take care of the Nation should that attack ever come. That is us. And that vote is here today on this amendment.

Vote no on this amendment, and let us prepare this Nation to defend itself should the time ever come.

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

AMENDMENT OFFERED BY MR. DICKS TO THE AMENDMENT OFFERED BY MR. DE FAZIO

Mr. DICKS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKS to the amendment offered by Mr. DEFAZIO: On line 2, add at the end ''for the deployment of''.

Mr. DICKS. Mr. Chairman, I ask unanimous consent to explain my amendment for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Chairman, I want to make it perfectly clear that what we are talking about in this amendment is the deployment of a space-based system, not that we are stopping the obligation of money for an R&D approach. There are legitimate R&D programs that should go forward, and I would urge the chairman and the ranking member to accept the amendment, and my colleague from Oregon.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, is this intended to be an amendment to the amendment or an amendment to the bill?

Mr. DICKS. Mr. Chairman, it is an amendment to the amendment.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will continue to yield, the amendment says, at the end of the bill before the short title. It does not say amendment to the amendment.

Mr. DICKS. Mr. Chairman, it is added at the end of line 2, ''for the deployment of''.

Mr. WELDON of Pennsylvania. Mr. Chairman, I object. Mr. Chairman, I object.

The CHAIRMAN. The amendment has already been reported and is pending. The unanimous-consent request of the gentleman from Washington was for time to debate the amendment.

Mr. DICKS. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. DICKS], to the amendment offered by the gentleman from Oregon [Mr. DEFAZIO].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. DEFAZIO. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended, will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BEREUTER: Page 87, after line 3, insert the following new section:

SEC. 8095: Hereafter, the Air National Guard may assume primary or sole responsibility for providing fire fighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, Nebraska.

MODIFICATION OF AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I ask unanimous consent that the amendment be modified, that on line 2 of the amendment the words ''primary or sole'' be stricken.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. BEREUTER: In line 2 of the Bureuter amendment No. 4, strike ''primary or sole''.

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

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

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, we have a few problems with this

amendment but would be prepared to accept it.

Mr. BEREUTER. Mr. Chairman, in light of the chairman's generous agreement to accept the amendment, as modified, I will not complete my entire statement.

I will say, however, that this should save the American taxpayer and the taxpayers of Lincoln a substantial amount of money. And by the deletion of the three words, we remove any kind of direction to them about what kind of agreement the National Guard and the city of Lincoln acting through the Lincoln Airport Authority may agree to. I think it is appropriate to leave complete discretion to them regarding the amount of degree of responsibility that may be assured.

I thank the gentleman for his comments and for his courtesy.

Mr. Chairman, this is a very simple and straightforward amendment. It would allow the Air National Guard to assume responsibility for providing firefighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, NE.

This amendment offers a commonsense, cost-effective solution to a long-standing problem at the airport. Currently, the Lincoln Fire Department and the Air National Guard both are stationed at the airport and respond to aircraft-related emergencies at the airport. This is clearly an inefficient and costly situation which does nothing to increase safety.

The airport, the city of Lincoln, and the Nebraska National Guard all agree that it makes more sense to place the National Guard firefighting personnel with their matchlessly superb equipment—5 trucks and 30 personnel—in charge of all aircraft-related emergencies. Not only would this change result in no increase in costs to the National Guard, it would actually save them money. The airport has, preliminarily agreed, for example, to cancel the National Guard's $60,000 per year payment to the Lincoln Airport if the National Guard assumes the firefighting responsibilities.

This would clearly be a win-win situation for everyone. Unfortunately, the interested parties are running into a bureaucratic roadblock because there is no explicit congressional authority to allow this arrangement. This amendment fixes the problem by making it clear with permissive legislation that the National Guard may assume responsibility for firefighting and rescue services at the Lincoln Municipal Airport.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER], as modified.

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 87, after line 3, insert the following new section.

SEC. . Of the funds provided in title IV for ''RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE'', the amount available for National Missile Defense shall not exceed $812,437,000.

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, I rise with an amendment to modify the funding priorities of the bill for missile defense programs. It is my intention to explain this and to discuss it briefly with the chairman of this subcommittee, Mr. YOUNG, and then it is my intention to withdraw it. But I wish I could explain it at this time.

The bill before us contains $350 million increase for national missile defense research and development but eliminates funding for the only emerging technology aimed at protecting our front line troops throughout the world. The program formerly named CORPS SAM and now called Medium Extended Air Defense Systems, or MEADS, is a joint research and development program with Germany and Italy. The administration's budget request included $56 million, but this bill includes no funding, no funding. My amendment recommends restoring $46 million to MEADS from the National Missile Defense Account.

Our forward deployed military personnel face a critical and growing threat from the air. Today short range ballistic missiles, cruise missiles and unmanned aerial vehicles threaten American soldiers, front line American soldiers. Tomorrow this threat will certainly be greater. We live in a dangerous world. Our troops were vulnerable to missile attack in Desert Storm, and further proliferation of dangerous weapons will certainly increase the threat tomorrow. I am concerned because no other program, Mr. Chairman, no other program promises to protect our forward deployed troops as shown by a chart that I have available.

I might say that, on behalf of our soldiers and our marines, three of our regional commanders have written about the requirements for MEADS: Generals Luck, Peay, and Joulwan.

Mr. Chairman, I include for the RECORD the following correspondence:

DEPARTMENT OF THE ARMY, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS,
Washington, DC, May 1, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Army understands that the House National Security Committee (HNSC) Research & Development Subcommittee will recommend during full committee markup that Medium Extended Air Defense System (MEADS) funding be cut. This action is apparently based on concerns surrounding technical, fiscal, and cooperative issues surrounding this international effort. These misconceptions place this program in severe jeopardy and place our future deployed forces at risk.

The MEADS effort was undertaken to explore a cost effective international solution to the need for defense of maneuver forces against the full threat spectrum to include aircraft, helicopters, unmanned aerial vehicles (UAV), cruise missiles (CM), and theater ballistic missiles (TBM). This need was reemphasized both last summer in a series of Senior Department level and CINC letters to Congress and in DoD's recently completed Ballistic Missile Defense Review which fully funded the programs' Project Definition and Validation (PD–V) Phase. Despite the potential French withdrawal from the program, the urgent need to provide maneuver force protection still exists.

The United States, Germany, and Italy recently committed to continue the international program, as demonstrated by their 22 April 1996 trilateral Statement of Intent. The Army enthusiastically supports pursuit of this international program with our NATO allies including Germany, one of our strongest and most stable air defense partners. The lack of demonstrated U.S. financial resolve will undoubtedly send a perplexing signal to this international industrial and governmental partnership.

MEADS is recognized as a vital defense system for the challenge of force protection on the 21st century battlefield. The Army views a system like MEADS as the eventual long term replacement for the Patriot system as the Army's lower tier TBM defense in the post 2010 time frame. The current investment in the PD–V phase will ensure that Soldiers, Marines, Airmen, and Sailors of the future will be protected on the battlefield by a robust system capable of responding to the full spectrum of threat.

Request your support for this critical Department of Defense Army air and missile defense program.

Respectfully,

EDWARD G. ANDERSON III,
Major General, U.S. Army.

DEPARTMENT OF DEFENSE, BALLISTIC MISSILE DEFENSE ORGANIZATION,
Washington, DC, May 1, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, House of Representatives, Washington, DC.

DEAR SIR: I understand that the R&D Subcommittee has recommended that, in the FY97 Authorization Bill, the Medium Extended Air Defense (MEADS) be canceled. I would respectfully ask the Committee not to accept this recommendation for several reasons.

MEADS is an absolutely critical element of our ballistic missile defense architecture, providing the critical protection for US maneuver forces as they engage the enemy. It is strongly supported by both the U.S. Army and Marine Corps. In last year's discussion of MEADS, General Joulwan, our European CINC, forwarded a particularly strong letter of support for MEADS, reflecting the views of our other warfighters.

It is the only system that will have the transportability and mobility to be brought into theater and to forward deploy with the troops. Besides its capability to defend against ballistic missiles, it is a critical system to also protect these forces against advanced aircraft and cruise missiles. Patriot and other missile defense systems in our theater architecture cannot fulfill this role.

MEADS is envisioned to be a key multinational co-development program where we will leverage investment by European partners, who have similar military requirements, to undertake and complete the system development. We are responding to the direction given to us by the Congress in the FY96 Authorization Act.

As I have indicated to the Committee in my recent testimony, our negotiations with our European partners are complete and we should sign the Memorandum of Understanding within the next few weeks. Against the backdrop of a HNSC cancellation of the Program in FY97, the credibility of the United

States vis-a-vis armaments cooperation will be called into question. Additionally, such a cancellation would have very serious ramifications vis-a-vis other programs where the United States is seeking European support.

Sincerely,

MALCOLM R. O'NEILL,
Lieutenant General, USA, Director.

DEPARTMENT OF THE ARMY, U.S. ARMY SPACE AND STRATEGIC DEFENSE COMMAND
Arlington, VA, May 16, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, Washington, DC.

DEAR MR. CHAIRMAN. The Army understands that the House National Security Committee has recommended that funding for the Medium Extended Air Defense System (MEADS) be cut and the Senate Armed Services Committee has recommended funding be reduced below the level negotiated for the international program. These actions place this program in severe jeopardy and, as a result, place our deployed forces at risk.

The threats to Army and Marine Corps maneuver forces (short range tactical ballistic missiles, cruise missiles and unmanned aerial vehicles) exist today and will grow significantly as we enter the 21st Century. The joint requirement document specifics countering these threats with a strategically deployable, tactically mobile system providing 360 degree coverage. Existing system configurations fail to provide the required protection due to deployability and mobility limitations, lack of 360 degree coverage, and lack of growth potential to meet these essential requirements.

As envisioned, this requirement will provide our forces the mobile protection required on future battlefields. The United States, Germany and Italy recently committed to continue the international program as demonstrated by their April 22, 1996 trilateral statement of intent. MEADS is the only system currently being designed with the mobility, deployability, target set and other critical characteristics of meet the Corps SAM requirements.

As the Theater Missile Defense Advocate for the United States Army, I strongly recommend that the Congress consider the MEADS/Corps SAM requirements and restore the funding necessary for this system designated for the protection of our maneuver forces.

Sincerly,

JAY M. GARNER,
Lieutenant General, U.S. Army.
Commanding Officer.

UNITED STATES ARMY,
THE VICE CHIEF OF STAFF.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand the House National Security Committee (HNSC) recommended zeroing the funding request for the Medium Extended Air Defense System (MEADS) in the FY97 Defense Authorization Bill. As its Chief of staff emphasized last summer following the SASC's vote to terminate the program, the critical warfighting requirement that MEADS intends to fill remains completely valid. As such, further funding disruptions will significantly impair our ability to expeditiously field a theater missile defense (TMD) system designed to protect our maneuver forces.

The threats to Army and Marine Corps maneuver forces form short range tactical ballistic missiles, cruise missiles and unmanned aerial vehicles exist today and will grow significantly as we enter the 21st Century. The MEADS requirements documents specifies countering these threats with a strategically deployable, tactically mobile system providing 360 degree defense coverage. Existing system configurations fail to provide the required protection due to deployability and mobility limitations, lack of 360 degree defense coverage, and lack of growth potential to meet these essential requirements.

Despite the potential French withdrawal from the program, the Army fully supports the MEADS international effort with our NATO allies. The MEADS program improves both US and NATO operational capability through total interoperability. Having MEADS deployed with our allies would mean less reliance on US assets to defend US and Allied forces and interests. This critical program is essential to further NATO cooperative efforts and a strong alliance. We support the Department of Defense decision to fully fund the MEADS Project Definition and Validation phase. This will allow international industry teams to fully explore all key TMD technologies and recommend robust, cost-effective solutions. I appreciate your support as we seek to provide the highest quality TMD force protection possible.

Sincerely,

RONALD H. GRIFFITH,
General, United States Army,
Vice Chief of Staff.

DEPARTMENT OF THE NAVY,
UNITED STATES MARINE CORPS,
Washington, DC.

DEPARTMENT OF THE ARMY,
HEADQUARTERS, U.S. ARMY,
Washington, DC.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to reaffirm our requirement for 360 degree protection against all tactical aircraft—from supersonic jets to attack helicopters, against advanced, low signature cruise missiles, and against medium and short range ballistic missiles. Army and Marine Corps maneuver forces face these threats today and are expected to face an expanding threat as we enter the 21st Century.

The Army and Marine Corps are in agreement that the Initial International Common Operational Requirements for the Medium Extended Air Defense System (MEADS) includes features necessary to meet the expeditionary nature of the Marine Corps, and will satisfy future Army Air Defense requirements. The MEADS program will involve participation by two key NATO allies, Italy and Germany.

We are very concerned that the Army and the Marine Corps currently do not have a system to meet this requirement. MEADS is projected to fulfill this requirement. The Army and the Marine Corps fully support the Department of Defense decision to fully fund the MEADS Project Definition and Validation phase. Funding will allow international industry teams to fully explore all key theater missile defense technologies and recommend robust, cost-effective solutions.

As always, we appreciate your support as we seek to provide the highest quality Missile Defense protection available for soldiers and Marines.

Sincerely,

C.C. KRULAK,
General, U.S. Marine Corps,
Commander of the Marine Corps.

DENNIS J. REIMER,
General, U.S. Army,
Chief of Staff.

HEADQUARTERS,
UNITED STATES FORCES, KOREA,
June 13, 1996.

Hon. IKE SKELTON,
Ranking Minority Member, Subcommittee on Military Procurement, Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. RANKING MINORITY MEMBER: On behalf of the airmen, soldiers, sailors, marines and civilians serving under my command in the Republic of Korea, I would like to thank you for your past support. I again find myself coming to you for assistance on a matter of the utmost importance to our mission on the Korean peninsula. I am writing you because of the threat to funding of a program that I view as a critical component of the security of my theater.

As I stated in testimony earlier this year and in a letter to the Chairman of the Joint Chiefs of Staff which was well reported in the press, ''Theater Missile Defense is another key area where we must improve our capability on the Korean peninsula. DPRK missiles threaten all our major ports, air bases, fielded ROK and US forces, and the population at large. However, even after upgrading to the PAC–3 configuration, these missiles can not cover all of our critical locations.'' Although this statement was directed toward an upper tier system, I emphasized the importance of an upper tier system being in concert with an effective lower tier system.

The threat to forward ground combat forces in this theater from short and medium range ballistic missiles, unmanned aerial vehicles (UAV), and cruise missiles is already formidable, and continues to grow. The only system in place to defeat these threats across the full spectrum is Patriot, which consumes tremendous amounts of lift to get to the theater, lacks the mobility to support mobile combat forces and survive on the forward battlefield, and can only provide defense in a 90 degree sector.

The requirement for the Medium Extended Air Defense System (MEADS), formerly known as Corps SAM, gives the corps commander the means to protect his warfighting capability, and would also protect Marine amphibious forces from forced landing through redeployment. Compared to Patriot, MEADS/Corps SAM cuts airlift requirements in half, can cover twice as many forces in a movement to contact, with a third of the survival risk, and provides full 360 degree protection against all airborne threats. The need for this system is clear and fielding of this capability is vital to our survival and success on the future battlefield. That is precisely why this requirement, as part of a complete Theater Missile Defense program, is in the top 10 of our integrated priority list.

The Department of Defense has decided to fully fund the MEADS Project Definition and Validation Phase. Again, what concerns me is that funding for this critical program is threatened. Request your immediate support in the restoration of funding to the DOD requested level. Thank you for your continued support and assistance in this important endeavor.

Sincerely,

GARY E. LUCK,
General, U.S. Army,
Commander in Chief.

UNITED STATES CENTRAL COMMAND,
OFFICE OF THE COMMANDER IN CHIEF,
MacDill Air Force Base, FL, June 12, 1996.

Hon. IKE SKELTON,
Ranking Member, Subcommittee on Military Procurement, Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. SKELTON: The House National Security Committee's 1997 Defense Authorization Bill currently proposes to eliminate funding support of the Medium Extended Air Defense System (MEADS). In today's increasingly complex, unstable world, this is unfortunate.

In the Central Region, the ability to defend against an ever growing threat from aircraft and short/medium range ballistic missiles is one of our highest priorities. In our view, key capabilities of any air/missile defense system are: mobility, 360 degree coverage, technical performance against the threat, and interoperability with our allies as well as across service lines. Systems currently in use do not meet these essential requirements. More importantly, we need a multi-layered air defense system that has as a major component the lower altitude capability to protect deep and fast moving land forces (Army and Marine) at distance from the shore or land entry point.

The capabilities inherent in Corps SAM/MEADS, or some similar derivative, will result in an increased ability to defend against current and future threats as well as possessing the characteristics so important in today's joint environment: mobility and interoperability. Continued funding support for this capability is crucial given the current threat we face in the Central Region as well as the prospects afforded by the proliferation of ballistic missile technology. In sustaining an international coalition, it is important that we be capable of providing a viable defense for the forces committed to our mutual objectives. I appreciate your support in restoring funding for this key program that will help defend our service men and women.

Sincerely,

J.H. BINFORD PEAY III,
General, USA, Commander in Chief

COMMANDER IN CHIEF,
UNITED STATES EUROPEAN COMMAND,
June 13, 1996.

Hon. IKE SKELTON,
Ranking Member, Subcommittee on Military Procurement, House Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. SKELTON: The President's Budget request for fiscal year 1997 included $56.2 million for the multinational Medium Extended Air Defense (MEADS) program, but the House recently passed a Department of Defense Authorization Bill that zeroes the MEADS program funding. In the short time since passage of the Authorization Bill, the Bill's key concern, expressed in the House report, has been addressed. The Memorandum of Understanding has been signed by the U.S., Germany, and Italy. Despite the withdrawal of the French from the program, there remains solid trilateral support for MEADS. Continued Congressional support of this program is essential for our Theater Missile Defense (TMD) program.

Theater missile defense is one of my top priorities. Many nations are developing and employing theater ballistic missiles, cruise missiles, and unmanned aerial vehicles which threaten U.S. and allied security interests. The ''core'' U.S. TMD systems play a central role in defending U.S. interests and forces, but these systems are limited by geography and strategic life requirements. Naval systems can reach only so far inland, and Patriot battalions require almost 70 C–5 sorties to deploy and offer little tactical mobility.

On tracked vehicles, the MEADS system moves forward with maneuver forces while protecting against low-level aircraft and cruise missiles as well as ballistic missiles. It requires substantially less strategic lift and enables the U.S. to protect both its forces and its regional interests against a wide spectrum of threats.

MEADS is an integral part of the multi-national, multi-service, layered defense architecture and provides cost-effective defense in our constrained fiscal environment. Unilateral development and fielding of new TMD systems often make programs unaffordable. Yet, with the Germans and Italians sharing the MEADS program costs, we can realize substantial savings.

I urge your support for the critical TMD system.

Sincerely,

GEORGE A. JOULWAN,
General U.S. Army.

Mr. Chairman, I ask the gentleman from Florida if he understands the importance of this MEADS proposal?

□ 2030

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would respond and say we certainly understand the importance of CORPS SAM. We also know there are some difficulties in the program because of the international participation in the program, where it is unclear if some of the sponsors or some of those who are involved are committed to this effort. However, we will work with the gentleman to make sure that the right thing is done on the issue of CORPS SAM because I think it is an important issue.

Mr. SKELTON. I appreciate that. This is terribly important. In all of this discussion about missile defense, no one seems to be looking out for the front-line American troops. That is the purpose of this MEADS proposal.

Mr. Chairman, with the gentleman agreeing to work with me and looking forward to the future in the conference, I will at this time ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Missouri [Mr. SKELTON] is withdrawn.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds made available to the Department of Defense under this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I will be very brief. Veterans who serve in the U.S. Armed Forces over all the years of this country have always lagged behind their peers, those that did not serve in the military. They were always 4 years behind going to college, 4 years behind advancing up the ladder of success and promotion, and because of that, we have veterans preference laws in this county to try and help them catch up. Many times those laws are disregarded.

We, in the middle of the 1970's, when a very unpopular war had been taking place and our veterans returning home, we enacted title 38, United States Code, which required contractors or entities who received contracts or grants of moneys from this defense budget, that they be required to file a report to show their hiring practices and policies. Today we know by studies that over 23,000 contractors just completely disregarded this.

What this amendment says is that none of the funds can be used for any contractor who has not lived up to the law and filed that report. This is meant to encourage those contractors to live under the law and treat our veterans fairly.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding and say to him that we have reviewed this amendment and discussed it with him. We know that he is one of the many Members of this Chamber who is always in the front line defending the rights of veterans and protecting veterans. We appreciate that, and we are prepared to accept the amendment.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. Mr. Chairman, I yield to my friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I accept the amendment.

Mr. SOLOMON. Very good, and I thank both those great Americans.

Mr. Chairman, it is troubling to think that anyone in our society would even consider discriminating against our veterans.

However, that is the case and that's why Congress enacted laws to help them find employment.

But now those laws are being ignored.

In 1972 the Vietnam Era Veterans Readjustment Assistance Act was enacted to increase the level of employment of veterans by Federal contractors.

In 1973, concerns raised by Congress over the continuing high rate of unemployment among Vietnam veterans led to a GAO investigation.

GAO's report in 1974 showed serious shortcomings in both implementation and enforcement of the statute by the U.S. Department of Labor.

Congress then responded by authorizing statutory adjustments that gave rise to the Vietnam Era Readjustment Assistance Act of 1974.

Since these original concerns expressed by the GAO, it is now fair to note that 22 years later, there is still evidence of D.O.L.'s failure to appropriately enforce the provision that Government contractor's file reports on veterans employment.

They are required to report the number of Vietnam-era veterans and special disabled veterans employed by job category, as well as the total number of covered veterans hired.

Since 1988 this annual report has been required of Federal contractors.

The Vets-100 report was created to monitor veterans' employment and meet this requirement.

However, research performed by the center for the study of veterans in society indicates that a large number of contractors have failed to file the required Vets-100 report.

In 1992, a F.O.I.A. request was filed with the Secretary of Labor by the Center for the Study of Veterans in Society.

Resulting analysis showed that in 1990, of 130,930 Federal contractors, 10,092 failed to file this and in 1991, the percentage more than doubled to 15.9 percent, with 23,664 of 148,923 contractors failing to file.

This disturbing trend must be changed.

Information on the employment of veterans is essential to insure they are not forgotten, discarded warriors.

But sadly enough, that's exactly what's happening.

Less than 1 percent of those employed by some of this country's largest and more prominent universities are veterans.

Just listen to the obstacles faced by one such distinguished veteran, who holds a Ph.D in his field.

This particular Vietnam veteran was actually asked to leave the home of a college president during an interview, when he let it slip that he had served in Vietnam.

In addition, in 80 instances when he was asked back for an interview after applying for a job, all contact ended in 76 of them when his military service was revealed.

Now that is just plain unacceptable.

From now on, anyone who wants to forget, ignore, or just plain discriminate against our veterans when it comes to hiring, recommending, promoting, or firing workers will have to go without any Federal tax dollars.

Eventually, agencies within this very government—and those contracting with them—will get the message that our veterans helped get us where we are today and have a great deal to offer any organization.

Vote for my amendment, and show America's veterans we will not accept discrimination against them, and want them properly represented in the work force.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

If not, pursuant to House Resolution 453, the Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the ''Department of Defense Appropriations Act, 1997''.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on the amendment on which further proceedings were postponed: the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended.

AMENDMENT OFFERED BY MR. DEFAZIO, AS AMENDED

The CHAIRMAN. The pending business is the request for a recorded vote on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended, on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 208, not voting 37, as follows:

[Roll No. 246]

AYES—190

Abercrombie
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Blumenauer
Blute
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Campbell
Castle
Clay
Clayton
Clement
Clyburn
Coble
Collins (IL)
Collins (MI)
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Ganske
Gejdenson
Gephardt
Goodling
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Hoekstra
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Manton
Martini
Mascara
Matsui
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moran
Morella
Nadler
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Whitfield
Williams
Wise
Woolsey
Wynn
Zimmer

NOES—208

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Gibbons
Gilchrest
Gilman
Gingrich
Gonzalez
Goodlatte
Goss
Graham
Greene (UT)
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
McCollum
McCrery
McInnis
McIntosh
McKeon
Meek
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myrick
Nethercutt
Neumann
Norwood
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—37

Ackerman
Bevill
Bilbray
Bunning
Cardin
Clinger
Coleman
Conyers
Cunningham
Davis
Doyle
English
Geren
Gillmor
Hayes
Holden
Johnson, E. B.
King
Lincoln
Maloney
Markey
McCarthy
McDade
McHugh
Moakley
Myers
Neal
Quinn
Saxton
Souder
Thornton
Torricelli
Walsh
Waxman
Wilson
Yates
Zeliff

□ 2052

Messers. ALLARD, STOCKMAN, and TRAFICANT changed their vote from ''aye'' to ''no.''

Mr. MARTINI, Mr. FIELDS of Louisiana, and Ms. MILLENDER-MCDONALD changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. JONES) having assumed the chair, Mr. CAMP, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 453, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. JONES). Under the rule, the previous question is ordered.

It is a separate vote demanded on any amendments? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 278, nays 126, not voting 30, as follows:

[Roll No. 247]

YEAS—278

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Matsui
McCollum
McCrery
McHale
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myrick
Nethercutt
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Reed
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Visclosky
Vucanovich
Walker
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—126

Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Camp
Campbell
Castle
Chabot
Chrysler
Collins (IL)
Collins (MI)
Costello
Coyne
Danner
DeFazio
Dellums
Dingell
Doggett
Dooley
Doyle
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Filner
Flanagan
Foglietta
Foley
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gunderson
Gutierrez
Gutknecht
Hilliard
Hinchey
Hoekstra
Jackson (IL)
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Markey
Martini
Mascara
McDermott
McKinney
Menendez
Miller (CA)
Minge
Morella
Nadler
Neumann
Ney
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Poshard
Rahall
Ramstad
Rangel
Riggs
Rivers
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stockman
Studds
Stupak
Towns
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Williams
Wise
Woolsey
Zimmer

NOT VOTING—30

Ackerman
Bevill
Bilbray
Cardin
Clinger
Conyers
Cunningham
English
Geren
Gillmor
Hayes
Johnson, E. B.
Lincoln
Maloney
McCarthy
McDade
McHugh
Meehan
Moakley
Myers
Neal
Richardson
Saxton
Thornton
Torricelli
Walsh
Waxman
Wilson
Yates
Zeliff

□ 2112

The Clerk announced the following pair: On this vote:

Mr. Bilbray for, with Mr. Ackerman, against.

Mr. CLAY changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconisder was laid on the table.

LEGISLATIVE PROGRAM

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

Mr. BONIOR. Mr. Speaker, I yield to my friend from Texas [Mr. ARMEY], the distinguished majority leader, for the purpose of engaging in a colloquy to find out the schedule for the rest of the week and next week.

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Speaker, in just a few minutes we will be taking under consideration a very important resolution regarding the burning of churches. By common agreement out of consideration for the Members of the body and the lateness of the hour, we can assure Members due to the generosity on both sides of the aisle that there will not be a recorded vote on that matter. That being the case, I can announce that we have just had the last vote for the evening and for the week.

On Monday next, June 17, the House will meet in pro forma session. Members should note, contrary to the original House schedule, we will not have legislative business or votes on Monday.

□ 2115

On Tuesday, June 18, the House will meet at 9 a.m. for morning hour, and 10 a.m. for legislative business. Members

should be advised that recorded votes will be postponed until 12 noon on Tuesday, June 18.

On Tuesday, the House will take up six bills under suspension of the rules: H.R. 3005, the Securities Amendments of 1996; H.R. 2803, the Anti-Car Theft Improvements Act of 1996; H.R. 3525, the Church Arson Prevention Act of 1996; H.R. 3572, a bill to designate the William H. Natcher Bridge; H.R. 3184, the Single Audit Act Amendments of 1996; and H.R. 3107, the Iran Oil Sanctions Act of 1996.

On Wednesday, June 19, and Thursday, June 20, the House will meet at 10 a.m. for legislative business. We will consider the Interior and the VA–HUD appropriations bills, both of which will be subject to rules.

And, Mr. Speaker, if I might just add, we are continuing to talk to Members on both sides of the aisle that are concerned with the VA appropriation bill, and it is hoped that possibly we might be able to work that out for consideration on Tuesday. That has not yet been settled.

I would like to remind Members, though, Mr. Speaker, that we may take up a resolution holding the President's aides in contempt of Congress. It is our hope that the President will be forthcoming with the subpoenaed Travelgate documents before next week; however, in the event that these key documents are not provided, we may find a need to act on the contempt resolution.

Next week, Mr. Speaker, we should conclude legislative business and have the Members on their way home by 6 p.m. on Thursday, June 20.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BONIOR. Mr. Speaker, I thank my colleague for his information for this week and next week.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield.

Mr. BONIOR. I yield to my friend, the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I am a little bit concerned. We need to be taking up these two appropriation bills this coming week, Interior and the HUD-independent agencies bill. I have a Committee on Rules to run upstairs and the gentleman from Michigan [Mr. BONIOR] served on that committee for many years. He knows that if we are going to be coming back here, which we are willing to do in the Committee on Rules Monday night and put out a rule so that we can have the HUD-independent agencies bill on the floor Tuesday, we need to know this evening.

Members have the right to know what they are going to be doing. If we are going to have to be coming back here on Monday, we need to make reservations. Under the laws now we cannot have two or three or four backup reservations, and I would suggest my good friend, the majority leader, who I know wants to cooperate, and the gentleman from Missouri [Mr. GEPHARDT], work this thing out and let us know tonight what we are going to be doing, one way or the other, so that these Members can schedule their weekends and the valuable time they have back in their districts. That is only fair.

We are willing to sacrifice coming back here a day early to do it. So think about that. It is important to all of us.

Mr. ARMEY. If the gentleman would continue to yield for a moment, I would advise the chairman of the Committee on Rules that we are having discussions on this. They are going cordially, and as soon as we have more complete discussions, we will let the gentleman and the committee know.

Mr. SOLOMON. I appreciate that.

ADJOURNMENT TO MONDAY, JUNE 17, 1996

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. JONES). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

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

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON HOUSE OVERSIGHT

The SPEAKER pro tempore. The Speaker, pro tempore laid before the House the following communication from the Chairman of the Committee on House Oversight:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE OVERSIGHT,
Washington, DC, June 10, 1996.

Hon. NEWT GINGRICH,
Speaker, of the House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the House Franking Commission has been served with a subpoena issued by the United States District Court for the Eastern District of Michigan.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

BILL THOMAS, *Chairman.*

COMMUNICATION FROM THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore. The Speaker pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,
Washington, DC, June 12, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the Eastern District of Michigan.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

SCOT M. FAULKNER.

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO RECENT CHURCH BURNINGS

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the concurrent resolution (House Concurrent Resolution 187) expressing the sense of the Congress with respect to recent church burnings, and ask for its immediate consideration in the House; that debate on the concurrent resolution be limited to fifty minutes, equally divided and controlled by myself and the gentlewoman from North Carolina [Mrs. CLAYTON]; and that the previous question be considered as ordered on the concurrent resolution to final adoption without intervening motion.

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

Mrs. CLAYTON. Mr. Speaker, reserving the right to object, although I do not plan to object, let me just understand the time.

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentlewoman yield?

Mrs. CLAYTON. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, 50 minutes total, 25 minutes per side.

Mrs. CLAYTON. Mr. Speaker, we have quite a number of people who have expressed a desire to speak, and I would like some accommodation. I know that the gentleman has been working with me, but is it possible we can do 30 minutes each side?

Mr. WATTS of Oklahoma. Mr. Speaker, if the gentlewoman would continue to yield, we probably will not use our 25 minutes, so I can accommodate the gentlewoman, yes.

Mrs. CLAYTON. Mr. Speaker, I appreciate that.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. CON. RES. 187

Whereas more than 30 African-American churches have been burned over the last 18 months;

Whereas arrests have been made in only 5 of the cases currently under investigation;

Whereas the African-American community deserves the full support of Congress in solving these cases in an expeditious manner and it is important for Congress to speak out against the recent incidents of arson; and

Whereas several measures which would expedite the investigation into these incidents and assist in the prosecution of individuals found guilty of involvement in these incidents are now pending before Congress: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) attacks on places of worship because of the race, color, denomination, or ethnicity of the congregation undermine fundamental American ideals;

(2) these fires appear to be hate crimes and also implicitly interfere with the First Amendment rights and other civil rights of the victims;

(3) the arson of a place of worship is repulsive to us as a society;

(4) the Congress condemns, in the strongest possible terms, these abhorrent actions against freely worshipping American citizens and the African-American community in particular;

(5) the Congress sends its sincere condolences to those individuals who have been affected by these acts of cowardice;

(6) the Congress fully supports the activities of local law enforcement officials, the Department of Justice, and the Department of the Treasury in investigating these incidents;

(7) the Congress urges the United States Attorney General and local prosecutors to seek the maximum penalty available under law to punish the perpetrators of these craven acts;

(8) it is important that Congress enact appropriate legislation to ensure that Federal law enforcement has the necessary tools to punish and deter these shameful, vile acts, including the bipartisan legislation introduced by Representatives Hyde and Conyers which would facilitate the prosecution of persons responsible for these acts;

(9) the President is urged to make the fullest possible use of all available law enforcement resources to bring the culprits in these crimes to justice;

(10) Congress encourages the people of the United States to work within their own communities to prevent arson against African-American or any other house of worship; and

(11) Congress encourages American citizens to observe a national week of prayer beginning June 16, 1996, and ending June 23, 1996, in their churches, synagogues, mosques and other places of worship for racial harmony, religious tolerance and respect for the civil and human rights of all Americans.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the gentleman from Oklahoma [Mr. WATTS] and the gentlewoman from North Carolina [Mrs. CLAYTON] each will control 25 minutes.

The Chair recognizes the gentleman from Oklahoma, Mr. WATTS.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. MYRICK].

Mrs. MYRICK. Mr. Speaker, I am very happy to stand here tonight in support of this resolution, and I am very happy that the resolution is coming forward. Back on the first of March some of us who are members of the Family Caucus actually sent a letter to Attorney General Reno asking her to take action and bring all resources to bear because we knew that this problem existed, and so it is good that we are coming together and there is a very strong interest in finding a solution to the problem.

This is a bipartisan effort, which always is great to see when everybody can work across all lines and come forward to share. We have the gentleman from Illinois, Chairman HYDE, whose legislation is coming on the floor next week, which will put some teeth into prosecution and bring to justice the people who are doing these things. The gentleman from Iowa [Mr. LIGHTFOOT] came forward with an appropriations bill, which is budget neutral, I might add, and that is going to help give the resources to the ATF agents who work in the arson division. And I will say from firsthand experience, unfortunately we had an incident in my city last week, and they are dedicated, dedicated people who really are shorthanded. So this is going to be a big help to them.

And then today, the gentleman from Pennsylvania, CURT WELDON, announced that the Fire Caucus and all the fire services and the insurance agencies are coming together with a prevention effort that we can all share in our districts and really get the word out there of what people can do to try to prevent some of this.

So I commend both the gentlewoman from North Carolina, EVA CLAYTON, and the gentleman from Oklahoma, J.C. WATTS, for coming forward with this resolution, and it sends a strong message that we are not going to tolerate this anymore in our country. I do not care who these people are or where they are from, this is totally inexcusable and it has to stop.

I am embarrassed to say that North and South Carolina have had more of these church burning incidents than any other geographical area or State combined, and that is very depressing to me, but we do need to come together not just at the congressional level, but we need to come together locally.

The fourth aspect of this is that we really need to look toward helping these communities rebuild. We are going to be rebuilding the church in our area, and it is going to serve as a museum memorial to the culture of the black church because this is something that people really need to understand.

The whole community is doing it, it is a volunteer effort completely, and I am challenging other communities to reach out and do the same. They say you can burn the building, but you do not burn the church, and I think we all know that.

Mrs. CLAYTON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT], our distinguished minority leader.

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

Mr. GEPHARDT. Mr. Speaker, I rise today to urge my colleagues to vote in a unanimous way for this resolution. I commend my friend the gentlewoman from North Carolina [EVA CLAYTON] for working so hard to bring this resolution to the floor. I commend my friend, the gentleman from Oklahoma [Mr. WATTS] for being a sponsor and being one who has made this bipartisan.

There is no more dastardly act than burning a place of worship, and the offense is even greater when racial hatred is involved, as it is in many of these cases. It is very important tonight that all of us, Republican, Democrat, from every part of this country, with one voice say tonight that these acts are morally reprehensible and wrong and must end.

I have no idea why these things are happening. I am sure none of the rest of us do. I assume racial hatred and hatred lies at the core of these acts. This had stopped and did not go on for years and years because there was a sense in this society that this was inappropriate behavior. Perhaps the dialog on some of our radio shows, or something, is making it possible for people to believe that we can act out our hatred by the violence that is represented in these acts.

The President has spoken out, and now it is entirely necessary and appropriate that every Member of this body tonight say unequivocally to the people of our country that these acts must end. And we will take every action that is necessary in the days ahead to make sure that whatever laws need to be changed are changed, to see that every person who is responsible in any way for any of these burnings is brought swiftly to justice.

Mr. Speaker, I thank my friends for bringing this resolution, and I urge every Member to raise their voice, not only tonight but in their district and in their communities to stop these dastardly acts.

□ 2130

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

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

Mr. GILMAN. Mr. Speaker, I rise today in strong support of this resolution, House Concurrent Resolution 187, expressing Congress' outrage and my personal outrage at the burnings of over 30 African-American churches throughout the southern United States. I commend the sponsor of this measure, the distinguished gentleman

from Oklahoma [Mr. WATTS] and the gentlelady from North Carolina [Mrs. CLAYTON] for their efforts in introducing this important resolution.

Mr. Speaker, there is no more cowardly act than the desecration of another's house of worship. It is an act perpetrated by bigots who use the cover of night to burn a sacred place that so many in their community hold dear. Our houses of worship are a significant part of the glue that holds our sense of community together. When these gutless individuals strike at the sanctuaries of our neighbors, they are striking at the sanctity of our communities and the freedoms we all enjoy under the first amendment to practice our religious beliefs.

My heart and sympathy go out to our African-American citizens and I strongly encourage this body to enact the bipartisan legislation introduced by Judiciary Committee Chairman HENRY HYDE and ranking member JOHN CONYERS to ensure that Federal law enforcement officials have the requisite tools to investigate and vigorously prosecute those who committed these abhorrent acts. In addition I encourage the Justice Department, the Treasury Department, and the Attorney General to expeditiously prosecute these cowards to the fullest extent of the law.

We must not stand by allowing this outrage to continue. Accordingly, I urge my colleagues to support this worthy measure.

Mrs. CLAYTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PAYNE], the chairman of the Black Caucus.

Mr. PAYNE of New Jersey. Mr. Speaker, let me thank the gentlewoman from North Carolina and the gentleman from Oklahoma for bringing this resolution to the floor.

Mr. Chairman, as Chairman of the Congressional Black Caucus, I rise to express my outrage at the senseless desecration of African-American churches and also to extend my sympathy to the ministers and their congregations all over the country who have lost their places of worship. Our thoughts are also with members of the other churches and synagogues which have been defaced. These incidents of racial and religious bigotry remind us of other painful episodes in our history which we had hoped never reoccur.

Sadly the legacy of racial division is kept alive not only by those who carry out these acts, but by others who crate an atmosphere which not only tolerates but encourages bigotry. We can turn on our radio any day of the week and hear right-wing talk radio hosts spewing forth words of hatred to appeal to those in the audience who are discontented with their lives and are looking for scapegoats.

In my area, the radio talk show host Bob Grant, who is courted by some politicians, has built his career out of making offensive and hurtful statements. He finally pushed things too far the day of the tragic accident when the plan carrying Ron Brown and others went down. On his radio show he said, upon learning that initially there was one survivor, Bob Grant joked that his pessimism led him to believe that the late Secretary may have survived.

Although this radio talk host was fired, he was immediately picked up by another radio station. And we call this corporate responsibility?

The most recent church bombing in Oklahoma reminds us that these evil incidents are not confined to the Southeast. The Department of Justice has received reports of incidents in States like Maryland, where the target was a Quaker meeting house; in my home State of New Jersey. We have had them in Richmond; Seattle, Washington; and in other parts of New York State this has occurred.

Mr. Speaker, we must stop these senseless burnings.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise in support of this important piece of legislation, and thank the gentleman from Oklahoma [Mr. WATTS] and the gentlewoman from North Carolina [Mrs. CLAYTON] for offering this legislation.

I join in the outrage that is being expressed by Members of both parties, liberals and conservatives, those from rural areas and those from urban areas, about the devastation caused by these terrible and outrageous fires.

As someone who got involved in public life first of all in the fire service, when I served as volunteer five chief, I understand perhaps in a way that many of us do not the impact of anyone suffering through the tragedy of fire.

It is especially outrageous when it hits a place of worship, and all of us must come together in this country and condemn it. We are here to acknowledge that there has been a special focus on African-American churches in the South, and that is especially outrageous.

I would also acknowledge, Mr. Chairman, there have been 80 churches burned since January of this year, 30 that we know of in the South and in black areas. But a number of them have not gone reported, but yet have been turned in to the insurance corporation which services and provides insurance for churches and synagogues across America.

Today we announced a major initiative, supported by a bipartisan group of Members who are part of the Congressional Fire and Emergency Services Caucus, to attack this problem in a different light. The focus up until now has been on catching those hardened criminals who have committed these acts, or those vandals, or those outrageous individuals.

The problem we have, Mr. Speaker, is that that is very difficult. In fact, the conviction rate for arson in this country is less than 2 percent. It is the toughest crime to convict someone unless someone actually sees them lighting the match. So while it is important that we look for the perpetrators, we must also realize it is especially difficult.

What we announce today is the establishment of a trust fund that would provide reward money for information leading to the arrest and conviction of anyone that is convicted of the act of arson. But that is not enough, because that is extremely difficult. What we announce today, Mr. Chairman, is the ability for us to have a proactive effort focusing on how to help churches across America prevent arsons from occurring.

To that end we brought together the insurance industry, all the major fire service groups: the International Association of Arson Investigators, the paid firefighters, the volunteer firefighters, the Black Professional Firefighters, the National Fire Protection Association, the insurance industry, the American Insurance Association, and the Insurance Committee for Arson Control, and we announced a 3-part initiative that is declaring war on arson as it relates to churches in this country, especially our black churches.

The initiative will take place through the offices of Members of Congress and it is in three parts. First of all, it provides arson prevention kits for every church in every Member's district that that Member wants to send that packet to, any church or synagogue. It will outline specific steps that can be taken locally to help reduce the possibility for arson.

Secondarily, we will be offering free half-day seminars to any Member of Congress that wants to establish a seminar for one half day for clergymen, for deacons, for ministers, for rabbis to come together with professionals who will be provided for free, to give those people direct insight into arson and how they can prevent it.

The third part of this initiative, Mr. Speaker, allows for a proactive effort to allow any church that so desires the contact their Member, and they will be provided a free professional survey of their church with specific recommendations that they can take to reduce the likelihood of an arson fire occurring, at no cost to that church or its congregation.

None of this is being funded by the Government. All of this is being provided by those individuals in the arson investigation community and the insurance industry who want to take proactive steps. It is in our hands now as Members of Congress to implement these recommendations, to coordinate these efforts, and to make sure there is follow through. There is much that can be done to reduce the potential for arson, and we must take the lead to make sure that that education is provided to every church and synagogue in this country.

Together, Mr. Speaker, as Republicans and Democrats and liberals and conservatives, as those representing rural and urban areas, we will solve this problem, and we will send a signal that anyone who ever contemplates the act of arson, especially at a religious institution, is going to face the most severe consequences that this country can bring to bear.

We are going to mobilize the communities of this country in a way they have not been mobilized before to stop these despicable acts. I thank my colleagues, and I urge support of this resolution.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I want to commend my colleague from Oklahoma and my colleague from North Carolina for bringing this resolution forward.

I tell my colleagues that I worshiped on Sunday in the church that burned in Charlotte, NC, and I want to lift up two quick messages from the minister's speech that day. He said unequivocally to the people who are doing these burnings, ''You can destroy the building, but you cannot destroy the church.''

Second, he said to his members, ''We have got to find a way to find the good in this and to rise above this and to maintain the values that we hold dear.''

I hope all of us will keep those two things in mind as we condemn these church burnings and as we all vote, hopefully unanimously, in support of this resolution.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

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

Mr. SOLOMON. Mr. Speaker, I commend the gentleman from Oklahoma for bringing this resolution in a timely manner to this floor.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Mr. Speaker, of course we should all come together tonight and unanimously condemn these outrageous acts. But I want to come tonight from a little bit different perspective because, Mr. Speaker, long before I was a Member of this body, I was a member of a much greater body, and long after I am a Member of this body, I am going to continue to be a member of a much greater and everlasting body.

I hope that our gentleman from North Carolina is right that some good can come out of this, and I hope to my core that this serves as a wakeup call to the church, to all churches everywhere, that this could be an opportunity for the church to do its work, to build the kingdom of God; that our brothers and sisters in the predominantly white churches would come out of their churches between now and Sunday and between now and next Wednesday and offer to rebuild these churches; that this would be an opportunity for the kingdom of God to come alive here, that some good could come out, that our brothers and sisters all across the land would offer their support.

I hear today that the Southern Baptist Convention took a step, but many more need to be taken to have some good come from this, that the kingdom would be lifted up, that we would go out as churches and offer to rebuild these churches, and that good would actually rise out of these ashes.

The most important word in the world today, that is needed so desperately in this country, is reconciliation. This is an opportunity for reconciliation. This is an opportunity for white folks to say, ''We love you, black brothers and sisters, and we want to help you, and we hurt for you.'' Please country, come together.

Mr. Speaker, I call on people of faith all across America to get out of your church, take your resources. If ever there was a mission project for churches and religious institutions all across the United States of America, this is the mission project that could heal our land. Let us reconcile as a Nation, Mr. Speaker, through this one action, and have some good rise from these horrific acts.

GENERAL LEAVE

Mrs. CLAYTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 187.

THe SPEAKER pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut, [Mrs. DELAURO].

Ms. DELAURO. Mr. Speaker, I congratulate my colleague, Mrs. CLAYTON, on this resolution. I rise in strong support of the resolution.

I stand with my colleagues tonight to voice my outrage and condemnation of these church arson. As towns and neighborhoods begin that process of healing and rebuilding, it is imperative that we send a loud and a clear and a firm message to the perpetrators of these sick crimes that Americans will not tolerate bigotry or hate crimes.

□ 2145

The perpetrators must and will be punished. History teaches us that we all have a stake in the battle against the forces of hatred. We cannot stand and be silent. We must speak louder than the voices of hate. Those voices encourage violence and have resulted in the destruction of churches, churches built on faith, on hope, and on love.

I am proud to join my colleagues today in support of this resolution and urge its adoption. Further, I urge my colleagues to call on others to go to their districts, to speak out against the voices and the actions of hatred in this country. It is only through such acts that we can prevent further violence and destruction.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Speaker, I want to compliment the gentleman from Oklahoma and the gentlewoman from North Carolina for bringing this resolution to the floor. As a Representative from the State of Maine, I want to add my voice to the national chorus that denounces these instances of religious and racial hatred. I ask unanimous support for this resolution that we offer tonight.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I commend and thank the gentlewoman from North Carolina [Mrs. CLAYTON] and all of those who have joined with her for her leadership in expressing our collective outrage at what has been occurring in communities across this country. Now is the time for people of good will regardless of religion or their political persuasion or their region of the country to join together to condemn the outrage that has occurred and the attempt at intimidation steeped in hate on which it is based.

It is not enough merely to condemn. For while we are all outraged by what has occurred, we know that simply expressing our fury through resolution is only a first step. It is time to match our actions with our words and resolutions. So it is extremely important that the Church Arsons Prevention Act introduced by our colleague, the gentleman from Michigan [Mr. CONYERS], that would strengthen our ability to fight this kind of arson, be enacted at the earliest possible date in this Congress.

We should move forward on this legislation to halt attacks on our communities. Our communities are suffering, and they should look to our national leaders with confidence, for we have the responsibility to prove, as Barbara Jordan would say, that America is as good as its promise. In keeping this promise, we can be inspired by the congregations who refuse to be intimidated.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LIGHTFOOT].

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

Mr. LIGHTFOOT. Mr. Speaker, I join my colleagues here and rise in strong support of this resolution. Since we have a limited amount of time, I would like to briefly comment on one aspect of this resolution, and that is Congress' full support of Federal, State and local law enforcement investigations.

We are going to do more than offer just words. As chairman of the subcommittee in charge of ATF's appropriation, I will be introducing supplemental legislation next week as part of the fiscal year 1997 Treasury appropriations bill to provide $12 million in additional resources right here and right now. In addition, we will continue our commitment to solving these church fires with an additional $12 million for fiscal year 1997, a total of $24 million. If that does not do it, we will come back for some more.

This money will go toward the basics of law enforcement, overtime, travel offices, phones, rewards, money, and equipment. This will allow the establishment of full-blown church fire task forces, not just the high level discussions that the administration has been hosting but real offices in the States where these churches are being burned, agents answering calls and gathering evidence.

I have every confidence that we will be able to solve these crimes. ATF investigators have a world class reputation in arson investigation. They have been called in on challenging cases all around the world. They solved the World Trade Center bombing. They found the evidence that led to the arrest of the people who perpetrated the bombing in Oklahoma City. They unraveled the pipe bombings and mail bombings in the Southeastern United States of the judges several years ago. Interestingly enough, Louis Freeh, who is now head of the FBI, was a prosecutor. They brought them to trial. If we look back at 1992, when we had a series of church bombings, all but one of those crimes has been solved.

So I would say tonight to whoever is the perpetrator of these crimes, whatever their motives might be, because they have to be less than human, we are setting on your trail. If you are watching out there tonight, the world's premier arson investigators, they are going to find you. They are going to collect the evidence. They are going to collect it correctly and they are going to take you to jail. Then hopefully through the trial process you will prosecuted and punished to the full extent of the law.

I think that is one thing that we can do. I think it is an obligation that we have to everyone in this country. It does not make any difference whether we are black or white or brown or whatever the color of our skin, Republicans, Democrats or not, when you start to attack anyone's house of worship, that is an attack on God. I think all of us rise up as brothers and sisters and revile that kind of activity. I think we have an obligation and a duty to find that these people are found, prosecuted adequately punished. We make that commitment here tonight to do that.

I compliment my two friends for offering this resolution.

The SPEAKER pro tempore (Mr. JONES). The Chair reminds Members to please address their remarks to the Chair.

Mrs. CLAYTON. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentlewoman from North Carolina and the gentleman from Oklahoma for bringing this resolution before us.

The church has long been the heartbeat, they very soul of the black community. In the 1960's, those who opposed the civil rights movement recognized that strength. Our churches were burned. looted and burned. Our holy places were no longer a place of sanctuary but a target of those who preached hate, division and intolerance. Today, despite the progress we made as a Nation and as a people, history is repeating itself. In the ashes, of these churches are the hopes and dreams of the African-American community, justice, equality and simple acceptance. The fires that destroyed these churches are fueled not only by gasoline and matches but also by hated and intolerance and bigotry. There is a conspiracy, a conspiracy of intolerance.

Mr. Speaker, I urge all of my colleagues tonight to vote for this resolution and send a strong message to this Nation that we will build a sense of community. Let us use this occasion, let us use this resolution not to divide but to bring together. Bring us all together, not to tear down but to uplift. Let us speak tonight with one mighty voice. We must use our outrage to rededicate ourselves to building Dr. King's beloved community, a Nation in which we all are judged not by the color of our skin but by the content of our character.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I would commend my colleagues from North Carolina and from Oklahoma for drafting and presenting this resolution this evening.

Mr. Speaker, what type of person, what type of twisted, sick mind would choose to launch an attack on a house of worship, no matter its denomination, no matter the people who choose to worship there?

Tonight, as my colleague from Georgia who preceded me in the well noted, it is time to come together. We often have spirited and contentious debate in this Chamber. Indeed, we champion that right to freely express differences of opinion honestly held. But tonight, Mr. Speaker, the call for all Americans should be, let us unite against those who would seek to deprive us of our most fundamental freedom, the freedom to worship individually or corporately according to the dictates of our own conscience.

Questions of motives, indeed veiled references, if you will, to one political philosophy or another really have no place in this debate. Indeed, even as we could attack or isolate one form of communication, we could also point to the growing secularization of America and hostility toward churches and people of faith.

Let us come together, Mr. Speaker, tonight, resolute in the knowledge that all these actions taken against any house of worship are blatantly wrong, and this Congress will work to stop it.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Alabama [Mr. HILLIARD].

Mr. HILLIARD. Mr. Speaker, I would like to take this opportunity to congratulate the gentlewoman from North Carolina for organizing this. It is very important.

I also would like to thank everyone who has been involved. I certainly hope that we will all vote in favor of the resolution so that we will have an opportunity to support the bill if it comes forth.

I would like to use just one-half of my minute to say that I had a very sad meeting on Monday of this week. I spoke to four ministers; each one of their churches had been set ablaze. There have been nine burnings in my district, more than any other congressional district. But one of the things that must be said here, not one of those ministers was satisfied with the efforts of the FBI and the ATF. In fact, it is a fact that the FBI and the ATF had mixed a voter fraud case with the church fire investigations causing conflict and intimidating members of those congregations. If they are sincere, if they wish to pursue the evidence on the fire, the fires that have been set, they must separate those cases.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Speaker, I would like to comment a little bit about this resolution. It is quite personal because in my district, they burned down a church, a little church on Galveston Island. Pastor Booth to this day has not been able to rebuilds that church. He did not get much recognition, and he did not get much talked about because it was not fashionable at that point to talk about burning churches. But that church is still struggling to recoup from that terrible burning.

Right now Pastor Booth has got the foundation laid, and he is trying to put up the sides of the church. They burnt that church down, that beautiful town of Galveston where the breezes come across and you see the sandy beaches and everything. But right there in that town in which you would think that there would be no hatred, there was hatred. They burnt down the church. For what reason? I do not know. But I ask Members that the people of America as they are watching this debate to pray and hold out their heart towards their saviour and their Christ that they may put an end to this burning, because this is not something that our country

should have or should even have to be discussing.

□ 2200

In fact, if anything, it is disgusting that we have to talk about this, and I tell my colleagues as a member of First Bethel Church of Houston, I have a deep, abiding faith, and I believe that out of this there will be good that will come of it because I believe the American people, whether Democrat or Republican, they are honest and courageous and have basic faith in principles, in American principles which unite us in this tragedy, and once again I would like to offer up a prayer to Pastor Booth as he rebuilds his church down there in Galveston.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, just a few short months ago I visited Bosnia, and Sarajevo as the city was one that stuck in my mind, stuck in my mind because in viewing that city what I saw most of all and what the people wanted to show me was the devastation and the destruction of their houses of worship. But one difference is: They were at war. It is tragic to now come home to America and see across this Nation symbols of war, people attacking churches, African-American churches, churches on the basis of hatred and dislike for someone else.

But, thank God, I recognize that churches are not just wood and stone, that we must give back the right of the people to worship in a constitutionally free society.

So it is important that I thank the gentlewoman from North Carolina for her leadership, for bringing us together, along with the gentleman from Oklahoma, that although we can rise and begin to articulate all of the efforts that we are making, and I applaud those efforts, that we must do more, and that must be to call for a week of prayer that will allow us to insure that we do bring America together from June 16 to June 23. And I thank the gentlewoman and gentleman for allowing this language to go in:

> A national week of prayer that we may bond together to tell Americans who may think to do these dastardly acts that we will stand up against it and provide a safe and free place for all of America to be free in their houses of worship.

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. WELLER].

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

Mr. WELLER. Mr. Speaker, I wish to commend my friend from Oklahoma and my friend from North Carolina for their leadership and their bipartisanship, the bipartisan spirit of this so very important resolution.

This past Sunday I joined with a multidenominational organization called Jacob in one of the largest cities in my district, the city of Joliette, and Jacob is an organization representing the churches, black and white, Hispanic, Mexican, multidenominational. We all joined together, and we marched across the city of Joliette. Republican elected officials were part of the march, Democrat elected officials were part of the march, church leaders were part of the march, and church members were part of the march. And this march, frankly, was a response to an outrage that occurred locally in the community of Joliette, IL, and that was where a newly established church which had located on the west side of Joliette, a newly established church which was majority African-American, had been vandalized.

Mr. Speaker, we made very clear in our statement that there is no room for racism, there is no room for bigotry, there is no room for anti-Semitism in our community.

That is the spirit of this resolution, and I ask for unanimous support.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, let me, too, add my appreciation to the gentleman from Oklahoma and to the gentlewoman from North Carolina for bringing this issue up at this time, and I rise to speak of the shameful desecration of our Nation's African-American churches.

Mr. Speaker, as my colleagues know, these fires are burning our sacred edifices and fanning the flames of racial intolerance, but they are also burning the U.S. Constitution. All of us have a right to freely worship, something on which our very Constitution was built, and my colleagues know I am glad my colleague from Illinois happened to have mentioned that church burnings and desecration and vandalism are not just happening in the South, they are happening all across this land. As he pointed out so eloquently, right outside of Chicago, IL, there have been churches, one newly purchased by an African-American Baptist group, that had the side of its walls spray painted with the n word twice already, twice already in less time than a month.

It just seems to me that we ought to be very careful about these kinds of things because my colleagues know they hurt.

When I go to church on Sundays and put on my choir robe and sing praise to my God, I want to feel that my church is going to be there the next time I want to go there and worship. I certainly hope that will be the case in the future.

Mr. WATT of North Carolina. Mr. Speaker, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I commend our friend from North Carolina and our friend from Oklahoma for bringing this resolution to the floor.

Mr. Speaker, about a month ago I had the opportunity to visit that church on 16th in Birmingham, AL, where several young women lost their lives. It is a beautiful place, and my colleagues would not know the horror unless they open a closet or look in the basement and see the cracked foundations.

We are here tonight, the good people of Alabama and all across this country to say no, no, we will not go back to those days and we will not put up with anybody burning our churches.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Speaker, I rise in support of this resolution and in the condemnation of the tidal wave of racism and hatred that is threating America's African-American churches.

I was a child in the 1960's, and in front of our family's big television set I watched in wide-eyed silence as fire hoses were turned on young black men asking only to be treated as real citizens, as vicious dogs attacked African-American women and their children, as little African-American girls, barely older than I was at the time, were killed in a cowardly attack on the church where they worshipped.

Today I am no longer a child, and I will no longer watch in silence as the African-American community suffers under the last of bigotry. Today I join the chorus of voices from all across this country, people of conscience, people from all regions, and all religions, all races, who are speaking out against the cowardly forces of hate and for a nation where all are valued and protected.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I commend the sponsors of this resolution, and I condemn the perpetrators of the crime of burning churches and promoting disharmony in our country. But, Mr. Speaker, some good is going to flow from all of this, as perverse as that might be. America will have better arson laws than we have now. America will have better law enforcement in the field of arson than we have now. And if the perpetrators of these crimes are trying to drive the races apart, they have made a terrible mistake because whites and blacks will join together in greater unity in this adversity.

There can be no more cowardly and, I think, ineffective crime than burning churches. The history of mankind is that you can never succeed in persecuting anybody based upon their belief.

I do not know what the motives of these people are, but they are bound to fail, and I believe that failure will bring America closer together.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Florida [Mrs. MEEK]

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Speaker, first of all I want the Congress and the world to know that we are grateful to the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from Oklahoma [Mr. WATTS], a sister and brother of mine who have brought this resolution in front of the Congress.

The church burnings are despicable acts, and they are very outrageous as well, perpetrated by these people who crawl on their bellies in our society. It is a very small segment of our society representing these burnings.

I also want to commend the President of the United States, who went to lend his sympathy to the people who were churchgoers from these churches.

We need leadership at all levels, I think, both the Republicans and the Democrats in the Congress, because the churches of this country, they do not lean on parties, they lean on God, and it so important that we solve it in this resolution.

We cannot say with all confidence that these burnings will stop. We hope that they will. I think the people who have come out with fresh and adventuresome initiatives want to be sure that these things do not happen again. But we cannot say with all confidence because we know prior history shows us that it is not beyond them.

Peter, one of Christ's disciples, said: ''Upon this rock I build my church, and the gates of hell shall not prevail against it.''

Let us pass this resolution.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. SAWYER].

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

Mr. SAWYER. Mr. Speaker, I want to thank our colleagues and join with all who have expressed the gratitude of Members of this body to the gentlewoman from North Carolina and the gentleman from Oklahoma for their initiative in bringing this before us and to join with so many others this evening in sharing our dismay at the events that have spread across this Nation in recent weeks.

I particularly want to thank those congregations that have opened their doors to those who have lost for now their places of worship and to call upon congregations everywhere across this country this weekend and in coming weeks to join together in sharing their diverse traditions of worship with other congregations in their community symbolically to join together with those who share these podiums tonight and to let the word go forth from every pulpit and pew in this Nation, with voices joined together, to say that there is a message that binds us altogether:

That in the United States of America there is no tolerance of intimidation and no license for hatred.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Washington [Mr. MCDERMOTT].

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

Mr. MCDERMOTT. Mr. Speaker, I want to commend my colleagues for bringing this resolution. The gentleman from Ohio [Mr. SAWYER] and I were in the car starting home, and he said to me, ''Should we go and say something?'' And I said yes, because I thought of Dietrich Bonhoffer, who was a Lutheran minister in Nazi Germany, who, when they came, he said:

When they came for the trade unionists, I did not speak up; when they came for the Catholics, I did not speak up; when they came for the Jews, I did not speak up. When they came for me, there was nobody left.

If we do not speak up for each other, none of us are free in this country.

□ 2215

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Speaker, I grew up in an America where young people were taught the love of God and country, values and character and integrity, to be trustworthy, loyal, helpful, friendly, courteous, kind, obedient, and reverent; an America where hats were removed when a funeral procession came down the street and all movement ceased; where a church ground was sacred and where the sanctuary was treated with reverence. My, how America has changed.

Almost 2,000 years ago Jesus said, upon this rock I will build my church and the gates of hell shall not prevail against it. Well, I am happy to say that that was true then and it is true now.

Mr. Speaker, I am happy to join with my colleagues on both sides of the aisle here tonight to join in one voice, the voice of brotherhood, to say that in this House, in this country, people of goodwill all across this Nation are expressing today and tonight their outrage at what has happened, but more importantly, we are exerting our prayers all across this Nation for those poor souls who are responsible for this dastardly conduct.

I support my colleagues and this resolution, and God bless America.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentleman from the great State of Oregon [Mr. BLUMENAUER] a new Member of Congress.

Mr. BLUMENAUER. Mr. Speaker, I am saddened that my first appearance before this body is on the occasion of such a hateful event. I think we all had hoped that this was behind us. But I am heartened by the attitude and tone of love and reconciliation that one hears this evening.

I find I must join with the words of my colleague from Georgia. We pray that we are aware of this terror as we go about our business, remembering the power of words and the power of reconciliation, because I think if we remember this somber, yet hopeful moment, as we go about the rest of our business on behalf of the people, that this hateful act of racial intolerance and bigotry will help us do our job better for the American people.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentlewoman for her leadership and that of the gentleman from Oklahoma [Mr. WATTS] for their help and leadership on this very important presentation tonight, and I think the American people have come together in total horror about the recent church burnings. We are taking action here tonight to show the outrage of Congress that this has occurred and to take positive action.

This afternoon there was a presentation by our colleagues, in working with the insurance companies to make sure that we assist these churches with fire prevention programs and work with our fire caucus in making sure that this does not occur, and legislation that is going to increase the penalty for arson, and most of us, to bring about the inspirational setting of Republicans and Democrats working together, the African-American community and the white community and the Hispanic community in all parts of this country working together, brothers and sisters, to make sure that this kind of bigotry and hatred is ended. I thank again both of these Congress people for bringing this issue forward and to make sure that we take positive action.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Wyoming [Mrs. CUBIN].

Mrs. CUBIN. Mr. Speaker, I would like to thank the gentlewoman for yielding this time to me.

Mr. Speaker, I am proud to be here this evening to speak on this issue. I think that every time that there is a problem in our country, we pull together as Americans. We have won two world wars, we have put a man on the Moon. We have the best health care system in the world. When we need a neighbor, when we need a friend, Americans are always there to pull together to help one another. I am grateful that we have the opportunity to speak on this issue tonight. We will not accept, in no way, this sort of behavior. I think we should use every effort and every resource we have to try to find the people that are responsible for this and bring them to justice.

Every cloud has a silver lining, and the conciliatory tone of this Congress this evening is heartwarming, and I

hope the people across the country can feel the sentiment that we feel here this evening.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, freedom if religion and freedom of speech are the two most precious rights in our American society. Implicit in our freedom to worship the God of our choice is the freedom to worship without fear. It is a very sad day when the right to worship without fear has been jeopardized by the unconscionable torching of houses of worship.

I am pleased to join my colleagues in strongly supporting H.R. 3525. However, as much as we try through legislation to stop the fires, the most important change must come in the hearts of those who hate. I just have a message for those out there: Remember what you plant will come back to you. I do believe that there is a God, and you are creating a fire here, but know that there is going to be a great day, and that fire will burn eternal.

Mrs. CLAYTON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the recent rash of burnings of African-American churches has cut a swath of destruction across this Nation and has called into question America's will to resist racism.

The President has responded swiftly, outlining a four point plan of action and today, in a strong demonstration of will, travelling to South Carolina, one of the burning sites.

It is now time for Congress to stand up. It is now time for Congress to speak out. It is now time for Congress to act.

One of the most important things Congress can do is to let our voices be heard. Sometimes silence is viewed as acceptance.

Sometimes no position is regarded as a position.

Sometimes failure to act is tantamount to acting.

Indeed, many believe that the growing divisions and racial strife in America today is due, at least in some part, to the divisions and strife that have been evident among this Nation's leaders.

But, despite our differences on politics and policy and party and despite the fact that we have had deep disagreements during our deliberations and debate, I believe this Congress and my colleagues will stand together to resist racism.

The fact that those who have done these wicked deeds have chosen to do them to houses of worship—the very places we hold most dear and most precious, leaves no doubt in my mind that good will come from this evil.

Our churches, our synagogues, and our mosques have always been places of peace and sanctuary, a welcome retreat and shelter from the problems and difficulties outside.

But, for the past 6 years, African-American churches have been targets for arson, places of anguish, unsuspecting victims of a pattern and practice of violence.

Assistant Attorney General Deval Patrick has referred to these acts as an ''Epidemic of Terror.''

And, while there is no evidence of conspiracy, it is strangely coincidental that more than 50 African-American churches have been burned during the 1990's, with 32 of those burnings occurring in 1995 alone.

On average, Mr. Speaker, two African-American church fires have taken place each month, over the past 18 months. Since late Friday, four churches have been victims of suspicious fires.

If this is not an ''Epidemic of Terror,'' it is certainly a situation that is far too extensive to be ignored.

Prior to today's church burning in Oklahoma most of these fires have been concentrated in nine Southern States, including Alabama, Mississippi, Tennessee, Georgia, Louisiana, South Carolina, North Carolina, Texas and Virginia.

The investigation of the fires has been difficult.

Nearly all of them have taken place in rural and remote areas, during late night or early morning hours.

There have been few if any witnesses, and the fires have generally not been discovered until the churches have burned to the ground, leaving little evidence for law enforcement.

The President's response has been strong and forceful.

He has outlined a four step plan that has been put in place in response to these acts.

The private sector has also stepped forward.

For example, NationsBank in my State of North Carolina has offered a half million dollar reward for information leading to the arrest and conviction of the person or persons responsible for the recent church fire in Charlotte.

It is now time for the Congress to step forward.

It is time now for Congress to be heard. First, we should all support the bipartisan legislation introduced by our colleagues, Mr. CONYERS and Mr. HYDE.

That legislation would make it easier to bring prosecutions and stiffen the penalties against those who target houses of worship.

I would urge support for House Concurrent Resolution 188, a resolution I have introduced that now has more than 100 bipartisan cosponsors, expressing the collective outrage of Congress and denouncing these acts of arson.

We condemn the burnings, pledge to assist law enforcement, support the Conyers and Hyde legislation and appeal for broad community preventive action.

And, finally we should all, work within our respective communities to help prevent future arson.

These acts of hate that have wounded our souls have inspired acts of love that have renewed our faith.

Across the country, volunteers have stepped forward to help rebuild the burned churches.

I was especially moved by the story of Rev. Terrence Mackey, who awakened one morning to a spot in a field where this church had stood and said to his daughter ''They didn't burn down the church. They burned down the building in which we hold the church. The church is still inside all of us.''

Fittingly, on June 15, Reverend Mackey, his daughter, the congregation and friends will undertake a symbolic march from the scorched earth site of the old church in Greeleyville, SC, to the pristine site of their new church.

House Concurrent Resolution 188 also recognizes June 15 as a day when all members can join with Reverend Mackey, his daughter, his congregation and others, in whatever gesture is deemed appropriate, to say to those who would promote evil, that you have burned our churches, but you can not burn our spirit.

Mr. Speaker, There is a time to be silent and a time to speak. With these burnings, this is a time to speak.

I urge every Member to speak out against these church burnings in their communities. And, I urge every citizen to resist this racism.

These acts do not represent America, and we must demonstrate to the world the true spirit of our great Nation.

☐ 2230

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

Mr. WATTS of Oklahoma. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I came here this evening with the gentlewoman from North Carolina [Mrs. CLAYTON] and the rest of my colleagues on both sides of the aisle to introduce a House concurrent resolution addressing a serious crime called arson, and more specifically the recent horrifying crime of arson used to destroy more than 30 black churches around the country, over the last 16 or 18 months, including a church that burned last night in my home State of Oklahoma, where arson activity is suspected. My sympathies and condolences go out to those affected by these senseless and tragic deeds.

In Eufaula, OK, where I grew up, our church was the heart and soul of our small community. It was a symbol of hope and faith, of pride and serenity. The church is where we would all gather to rejoice in celebration and pray in times of sorrow. It was the cornerstone of our community and it is a special place that holds some of my dearest memories.

This atmosphere is not unique to me. American should be a country of faith and community. There are thousands of cities who see their church as the fabric of strength in their community. It is inconceivable to me that anyone would try to destroy this very fabric that provides the identity and life for a

community simply out of hate and ignorance.

By setting churches on fire, not only are these vandals attempting to destroy the house of a community, they are destroying the house of God. This is one of the most horrific crimes a person can commit.

As a man who has been brought up with faith in God and faith in justice, I call upon our judicial system to take action against these terrible violations of liberty. We cannot sit idle and tolerate these acts of hate. We cannot watch these criminals continue to torch any more sanctuaries of faith.

It is my hope that the proper authorities—the Justice Department, the Attorney General, and State and local officials—will move swiftly to investigate and stop these vicious crimes. I think Martin Luther King, Jr.'s words still hold true today when he said, ''A threat to justice anywhere is a threat to justice everywhere.'' These burnings are a serious threat to justice and will lead to more perilous consequences if justice is not served. This country has worked too hard to heal the wounds of racial divide to allow ignorant individuals to once again divide us in our communities.

There is no excuse for the lack of commitment dedicated to serving justice and finding the individuals responsible for these arson activities. I commend groups like the Christian Coalition for efforts to help find the culprits, and I challenge other organizations, citizens as well as elected officials to help fight this battle.

Fire spreads fast and furious, and once it is out of control, we may not possess the means to contain if. It we do not insist that justice is served, the fire of hate and ignorance will continue to burn and spread, reducing all we have strived for to ashes of despair.

We need to extinguish these fires and reignite the fires of faith. These affected communities are not letting the fires burn down the foundation and fabric of their community. They will rebuild and show an unwavering strength of faith. The victims of these church burnings are not letting the vandals win, and we cannot allow them to win either. It is our obligation to do all that we can to see that justice is served and that the people responsible for these crimes are caught and punished.

Beginning with the times back in Eufaula, OK, and even more as a minister, when I have needed strength and guidance, I have turned to my church and to my God. I cannot imagine not having a church to turn to. These burnings represent more than arson activity. The burnings represent a violation of basic rights and basic freedoms. I have always enjoyed the freedom to practice my religion in a place I feel safe. That is a right the Constitution provides to me. It is my hope that we will not deny that right to anyone, and that justice will suffocate the fires of hate and continue to kindle the torch of liberty, as we provide justice for all.

Mr. ROEMER, Mr. Speaker, I am pleased to be a cosponsor of House Concurrent Resolution 187, a measure to condemn the sinister and hateful arson plaguing African-American churches in our Nation. This is a national shame that such activity could continue in this day and age, and deserves a national and immediate response.

That someone, anyone, could attack a House of God is unforgivable. Our churches, our synagogues, our temples, are not just houses of worship, but symbols of our commitment to understanding and tolerance. Understanding of our mission in this great Nation under God, and our tolerance of our wonderful diversity. These attacks on our present truly mar our past, where in recent times we have worked so hard to grow in acceptance and understanding. In so many ways, we have all come to know and understand and appreciate one another. Of course, we have a long way to go.

But we should not—and will not—tolerate the hateful acts of those who would pull us backward, destroy our hard-won progress, and elevate their own base and evil feelings into an otherwise enlightened progress. Yes, we have far to go, but we will never go back.

Mr. Speaker, this resolution is a start. It is a step on the path to healing. But it also lays upon us a commitment. This commitment is to realize that the fight against racism, against bigotry, against hatred, is still very much needed and very much ours, because the world is far from perfect. When even our houses of worship are targets of those who would oppose peace and fairness in society, then we must truly be on our guard, physically and spiritually.

We can surely fight these heinous acts with the full weight of the law, and we surely should. But we must also fight them with the spirit, knowing that the love of God unites us all. And even as we celebrate the blessings that God gives us in this great Nation, we must always be diligent in fighting those who would rob us of those gifts.

Mr. Speaker, the evils of those whose hatred has conquered their spirit must not be allowed to conquer our spirit, and may this resolution be a beginning in our demonstration that love and brotherhood will conquer all. In the end, justice must and will reign, and those that tear down the House of God, no matter what the color of the person that worships within, will find that mercy will drown their hatred.

Mr. FRANKS of Connecticut. Mr. Speaker, I and a great number of my colleagues are understandably alarmed by the rash of intentionally-set church fires—many of those of African-American congregations—which have been occurring in the United States, particularly in the Southeast.

We have seen the lamentable pictures and images on the television news, Mr. Speaker. The parishioners wandering about the charred ruins of what used to be their church. Reverends and deacons wondering aloud where their flock will go to worship and how they will cope. Church patrons left wondering what short of twisted individual could commit the heinous crime of burning down a house of worship.

We must take a good look at these sobering facts by this epidemic of hate. According to a recently-sent Dear Colleague by two of our most-distinguished Members, HENRY HYDE and JOHN CONYERS, since October of 1991, there has been 110 incidents of church arson that have been reported to Federal authorities with thirty-three of these arsons committed this year. Messrs. HYDE and CONYERS also inform us that since the beginning of 1995, of the 51 church arsons committed, more than half of them involved African-American congregations.

Meanwhile, officials from the Department of Justice have stated in testimony that our current laws do not give our Federal law enforcement officials the needed tools to prosecute and punish those sick, evil individuals who desecrate or burn our places of worship. Mr. Speaker, we need to amend our laws so we can incarcerate those who perpetuate bigotry and hatred for the good and well-being of society.

Accordingly, I encourage my colleagues to join me in rising in strong support of H.R. 3525, the Church Arson Prevention Act of 1996, which has been offered by Congressman HYDE and Congressman CONYERS.

H.R. 3525, of which I am a cosponsor, will make important changes to the laws which are present on the books so that we may send more of these fire-toting hatemongers to jail.

This bill, as noted in Messrs. HYDE and CONYERS' Dear Colleague, would broaden the scope of the statute which makes it a crime to damage religious property or to obstruct a person in the free exercise of religious beliefs by applying criminal penalties if the offense 'is in or affects interstate or foreign commerce.' According to Congressman HYDE and Congressman CONYERS, H.R. 3525 will thus provide the amendment to our Federal statutes that will grant Federal jurisdiction, and thus will augment the Attorney General's ability to prosecute these arson cases.

Also, this bill will reduce the current dollar value of destruction which must occur before these crimes of desecration may be prosecuted. At the present time, our laws state that the loss from the destruction of property must be more than $10,000. However, H.R. 3525 will reduce the dollar threshold to $5,000. As Congressman HYDE and Congressman CONYERS rightly point out, by reducing this threshold to a lower dollar number on destruction, it will make it easier for the Federal Government to prosecute more of these arson cases.

Mr. Speaker, this House should put its foot firmly down on those who would espouse terror and religious bigotry. To help do that, H.R. 3525 should be wholeheartedly supported by every Member of this Congress.

Mrs. KENNELLY. Mr. Speaker, I rise in strong support of this resolution to condemn the horrific outbreak of church fires in the South.

There is little doubt that those who are responsible for these church-burnings are trying to send this Nation a message, one that we had hoped faded away years ago, but which is still very much with us. It is a message of hate and exclusion, and it is a message of bigotry and intolerance.

Like many of my constituents, I have struggled over recent months to understand the thought process that would lead someone to set fire to a church. Few structures symbolize security and peace in a frightening world better than a place of worship. By destroying these buildings in such a violent and ruthless way, the perpetrators of these crimes are telling millions of Americans that they should not

feel at peace in their communities, that they are not secure.

At times like this, we can find some comfort in the fact that no amount of violence can destroy the progress we have made toward becoming a more tolerant society. Everyday, in communities across the country, men and women young and old are teaching the lessons of peace, love, and faith so central to American life. But even as we take comfort, we cannot become so comfortable that we do nothing. For if we do nothing, we are accepting bigotry as part of our social landscape—and we will never accept that.

Cowardly actions demand powerful responses. The President began today by saying, ''They know not what they do.'' Some may not know, but the perpetrators of these acts know exactly what they do—and it cannot be tolerated.

When those who burn churches send their message of hate, good people across this Nation need to rally together. When bigots tell millions of Americans that they are less than equal, then we must tell the bigots that we are all brothers and sisters. And when arsonists slink in the dark of night trying to undermine our community, we must stand up in the light of day and proclaim that our community is far too strong to be damaged by their actions.

Those who burn churches want to mark the Earth with the ashes and rubble of their intolerance. Instead, let us rebuild these churches as a living memorial, made of stone and brick, to our commitment to human rights and human dignity.

By passing this resolution, we let the purveyors of hate know that the good people of this Nation will drown out the message of hate wherever it appears.

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

The SPEAKER pro tempore (Mr. JONES). All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered.

The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

WHITE HOUSE FILE SCANDAL—THE AMERICAN PEOPLE DESERVE ANSWERS

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

Mr. HAYWORTH. Mr. Speaker, there certainly is no deficit of delusion, distortion and desperation from these born-again budgeteers on the liberal side of the aisle, but, Mr. Speaker, I come here today to commend to everyone's attention the article that appears in this morning's Wall Street Journal headlined ''Inside the White House File Scandal'', which I submit for the RECORD:

[From the Wall Street Journal, Thursday, June 13, 1996]

INSIDE THE WHITE HOUSE FILE SCANDAL

(By Gary W. Aldrich)

I loved my career with the FBI and treasure my years as a special agent. Of the many assignments I was privileged to have over the course of a 26-year career, the highlight was the five years, just prior to my 1995 retirement, I spent assigned to the White House.

For more than three decades the FBI, the Secret Service and the White House Counsel's Office had worked as a team to clear the hundreds of new staff members who come with each new administration. This clearance process entailed a lengthy FBI background investigation to document the good character of every White House employee. It was a comprehensive and effective security system, perfected by six presidents to protect national security, the taxpayer and the White House itself.

DEEPLY DISTRUBING

But the things I saw in the last 2½ years of my tenure deeply disturbed me. And the recent disclosures that the Clinton White House requested, and the FBI provided, more than 340 background investigations on previous administrations; employees raise questions that pierce the very heart of national security, and call into question the relationship between the White House and FBI.

Some presidents have made good use of the FBI background investigations, and some to their regret have not. Never before has any administration used background investigations of another president's political staff. FBI employees knew it would be wrong to give raw FBI flies on political opponents to the other party. In fact, they knew it would be illegal, each disclosure a violation of the federal Privacy Act.

Why, then, did the Clinton administration request such files, and why did the FBI provide them? The White House's ''explanation''—that it was ''an honest bureaucratic snafu''—is really too much for this FBI veteran to believe. How does a unit at FBI headquarters copy and box for shipment to the White House Counsel's Office more than 340 highly confidential files, when the two FBI supervisors are both lawyers? Do the White House and the FBI really expect us to believe that the wholesale copying of hundreds of FBI files wouldn't raise an eye brow? That the two FBI supervisors didn't know who James Baker was? If the FBI supervisors didn't know that hundreds of confidential files were going out the door, they were so grossly negligent as to imperil not only the civil rights of more than 340 individuals, but also national security.

In truth, I know that FBI management had plenty of warning that elements of security and background investigations were drastically wrong at the Clinton White House. As early as May 1993, Special Agent James Bourke, supervisor of the FBI office responsible for background investigations, had come under fire when, at the behest of the White House, he started a criminal investigation of seven innocent men in the Travel Office.

Not publicly know until now were the constant warnings that Mr. Bourke and other FBI management received from me and from my partner, Dennis Sculimbrene (who would go on to testify against his own agency and the White House as a defense witness in the Billy Dale trial). Why are Mr. Bourke and the good folks at the FBI just now finding serious reasons to check on the legitimacy of the requests of this White House? Documents exist that prove they have know about these problems for years. Mr. Bourke declined to be interviewed for this article, so one can only speculate as to why he ignored the repeated warnings. It may be that, like any bureaucrat, Mr. Bourke was simply trying to win favor from those he thought could advance his career—in this case, officials at the White House.

These allegations are more serious than anything we have seen in decades. So how can the White House, through Attorney General Janet Reno, be allowed to order the FBI to investigate itself? No federal bureaucracy is good at conducting an internal probe that has this kind of potential for explosive political revelation.

Right up to the time I retired in June 1995, Mr. Bourke and other FBI supervisors responsible for background investigations continued to honor each and every outrageous request the Clinton White House Counsel's Office made, Mr. Bourke cannot claim he did not know these requests were improper. He was well aware the Clinton administration had relaxed the security system at the White House so that those loyal to the administration could evade background checks. Other agents and I had told him so, and scores of documents gong across his desk provided more evidence, just in case he did not believe his own agents. In fact, at the time the White House requested the files on previous administrations' appointees—one full year into the Clinton administration—more than 100 Clinton staffers, including then Press Secretary Dee Dee Myers, still had not been investigated by the FBI for passes or clearances.

Yet the Clinton's White House Counsel's office apparently was wasting no time looking deeply into the background of any one who was not lucky enough to have been hired by President Clinton. As Mr. Bourke also knew, permanent White House employees whose loyalty to the Clintons was in question were in for some ''special'' attention, Hillary Clinton style. For example, permanent employees in the White House residence who were suspected of being disloyal to the first lady were reinvestigated out of sequence, that is, early—in some cases four years before their periodic review was due.

Some of these staff members, appointed by Presidents Carter, Reagan or Bush, had just been cleared by the FBI. When I attempted to head off what appeared to be unnecessary and premature investigations by offering to obtain copies of the background investigations, my superiors at the FBI and Craig Livingstone, director of security for the White House Counsel's Office, effectively told me to mind my own business. What prompted the White House to investigate these staffers was a story, leaked to the press, that Mrs. Clinton had thrown a lamp at the president during a domestic argument. The Clintons had to know who the leader was. Result: Decent, loyal, law abiding citizens with spotless records were investigated by the FBI again, just to make sure. I believe that these permanent employees were being harassed and that if anything, anything at all, had turned up in a new FBI probe, they would have been summarily tossed out the door to ''make slots'' for the Clintons' people. And indeed, other employees besides Billy Dale were fired on the basis of these investigations.

At the same time, the White House was requesting copies of FBI investigations of hundreds of long-gone Reagan and Bush staffers. Why? Knowing that the Clintons casually used the FBI to weed out politically suspect employees, would it be so unreasonable to suspect them of also misusing the FBI to investigate political ''enemies''? Statements by Clinton spokesmen that nobody looked at these FBI files are as plausible as saying that if 340 Playboy magazines were sent to a boys' high school, they would remain in their boxes, unmolested.

BEDROOM-SIZE SAFE

The safe where these secret records were allegedly kept was the size of a small bedroom. Maybe the files were taken out of the

safe, and maybe they weren't. There was no need to take them out to examine them. Anyone—including Mr. Livingstone, whose desk was just outside the entrance to the safe—could have walked in, sat down at the table and perused the files to his heart's content. And the security office was equipped with a photocopy machine. I knew Mr. Livingstone as a fierce defender of the Clintons, especially Mrs. Clinton, who handpicked him for this sensitive position.

Which of these files were copied, and where were the copies sent? The time has come for real explanations, real investigations of the Clinton White House Counsel's Office and, sadly, maybe even of the FBI. In particular, Mr. Bourke and Mr. Livingstone should explain their roles. These FBI files could not have been requested, received and maintained without Mr. Livingstone's full knowledge, consent and direction. Mr. Bourke is responsible for protecting the FBI files and for ensuring the FBI's arm's-length relationship with this or any administration.

These two men should be brought before both a federal grand jury and Congress to account for this highly irregular conduct—conduct that has embarrassed the presidency and the FBI, undermined the public's trust in both institutions and potentially violated federal law. The Clinton administration has earned it reputation. But the FBI—my FBI—deserves better. Enough is enough.

Listen to what Gary Aldrich, a former FBI official, writes: ''Never before has any administration used background investigations of another President's political staff.'' How does a unit at FBI headquarters copy and box for shipment to the White House counsel's office more than 340 highly confidential files when the two FBI supervisors are both lawyers? Do the White House and the FBI really expect us to believe that the wholesale copying of hundreds of FBI files would not raise an eyebrow?

Oh, it raises more than an eyebrow, it raises serious questions. The American people deserve answers. This House will find those answers.

ANSWER TO THE QUESTION: WHAT IF IT WERE A REPUBLICAN ADMINISTRATION?

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

Mrs. SCHROEDER. Mr. Speaker, I came to this floor to talk about this historic vote yesterday when all the judiciary Republicans voted unanimously against defining marriage as a nonadulterous, nonmonogamous relationship. I found that shocking.

Mr. Speaker, I really want to talk about something else now after listening to this. I want to congratulate the Republicans for being concerned about FBI files, and I want to congratulate this President for apologizing for what happened, and I want to say to the Republicans I can answer the question about what would happen if it was a Republican administration.

In 1972, when I was a candidate for Congress, our house got broken into over and over, our car got broken into, we kept having Jim's barber, my husband's barber show up at our house. We could not figure out what was going on.

Many months after I got elected a man got picked up for breaking into a house, and he said, ''You can't do this to me because I've been hired by the FBI to break into SCHROEDER's house.''

That was the Nixon FBI. Not one Republican came forward and said anything about it, nor did President Nixon.

So, let us put this in context, please.

Mr. Speaker, yesterday was a sad day for the institution of marriage. The House Judiciary Committee voted down an amendment I offered that would have defined marriage as a nonadulterous, monogamous relationship.

For all their talk about family issues, not one Republican voted for my amendment. The party of family values failed to stand up for them when it counted. That's because in introducing the Defense of Marriage Act, the Republicans are far less interested in defending family values than in stirring up division and fear in the election season.

This bill is the first attempt in history by the Congress to define marriage. Traditionally, the power to define and regulate marriages has been entirely up to the States. What is the grave threat facing marriage that would prompt Congress for the first time in 200 years to sound the emergency alarm? Well, maybe in the next 3 years, the State of Hawaii, might recognize same-sex marriages.

But everyone knows that adultery is a far greater threat to marriage than the speculative threat of same-sex marriages, which not one State recognizes today.

Well, if Congress is going to define marriage, then I think it's important to make it clear in that definition that we do not condone adultery. But not one Republican was willing to make commitment to marriage.

Yesterday's committee vote showed who values families and who's just fooling around.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

BURRELL COMMUNICATIONS 25TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, this evening it is my pleasure to honor a distinguished citizen and corporate entity from my district, Tom Burrell and the Burrell Communications Group who on tomorrow, June 14, will celebrate 25 years of outstanding service to African-American consumers.

In this wonderfully diverse Nation it is essential that the broad span of American diversity be fully represented in advertising. It is good business because it extends the reach of corporate marketing efforts, and it is good social policy because it creates positive images of African-American culture, serves as a bridge of information and awareness among general audiences, and as a source of inspiration and self-esteem among African-Americans.

Twenty-five years ago as a young copy writer Tom Burrell affirmed that the best way to communicate with the black consumer is through the natural channel of communications, the African-American advertising agency. And thus began Tom's legacy of developing culturally relevant and sensitive advertising messages that have over the years generated business-building, award-winning marketing communications programs for some of our Nation's best-known companies.

Tom Burrell's creativity work embodies the highest level of professionalism. His award winning advertisements are often imitated by general advertising agencies. And most importantly he has never forgotten his community. Burrell Communications continues to be a significant training around for young African-Americans in the advertising industry. Their work and financial contributions for the betterment of our community and our nation must not go unmentioned.

Tom has overcome many, many difficult obstacles in making these achievements, and some surely remain.

Mr. Speaker, it has always been one of my highest legislative priorities to work to improve conditions for African-American, women, seniors, and minorities in every aspect of this society. I first introduced The Non-Discrimination in Advertising Act in 1987, and I introduced H.R. 177, the Diversity in Media Act in 1995.

I am proud that I have been successful in amending a great deal of legislation over the past 23 years to make sure that minorities were included.

I would like to officially thank you Tom and the Burrell Communications

Group for the roles you have played in helping me better understand the barriers confronting the African-American advertising agencies. They have been an invaluable resource to me and my staff as we have worked to shape legislation to ensure that African-Americans and African-American advertising agencies are included in the mainstream of advertising industry.

Mr. Speaker, I am proud to salute the leadership and service displayed by Tom Burrell and the Burrell Communications Group. Tom Burrell's courage, vision, leadership, and creative contributions to the advertising industry have been a continuing source of inspiration and self-esteem for African-Americans.

I look forward to continuing to work with him and the African-American advertising industry as we move forward into the 21st century. I salute and thank Tom Burrell and the Burrell Communications Group for 25 years of positive images of African-American culture in American media. I am confident that the next 25 will be even more fruitful.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BUYER] is recognized for 5 minutes.

[Mr. BUYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

FILIPINO WORLD WAR II VETERANS DESERVE HONOR, RESPECT, AND RECOGNITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, this evening we have heard many moving words about bringing America together, about justice for all. I want to speak about bringing justice to another group of people. Today, Congress, after waiting for 50 years, has an opportunity to restore to Filipino World War II Veterans the respect and honor they so richly deserve.

Today, Representative BENJAMIN GILMAN, the distinguished chairman of the House International Relations Committee, joins me in introducing a resolution in the House of Representatives to recognize the brave service of these veterans and their contributions to the victory of the United States in World War II.

Joining us as original cosponsors are a representative number of Members from both sides of the aisle, including Representative BOB STUMP, the chairman of the House Veterans' Affairs Committee, and Representative G.V. (SONNY) MONTGOMERY, the ranking Democratic member of the Veterans' Affairs Committee, who support recognition for the Filipino World War II Veterans. Senators INOUYE and AKAKA are also introducing this concurrent resolution in the Senate. Many more Representatives have also joined us as cosponsors of H.R. 1136, the Filipino Veterans Equity Act.

It is truly hard to believe that soon after World War II ended—the war in which Filipino soldiers died defending the American flag in the epic battles of Bataan and Corregidor and through four long years of enemy occupation—the 79th Congress in 1946 voted to rescind the benefits and recognition that were promised to these soldiers.

It is even harder to believe that Filipino World War II veterans have been kept waiting for over 50 years for the recognition they deserve. Many have already died, and in 15 years, there will no longer be any of these veterans alive.

The bullets in World War II did not ask if their target was an American or Filipino soldier. Both Filipino soldiers from the United States mainland fought side-by-side against a common enemy. We must act now to redress the wrongs these Filipino veterans have suffered.

This concurrent resolution will finally recognize the contribution of the brave Filipino World War II veterans. I urge my colleagues to join with Representative GILMAN and me to correct this injustice.

□ 2245

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

[Mr. MICA addressed the House. His remarks will appear hereafter in the Extensions of Remarks].

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. HILLIARD] is recognized for 5 minutes.

[Mr. HILLIARD addressed the House. His remarks will appear hereafter in the Extensions of Remarks].

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for a 5 minutes.

[Mr. MCINTOSH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mr. KELLY] is recognized for a 5 minutes.

[Mr. KELLY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. WAMP] is recognized for a 5 minutes.

[Mr. WAMP addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TIME TO TAKE BACK THE AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. SAM JOHNSON, is recognized for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, is your tax bill too high? Do you worry about paying your bills. Hardly a day goes by without a call or letter from a constituent or a friend telling me how they struggle from day to day to make ends meet and how they worry about their future and their children's future.

It is wrong, simply wrong, that so many families are working harder and longer, but continue to have less and less to show for it.

I have to wonder why more people are working two jobs and why more families are forced to have both parents work, yet everyone has less money in their pockets.

I have the answer—it's the Washington tax trap. The longer and harder you work, the more taxes you pay. The more taxes you owe. The bottom line is that Washington ends up with more, and you end up with less.

Think about what the tax trap has done to society, to families, and to working parents. When I was a child, the largest investment most families made was in their home. Guess what, now it's paying their tax bill.

In 1950, taxes took just a fraction of our income. Today, almost half of what you earn goes to the Government. Half. That is more than a person spends on food, clothing, and shelter combined.

The tax trap is punishing working parents who are trying to balance career and family, and the children who are in daycare because both parents have to work are feeling the pain of high taxes.

In the America that I grew up in, if you worked hard and played by the rules, you still had enough money left over from your paycheck to put something away for the future, and enough for those little extras that made life special. That was the American dream.

The American dream was also about making a better life for the next generation—so that children would have more opportunities, more choices, and be better off than their parents.

But now, for the first time in our history, an entire generation of Americans is losing hope and confidence in the future.

And all blame for this uncertain future lies right here in Washington. For decades, Washington, DC has told America that everything is OK—don't worry, Washington can solve all of your problems.

But at the same time Washington has been spending our children's inheritance and creating a national debt that now undermines our future.

For too long, Washington has increased the debt by spending more than

it takes in, to pay for a growing bureaucracy—a bureaucracy that includes 160 different job training programs, 240 education programs, 300 economic development programs, and 500 urban aid programs.

A bureaucracy that pays over 1,900 union employees at the Social Security Administration using money from the Social Security trust fund.

How does Washington afford all this? By taking more of the money that you earn. Take Bill Clinton. He wasn't in office 100 days before attempting to raise taxes. By comparison, Republicans spent their first 100 days trying to cut taxes. After all, it is your money.

Three years ago, against unanimous Republican opposition, Bill Clinton, forgot that it was your money, and imposed the largest tax hike in American history.

I want to know—what is so wrong about asking Washington to live within its means?

What is so wrong about demanding that Washington not spend extravagantly at the expense of our children? Is it fair to punish working families who are trying to save for the future?

It's time to end the tax trap and give the American family some well-deserved tax relief.

But, I don't want to stop there. Our entire tax system needs an overhaul. The current system is economically destructive, impossibly complex, overly intrusive, unprincipled, dishonest, unfair, and inefficient.

We need to look toward the future and develop a tax system that will make that future a success. And I don't care if it is a flat tax, a sales tax, a round tax, or a square tax—I just want it to be based on the principles of freedom. That is, it must be fair and simple, reduce bureaucracy, encourage savings and investment, be efficient, drive the economy, create opportunity for all, and put more money in your pocket.

Americans don't want, don't need, and don't deserve an intrusive IRS any longer.

America was made great because we, as a Nation, strived hard, sacrificed often and worked together to be the best.

And we will continue to be a great Nation if we embrace a vision that will abandon the failed systems of the past and be led by the opportunities of the future.

With this vision we can enact policies that encourage economic growth, raise wages, promote savings, and return hope and optimism to every American.

Unending dreams and limitless possibilities—that's what the American dream is all about. It's up to us to take it back. It is our destiny.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. LUCAS] is recognized for 5 minutes.

[Mr. LUCAS of Oklahoma addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

[Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

[Mr. WALKER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

[Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REPUBLICANS GOAL IS TO END THE TAX TRAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. WELLER] is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago and the south suburbs, industrial communities like Joliet, and Rockdale and La Salle, Peru, and many bedroom communities and farm towns, too.

As I travel throughout my district, I look for things that are always in common, even though my district is so very diverse, and one thing that I have always noticed is that there is hardly a day that goes by that a young working mother or working father does not come up to tell me how difficult their life is right now and how concerned and fearful they are for their future.

They ask questions about why so many families are struggling to keep their heads above water. Why is it that Americans are working harder and working longer yet they have less to show for it? Why is it that more people have to hold two jobs just to make ends meet?

The answer can be summarized in three words, the tax trap. It is simple to explain. The harder you work, the more taxes you have to pay. The more taxes you have to pay, the longer and harder you have to work. And you end up working harder and longer and Washington ends up with more, but you end up with less.

Today, almost half of what you earn goes to Washington and the government in one form or another. Half. And the tax trap is particularly difficult on working women who are trying to balance a career and family obligations just to pay all the additional taxes. Every year you send more of your hard-earned income to support a Washington bureaucracy that is growing and that leaves less for you and for your family.

Did you ever wonder why Bill Clinton and his liberal friends are asking you to sacrifice a little more so Washington can spend a little more? Should we not demand that Washington spend less so that you can keep more? After all, it is your money.

Against unanimous Republican opposition, Bill Clinton imposed the largest tax hike in American history, $264 billion, to be exact. Yet he still expects Americans, after that, to save more and to give more. But we know it just cannot happen that way.

Let me state this clearly. The cost of Bill Clinton's tax policies to the typical Illinois family in higher taxes and lower earnings is $2,600. And all of us have felt that tax crunch. That is why we have so many people in this country who are so afraid of the future.

And in many ways I share that fear, because when I think of this, I think of parents with children in high school who have the dream of sending their children off to college, but they fear they cannot afford the interest on the student loan.

Then I think of the newly married couple who wants to buy their piece of the American dream, their own home, but they are afraid they cannot afford to because mortgage rates are becoming higher and higher.

I think of American seniors, people like my own mom and dad, who are depending on Medicare but are afraid it will not be there in just a few years when they will really need it.

These are real people with real concerns and real fears, and for them I ask, what is so wrong about asking Washington to live within its means? What is so wrong about demanding that Washington not spend extravagantly at the expense of our Nation's children? Is it fair to punish working families who are trying to save for their future?

The Washington liberals and the bureaucrats will tell you to just work a little harder for Washington. Well, maybe the Washington bureaucrats need to work a little harder. I say it is time that you stop working for Washington and start working for yourselves. It is time to end the tax trap and give the American family some well-deserved tax relief. It is time to return your power and your money and your influence to where it belongs, with you, the citizen and the taxpayer.

As Americans, we cannot settle for less. As Americans, we cannot accept second best. As Americans, we cannot lower our expectations. This could be the greatest economy in the world, but we will only restore that greatness if we enact policies that encourage economic growth, raise wages, encourage savings, and return hope and optimism to the work force.

Our Washington bureaucracy did not make us great, America was made great because we as a Nation strived hard, sacrificed often, and worked together to be the best. It is our goal, the Republican goal, to end the tax trap. It is our goal to help Americans earn more money and to keep more of the money they earned so they can do more for themselves, their children, their family and their community, and save more for their children and their future. And, frankly, to be able to give a little more at the collection box on Sunday.

Unending dreams and limitless possibilities, that is what the American dream is all about. It is up to all of us to take it back.

THE AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. HILLEARY] is recognized for 5 minutes.

Mr. HILLEARY. Mr. Speaker, today we send more money to the tax collector than we spend combined on food, clothing, and shelter. In 1950, taxes just took a fraction of the working family's income, but today almost half of what the working person earns goes to the government in one form or another. Half.

Mr. Speaker, in the America my parents grew up in, if you worked hard and played by the rules, you had enough money left over from your paycheck to put something away for the future and you still had enough for those little extras that help make life special, at least your material life, like maybe taking your family on a vacation, for example.

That was what the American dream was all about. The American dream was also about making sure that children had more opportunities, more choices, and a better life than their parents.

□ 2300

And they should have those things. Then why is it for the first time in our history an entire generation of Americans has lost hope and confidence in their future? Why have we lost the vision of dreaming dreams and of unlimited possibilities?

The answer for too many people lies in Washington, DC. For decades, Mr. Speaker, Washington has told America that everything is OK, while it spent our children's inheritance and undermined their future. For too long, Washington has spent more than it takes in and spent our hard-earned tax dollars unwisely just to pay for a growing Washington bureaucracy. A bureaucracy that includes 160 different job training programs, 240 education programs, 300 economic development programs and 500 urban aid programs, just to mention a very few.

How does Washington afford all of these overlapping programs? By raising our taxes through the roof. Just ask our President. He was not in office 100 days before attempting to take even more of the hard-working people's hard-earned dollars.

By comparison, Republicans in Congress spent our first 100 days trying to desperately give tax relief to those same people but it was vetoed by the President. It should not surprise anyone that more and more American families find it difficult to make ends meet; that more and more Americans are forced to live paycheck to paycheck; and, that too many Americans want to put something away for the future but are not able to do it.

We should not be surprised by Bill Clinton's response. Against unanimous Republican opposition, Mr. Clinton imposed the largest tax hike in American history, $264 billion, yet he thinks if we take that money to pay for more and more government programs, somehow this will make people's lives better off.

It just cannot happen that way. The cost of Mr. Clinton's policies to the typical American family in higher taxes and lower earnings is $2,600 and all of us have felt that crunch; specially those who work for a living. Clinton's tax trap costs a lot of money and higher taxes means less savings and a more uncertain future, and that is why we have so many people in this country so afraid of the future and I share that fear.

These are real people with real concerns and real fires, and for them I ask every Washington bureaucrat, every Washington lawyer, every Washington lobbyist and frankly every Washington liberal, what is so extreme about asking Washington to live within its means? What is so extreme about demanding that Washington not spend extravagantly at the expense of our children?

Is it right to punish working families who are trying to save for the future or just trying to get ahead? Of course it is not. The liberals and the bureaucrats will tell you to work just a little harder for them. I say it is time we stopped working for the government tax collector and that next extra overlapping government program and start working for ourselves. It is time to end the tax trap and to give the American family some well-deserved tax relief. It is way past time to return power, influence, and money where it belongs: back to America's working families.

TROOPS IN BOSNIA SHOULD COME HOME BY CHRISTMAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, six months ago, 20,000 top United States combat troops were sent to do guard duty in Bosnia. We also support our troops in every possible way and want them back safely before Christmas as promised.

I have consistently opposed sending our fighting forces to foreign lands unless the objectives are clear and achievable and the timetable and the exit strategy are stated and fully understood by everyone. None of these details were presented to the Congress.

It is easy to send people to trouble spots, but it is seldom easy to get them out safely in a timely manner and an honorable manner.

President Clinton pledged that this was a temporary mission and that they would be pulled out and brought home in one year. The year is barely half gone. The costs are more than anticipated and rising. What are we now hearing from the highest levels of the administration? The word is filtering down that it may take more time, that our troops may have to stay longer in Bosnia to accomplish their objectives. Objectives which have never been clearly stated and, I believe, never even understood by those who gave the orders that sent them there.

We in Congress must be vigilant in the coming weeks and months. We must not allow our service personnel to become permanent occupation troops in Bosnia. If 1 year is not enough, will 2 or 3 or even 5 years suffice? Not likely. Our Nation should keep its word and our troops should be brought home this winter as promised.

WHO REALLY SPEAKS FOR THE CHILDREN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, when talking about children, there are significant differences between Democrats and Republicans. Republicans do not believe it takes Washington bureaucrats and spending to raise a child.

But after 30 years of a failed welfare system, a rapidly failing public education system, and a deteriorating justice system, Republicans have a different answer. What it takes to raise a child successfully today is quite simple: two responsible parents. What children need is not more Government spending but a mother and a father who care about them.

When talking about children, Republicans begin with three principles:

First, that the moral health of a nation is no less important than its economic or military strength. The fact is, you cannot have a healthy moral environment to raise children in America when 12-year-olds are having babies, 15-year-olds are killing each other, 17-year-olds are dying of AIDS, and 18-year-olds are graduating with diplomas they cannot read. If we are to restore the moral health of America, this behavior has got to stop.

Second, it is the results, not the rhetoric, that counts. Anyone can sound compassionate, but the truly compassionate are those that go out and find ways to make the lives of our children more happy and healthy.

And third, we must be willing to face ourselves in the mirror and be honest with the American people about the failure of the Washington welfare system to help those who need it most. It is our responsibility as elected officials to acknowledge that Washington got it wrong, so that next time we can get it right.

The welfare trap in this country literally enslaves generations of Americans on Government assistance by depriving hope, diminishing opportunity, and destroying the lives of our precious children.

Just look at our inner cities. You will meet a generation fed on food stamps but starved of nurturing, hope, and basic education.

Yet every year Washington spends more money on more welfare programs, expanding the welfare trap from one child to another, from one generation to another. What the Democrats do not understand is that raising more taxes to expand a welfare system that does not work now will only make matters worse later.

And welfare is not the only problem facing children. Among industrialized nations at the start of this decade, we had the most murders, the worst schools, the most abortions, the highest infant mortality, the most illegitimacy, the most one-parent families, the most children in jail, and the most children on Government aid.

A Washington-based social policy does not help children. It destroys them. It does not keep families together. It tears them apart. Instead of turning urban areas of America into shining cities on a hill, it has made them into war zones.

We have spent $7 trillion on welfare-related programs, and yet we have more poverty, more crime, more drug addiction, more broken families, and more immoral behavior. The Washington welfare system is broken and needs to be shut down. We need to start over.

But there are alternatives that are less expensive and work better than the current system.

Why does Habitat for Humanity work so much better than HUD? Because Habitat for Humanity first requires recipients to learn the responsibility of home ownership, then requires them to build a home for someone else, and only then do they build their own home. What does HUD require? Absolutely nothing. Do you see the difference? The private charity requires something of the individual.

The current Washington-based welfare system demands no responsibility, no work ethic, no learning, no commitment, and in the end, no pride. What we need are local solutions that involve local citizens working with local children.

Spending more on the current Washington welfare system will not help children. We have to rebuild parents, families, and communities, but you cannot do it from Washington. It has to be done at home, in school, and at church.

But it is also time we tackle the problem of American culture.

Think of what your own children will be watching on television tonight. Think of what they will see at the movies this weekend. It is wrong, it's harmful, and we cannot tolerate it any longer. It's time to challenge the entertainment industry to end its decadent slide. What we tolerate today would have been unacceptable 25 years ago.

And so the question for America is whether we move into the future, or remain in the past. Do we demand more from parents, or do we leave it to Washington to solve all our ills? Do we return control of education to the local community, or do we run education from a Federal department in Washington? Do we change the welfare system and restore hope and optimism to the next generation, or do we continue to accept the welfare world of dependency, illegitimacy and despair?

And most importantly, do we make a real commitment to improve the lives of children across the country, or do we use children as political pawns in the upcoming election?

THE RETRAINING AND OUTPLACEMENT OPPORTUNITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, today I introduced the Retraining and Outplacement Opportunity Act, legislation to help retrain Federal employees who are about to be separated by detailing them to the private sector or other agencies.

In light of the streamlining goals of the administration and the additional budget cuts proposed by the Congress, Federal workers are facing difficult times and are bracing themselves for more to come. Retirement and attrition will not add up to the 272,000 jobs mandated to be cut by the Workforce Restructuring Act of 1994. Agencies have been downsizing, and Federal workers know more reductions in force [RIF's] are imminent. Federal workers and Federal agencies are anxious about their future and the ramifications of further work force reductions.

I am a firm believer that loyalty must be repaid with loyalty. The Federal work force has provided outstanding services to this Nation, and now the Federal work force needs Congress' help. We must take this responsibility seriously and devise strategies that will help our Federal employees through this difficult transition.

Our strategies must center around two fundamental concepts: creating incentives for retirement and retraining displaced workers for jobs in the private sector.

Reform must allow for greater partnerships with the private sector, including extending the administration's idea of nonreimbursable details to the private sector. The legislation I introduced today would focus on retraining employees for the private sector through nonreimbursable details.

This legislation would permit an agency to allow an individual who has received a specific notice of separation or a certificate of expected separation to be placed on a nonreimbursable detail in another agency or private company for a period of up to 90 days while the Government pays his or her salary. After the 90-day period, the private sector would begin paying the salary. Unlike other details, the goal of this initiative is to place employees in these agencies and companies.

This bill would provide an employee and his or her agency to determine whether a potential match exists. The employee would have the opportunity to demonstrate his or her skills and ability, and the agency or company could evaluate the employee's likelihood of success.

This retraining opportunity would first be established as a demonstration project at the Department of Energy's Germantown, MD, facility. The DOE has been particularly hard hit by downsizing over the last 3 years. Recent cuts in the Department of Defense authorization threaten to impose substantial cuts of highly trained personnel and create a chaotic situation resulting from a massive RIF. These cuts would also divert time from critical cleanup programs, and I am actively fighting against these cuts. Regardless of whether these cuts occur, DOE is a good place to establish this demonstration project.

Within the current law, the administrators of this program would outline the plan, define the population, establish the selection criteria of candidates, and determine the agencies and companies that would be involved in the program.

If the detail occurs in the private sector, the employee would be considered an employee of the Federal Government and would retain all rights and privileges of a Federal employee until separated officially. The date of separation could be extended in the event that the employee would be separated before the detail ended. During the detail, the employee's compensation would be based on the employee's rate of pay before the detail. Private companies involved would set up an escrow account to store funds that would have been used for compensation had the employee been hired initially. If the employee is retained by the private company and remains for 2 years, the company would be required to transfer the money spent during the detail to the Treasury.

If the individual's work is satisfactory as defined under the agreement made by all parties, the individual would be given an offer, or, in the event that an offer could not be extended, the money would be reimbursed to the Government. If the individual is not satisfactory and not hired, the agency or company would not be forced

to reimburse the Government. If the individual is extended an offer, he or she would become an employee of that agency or company on the day after the detail ends, at which time the former agency's financial obligation would end. Multiple details would be allowed, but the combined days for all details could not exceed 90 days.

This change could help Federal agencies be more proactive in the retraining of their employees for private sector jobs. This legislation provides an important window of opportunity for Federal employees who are facing the uncertainty and anxiety of losing their jobs.

□ 2315

THE NEED TO REFORM FEDERAL TRAVEL PRACTICES AND SAVE $300 MILLION A YEAR

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, there is a fundamental need to reform the Federal travel practices and thus save at least $300 million a year. Today on behalf of the gentleman from Pennsylvania [Mr. FOX] and myself, I am introducing H.R. 3637, to improve travel management in the Federal Government.

The Federal Government is far behind the best practices of private sector firms. At long last, we need to adopt practices common in the private sector in order to save the taxpayers money. According to the General Accounting Office, Federal agencies spent $7.6 billion in fiscal year 1994 on travel, including transportation, lodging, rental cars, other travel related expenses related to two types of travel: Temporary duty and permanent relocation.

Administrative costs to implement the current travel regulations and practices of the Federal Government are also significant. In the private sector, the costs to complete a travel voucher are about $15. In the public sector, the Federal sector, the cost to process a single travel voucher can be as high as $123. Since there are 10 million vouchers processed each year, the Federal Government must reengineer its travel management practices in order to achieve significant savings.

The Federal Government needs to reform its travel processes if we are to succeed in saving $300 million every year. The General Services Administration needs to update the Federal travel regulations, and H.R. 3637 will be ensuring that change and reform can be done in a way that increases savings and decreases the amount spent by Federal agencies on travel. H.R. 3637 has been endorsed by the joint financial management improvement project, which includes membership from the General Accounting Office, part of the legislative branch, and the Office of Management and Budget, the General Services Administration and the Office of Personnel Management, as well as the Department of the Treasury. These are the experts in travel management in Federal agencies.

In addition, the strong support of Senator COHEN of Maine has been instrumental in providing Federal agencies with the spur that was needed to develop these proposals which are designed to reduce costs and to provide agency flexibility. I commend Senator COHEN's efforts, and we will be working with him to enact this important measure.

As we begin the process of balancing the Federal budget, Congress must look to Federal agency managers and its employees to find innovative and creative ways to save travel dollars. H.R. 3637 represents an important part of that effort. According to the joint financial management improvement project, $300 million per year may be saved from the appropriated funds of the taxpayers. By reducing the administrative burden, we can achieve substantial savings by passing H.R. 3637, the Travel Reform and Savings Act of 1996.

Mr. Speaker, I ask consent that a summary of H.R. 3637 be printed at the end of my remarks.

SUMMARY OF THE TRAVEL REFORM AND SAVINGS ACT OF 1996

Section 1. Short title—Travel Reform and Savings Act of 1996.

Section 2. Table of contents.

Title I. Relocation Benefits.

Section 101. Modification of allowance for seeking permanent residence quarters.

This section would authorize the payment of pre-determined travel expenses for househunting trips for relocating Federal employees. In the private sector, predetermined cost reimbursement is already used for househunting trips because of simplicity to administer, administrative cost savings, and the flexibility it gives Federal employees to manage their move.

According to a Joint Financial Management Improvement Project [JFMIP] report entitled Improving Travel Management Governmentwide, this change would save $10.8 million per year.

Section 102. Modification of temporary quarters subsistence expenses allowance.

This section would authorize the payment of pre-determined travel costs associated with temporary quarters. While seeking permanent quarters, a relocating employee must often occupy temporary quarters. Federal agencies currently authorize up to 120 days of expenses. This change would limit this time to 60 days, and provide an amount pre-determined by the agency.

According to the JFMIP report, this change would save $59.2 million per year.

Section 103. Modification of residence transaction expense allowance.

This authorizes agencies to use cost-reimbursable pricing for relocation service contracts. Currently, the Federal Travel Regulation limits relocation home sale payments made by agencies to direct reimbursement of closing costs. This section would authorize the payment of actual costs, overhead, and a performance-based fee designed to speed up the home sale.

This limits the liability of the Federal Government by shifting to the contractor the risk that the home will take a long time to sell, and that the contractor's expenses will exceed the fixed payment. Agencies that exercise this authority will need to manage the risk that the home will take a long time to sell.

According to the JFMIP report, this change would save $33.1 million per year.

Section 104. Authority to pay for property management services.

When an employee transfers for a limited time period, it may be cost-effective for the employee to rent rather than sell his home in the old duty station. This is particularly true in instances when the employee will return to the old duty station. Since the costs borne by agencies of selling a home are larger than the cost of reimbursing property management fees, there are savings which could be achieved by allowing Federal employees this option.

According to the JFMIP report, this change would save $1.5 million per year.

Section 105. Authority to provide employment assistance services to the spouse of a transferring employee.

When a dual career family moves, the accompanying spouse must find employment without the assistance of the Federal Government. This results in the loss of a second income, and often Federal transferees are unable to qualify for home mortgages without the second income. This provision gives agencies discretionary authority to provide some level of job placement to relocating spouses, when deemed in the best interests of the Federal Government.

According to the JFMIP report, this change would cost $5.9 million per year.

Section 106. Authority to transport a privately owned motor vehicle within the continental United States.

Current statute prohibits the shipment of a vehicle to a new duty station within the continental United States. Agencies reimburse the transferee for mileage, plus a per diem, which generally exceed the costs of shipping the vehicle and using a more expeditious mode of transportation to relocate the employee. Requiring that vehicles be driven to the new duty station also requires extended administrative leave, thus increasing costs and reducing efficiency.

According to the JFMIP report, this change would save $7.9 million per year.

Section 107. Authority to pay limited relocation allowances to an employee who is performing an extended assignment.

This section authorizes agencies to pay for permanent change of station expenses in lieu of the daily per diem allowance for extended assignments. Since employee costs are lower over a longer-period of time, many employees receive an allowance that exceeds what is needed to cover expenses. This provides the option to reduce costs by providing permanent change of station expenses, which can include en route travel and transportation, shipment of vehicles, househunting trips (if necessary) and lease breaking expenses. Employees would not be eligible for expenses related to disposing or maintaining residences at the official duty station.

According to the JFMIP report, this change would save $14.5 million per year.

Section 108. Authority to pay a home marketing incentive.

Most Federal agencies currently offer some of their transferees the assistance of a relocation contractor to market and sell their home. The fees charged by the contractor are typically based on a percentage of the home's value, and are quite large. A pilot in the Social Security Administration demonstrated that allowing employees to sell their own homes and be paid a fixed fee can save Federal agencies large figures.

According to the JFMIP report, this change would save $142.2 million per year.

Section 109. Conforming amendments.

Title II. Miscellaneous Provisions

Section 201. Repeal of the long-distance telephone call certification requirement.

Current Federal statute requires agencies to certify that individual long distance calls are in the interest of the Federal Government. This law dates from 1939, when a long-distance telephone call was expensive and viewed as a luxury. In many instances, the cost of certifying a call will often exceed the cost of the call itself.

According to the JFMIP report, this change would save $19.3 million per year.

Section 202. Authority to require use of the travel charge card.

Currently, Federal agencies receive a payment based on charges made by its employees under the government-wide travel charge card program administered by GSA. Many payments, including cash advances, hotel charges and airline tickets for travel expenses are not charged to the card. This limits the potential rebate.

Section 203. Prepayment audits for transportation expenses.

This section authorizes audits prior to payment to verify transportation expenses. All other invoices submitted to the Federal Government are generally audited by the procuring agency for correctness prior to payment. Currently, GSA uses audit contractors to perform prepayment audits on some transportation vouchers. These contractors have identified overpayments that were four times the amount of the payments to contractors, proving that this is a cost-effective tool. In contrast, the GSA Office of Transportation Audits spends $11 million to recover $12 million in overpayments using postpayment audits.

According to the GSA, this change would save $50 million per year.

Section 204. Reimbursement for taxes on money received for travel expenses.

The 1992 Energy Act inadvertently established a tax liability for certain Federal employees. The Energy Act limited the income tax deduction for business related travel expenses incurred while away from home to a maximum of one year (the prior maximum was one year). Most temporary duty assignments are less than one year. Because of this tax change, most Federal agencies have limited temporary assignment to one year.

Most Federal agencies were unaware of this requirement because the IRS did not notify them until December of 1993 and did not withhold tax payments from the employee's salary. Thus, many of the impacted Federal employees were liable for a lump-sum payment plus penalty and interest. In some instances, the tax liability exceeds $1,000 per employee.

According to GSA, this change would cost $4 million on a one-time basis.

Section 205. Transfer of authority to issue regulations.

This section gives statutory authority to the Administrator of General Services to issue regulations, which are currently the subject of a delegation of authority from the President pursuant to several Executive Orders.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BAKER] is recognized for 5 minutes.

[Mr. BAKER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

JUST DO IT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Wyoming [Mrs. CUBIN] is recognized for 5 minutes.

Mrs. CUBIN. Mr. Speaker, you all have seen the Nike ad with the words ''Just do it?'' That should be the slogan for the Democrats in Congress. They talk about a balanced budget. I say: Just do it. They talk about welfare reform. I say: Just do it. They talk about tax relief. I say: just do it. They talk about an end to big government. I say: just do it.

Talk is cheap, and nowhere is talk cheaper than in Washington. We've had enough talk, enough rhetoric, enough promises. It's time to stop talking about change and start making it happen. What we need is action, and we need it now. We need to stop all this wasteful spending—now. We need to balance the budget—now. We need to end welfare as we know it—now. We need tax relief for the forgotten American worker—now.

Did you ever wonder why Washington waits to solve a problem until it becomes a crisis? The American people should never accept second-best from their government or their elected leaders. They deserve better.

And why not? America's best days are still ahead. In the America of the 21st century, no one needs to be left behind. If we stop all this tax and spend behavior, we will end the Clinton crunch that as contributed to our national anxiety. And if we stop all this spending, we will end the tax trap caused by misguided Washington bureaucrats who want to spend more of your money, leaving you with less.

Let me be as clear as I can. Americans have a right to earn more, keep more, and do more. That's how we restore the American dream. Working together in a spirit of respect, with the right economic policy and incentives, our nation's potential is unlimited. We are Americans. There is nothing we cannot achieve. The best is yet to come. I say, just do it.

CHURCH BURNINGS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Louisiana [Mr. FIELDS] is recognized for the balance of the time until midnight as the designee of the minority leader.

Mr. FIELDS of Louisiana. Mr. Speaker, I rise tonight to talk about the issue of church burning. Before I do, Mr. Speaker, I want to commend the gentlewoman from North Carolina who had a resolution tonight on the floor of this House and it passed. And I want to thank the gentlewoman for her leadership in that area. I also want to thank the gentleman from Oklahoma as well.

Mr. Speaker, I have been asked by the chairman of the Congressional Black Caucus to chair an issue that we have been talking about tonight for some time. That is the issue of church burning, burnings across the country.

I take a moment of personal privilege to talk about these church burnings here again tonight because in my on own State five churches were burned.

Second, Mr. Speaker, I feel like Fannie Lou Hamer tonight. I feel sick and tired of being sick and tired. I am tired of individuals who have no respect for human life and no respect to buildings, burning churches at night. I also feel sick and tired of being sick and tired because while individuals burn churches at night, we have people who wake up in the morning and put on black robes and burn congressional districts in the daytime. And I think that is simply unacceptable and unconscionable.

I am happy that the gentlewoman from Texas will be a part of this special order tonight and the gentleman from Illinois will be a part of this special order tonight, the gentlewoman from California as well as the gentleman from South Carolina.

Before we talk about church burnings, Mr. Speaker, I want to talk a little bit about the districts that were burned today in the Supreme Court. To know that as a result of this ruling, a State like the State of Texas, a State with a population of almost 20 percent African-Americans, will not have the opportunity, not the guarantee but will not have the mere opportunity to send an African-American to this Congress is absolutely unacceptable and unconscionable. These burnings must stop, not only the burning of churches but the burning of congressional districts and legislative districts across this country. In order for us to get along in this country, in order for us to move forward in this country, we will have to learn how to be more inclusive.

I want to thank the gentlewoman from Texas, who has represented her constituents so well here in this body. I want to say to her in no uncertain terms that she has done a great job. Continue to press on and know that you must keep the faith. We are very pleased with the work that you do.

Now, on the issue of church burnings, Mr. Speaker, the CBC, the Congressional Black Caucus, we will first have a hearing right here in the Nation's capital. We will have the Justice Department. We will have ATF and all Federal agencies involved. That hearings will be headed and led by Congressman CONYERS. And we will talk, we will also have black churches, members, ministers of black churches to talk about these church burnings. Then we will leave this capital and we will travel across this country in each congressional district or each State where there has been church burnings, because we will not accept individuals putting torches to churches.

We are going to insist that every Federal agency in this country use every ounce of its power, every ounce of its resources, to make sure that we find the perpetrators of these crimes and bring them to justice and then move very swiftly to prosecute them.

I have, Mr. Speaker, a map of the entire United States of America which

gives you some sense of church burnings across the country. Before I yield to my colleagues who have joined me here tonight, I want you to see, I want Members of the House to see how this proliferation of church burnings is taking place all across this country.

Utah, the State of Utah, one church burning; Colorado, one church burning; State of Arizona, one church was burned. Even the State of New Mexico had a church burning.

Texas, the distinguished gentlewoman from the State of Texas, not only have they burned the districts, the congressional districts in the State of Texas, but two churches, two black churches were burned in the State of Texas as well, which is absolutely, positively unacceptable and we must insist that every Federal agency that has anything to do with investigations do everything possible to find the perpetrators of these crimes.

The State of Oklahoma, one church; even the State of Illinois, the gentleman from Illinois who is here tonight, a church was burned in his States. The State of Tennessee, which leads the whole Nation in terms of church burnings, six churches were burned in the State of Tennessee; five in the State of Louisiana; three in the State of Mississippi; five in the State of Alabama; one in the State of Georgia; five in the State of South Carolina, the gentleman who is here tonight, five churches were burned, many of them were in his congressional district; three churches in North Carolina; one in Virginia; two in Maryland; one in the District of Columbia; one in New York; and one in Pennsylvania.

And then to know that in Oklahoma, which is the most recent church burning, when we were debating tonight, we were debating on this floor about church burnings, to wake up the next morning and learn that a church was burned in the State of Oklahoma, it absolutely irks Members of this Congress, particularly Members of the Congressional Black Caucus.

I want to thank the Members who decided to come here tonight at the wee hours of the night because this is an important issue. I want the Members of this congress to know that the Congressional Black Caucus will not sit idly by and allow individuals to burn churches and get away with it. We are going to insist that every Federal agency that we have under the control of this Federal Government do everything that is humanly possible to find the perpetrators of these crimes, bring them to justice and then prosecute them to the fullest extent of the law.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. JACKSON], who has been participating in these special orders for some time, and also to the gentleman from South Carolina and the gentlewoman from Texas and the gentlewoman from California as well.

□ 2330

I yield to the gentleman from Illinois.

Mr. JACKSON of Illinois. I want to take this opportunity to thank my distinguished friend from Louisiana, the distinguished gentleman, CLEO FIELDS; and you, Mr. Speaker, for allowing us the privilege and this opportunity to address the House during this special order.

Anyone who might have misunderstood what happened in the 1994 elections should have clearly been set straight on the 23rd of January 1995. That day, in the ornate hearing room in the House Committee on Rules, the victorious Republicans, our colleagues on the other side of the aisle, removed a portrait of former Representative Claude Pepper of Florida, a renowned white, liberal Democrat, and certainly that was understandable because the Republicans certainly have the right to change pictures in various committee rooms to reflect their new majority. But what tickled me about this was that the new Republican committee chairman, Mr. SOLOMON of New York, distinguished colleague of ours from New York, had ordered the Pepper portrait to be replaced by another Democrat, the late Howard Smith of Virginia, a last-ditch segregationist in many of his years as Committee on Rules chairman, one of the most powerful opponents of civil rights legislation of the sixties.

And so I am here today to really join my colleague from Louisiana, my colleague from California, my colleague from Texas, and my colleague from South Carolina really to say that we are sick and tired as well of being sick and tired, sick and tired of having our churches burned at night, sick and tired of having our districts burned during the daytime, and what is left? Without political representation here in this institution to protect our rights in the society beyond Washington, with this whole motion and movement towards States rights, we are looking at the same kind of climate that we witnessed during the Tilden-Hayes Compromise of 1877.

I spoke not long ago at a high school to some students who at the end of my presentation stood up and asked the question, they said, ''Representative JACKSON, what's the difference between a Democrat and a Republican?''

And I tried to say Democrats fight for jobs, they fight for opportunity, they make room for more people, and Republicans tend to be pro-business. But one of the young people said, ''But wait a minute. I've heard Democrats on the floor argue on both sides of that issue.''

And so in 1877 what we really had was two parties with one assumption. Demopublicans, they called them, and Republicrats; they really conspired. We call it States rights, we call it more access to resources in our communities by the States, and they began shifting more resources to the States, and by 1896 they had stacked the Supreme Court kind of, if you will, a Clarence Thomas court, a kind of Scalia court, and then we got Plessy versus Ferguson. We had 22 African-Americans in the U.S. House of Representatives between 1863 and 1896, and after they stacked the Supreme Court, black robes, not white sheets who burn churches, but black robes who burn districts by day; by 1901 there were zero blacks in this institution, and I believe it was our late colleague from Illinois, Mr. DuPriest, who stood in this well and gave a speech: We will rise again like the phoenix, we will be back. And then it is not until the 1954 Brown versus the Board of Education decision that allowed the principle of equal protection under the law to be extended to the States in the form of a 1964 Civil Rights Act, a 1965 Voting Rights Act, and after three different reapportionments, the 1970 census, the 1980 census, the 1990 census. African-Americans in this body are now finally achieving comparable numbers to those numbers that they had at the turn of the century. And now we are looking at Supreme Court decisions once again that are consistent with Plessy versus Ferguson, and it is really unfortunate in 1996 that Mr. Thomas is leading the voting rights cabal.

I also rise this evening to stand with my colleagues and to join the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from the other side of the aisle, Mr. WATTS, in support of their resolution to condemn not only these church burnings, but also to demand that our Federal Government put the kind of resources behind this investigation that is necessary. Mr. Deval Patrick, the assistant attorney general for civil rights, along with the Attorney General of the United States, Miss Janet Reno, have indicated to us on more than one occasion that this is the largest civil rights investigation of its kind, and we are just so grateful to have Representatives in this body who can fight and encourage the Justice Department to put those kind of resources behind these kinds of acts of violence, and it is only because we are here that we can really fight for this right.

And so I would hope, and I have indicated this on another occasion as I prepared to yield time to the gentlewoman from Texas, that in 1996 we have an opportunity in this House, knowing that race and churches are being burned and opportunities are being burned, we have an opportunity in this House not to be demagogic in 1996. There is no need for us to vote on affirmative action in this House in this climate; it only means that more churches will burn. We should put it in the 105th Congress. There are other racially sensitive issues in this political climate that should not be considered in this political climate, and I would urge those in the majority to consider the climate and the times that we are living in and move these votes into the next Congress and give us the opportunity and the Nation the opportunity to have an election that will be free of race and race insensitivity.

And with that, I yield to the distinguished gentlewoman from Texas. She had a very tough and a very long day. She is one of the most outspoken Members in the House of Representatives. We can count on her to fight for women's rights, we can count on her to fight for the rights of locked-out and disenfranchised people in our country, and it is just unfortunate that a woman of her calibre and her stature who has represented not only African-Americans—people see us, they see African-American, but my district is 65 percent African-American, 35 percent white and Latinos and others live in my district. I am not just a black Representative or a black Congressman. I represent probably one of the most diverse districts in this country. I do not know an African-American in here who represents 99 percent African-Americans. Our districts are diverse, and so she represents her district and has served this institution with great honor, and today the Supreme Court of the United States rules against the calibre and the quality of leadership that she represents.

With that, I now yield time to the distinguished lady from Texas [Ms. JACKSON-LEE].

Mr. FIELDS. Mr. Speaker, I yield to the lady.

I think the gentleman is absolutely right. The gentlewoman represents a very diverse district, and, as I stated earlier, we appreciate her leadership, and I think citizens not only in her congressional district but citizens all across her State and citizens all across this country appreciate her leadership, and this time I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE. The esteemed gentleman from Louisiana is appreciated, along with my respect for my colleagues who are here on the floor of the House, the gentleman from South Carolina in his leadership over the years in fighting for the rights of South Carolinians, the gentlewoman and her leadership from California, as I have spoken to her frequently on her concern about education, and the gentleman from Illinois who has reached out to the younger voter and demanded of that younger voter that they be part of this process called America.

The gentleman from Louisiana has had a longstanding friendship with young people, but more importantly I have admired his refusal to, even though tired and maybe sick and tired, never to be broken, and I appreciate your leadership on this special order. You are right to thank the gentlewoman from North Carolina and the gentleman from Oklahoma for their wisdom and vision earlier this evening to begin to set the tone for the American public on this whole issue of the burning of houses of worship.

As I heard for the first time this morning the rendering of the Supreme Court decision, it did not fall to my lot to immediately begin to think about what SHEILA JACKSON-LEE or any congressperson would do in this circumstance. But I began to think of those individuals in my district who yet have not reached or have not achieved the opportunity of even traveling outside of the 18th congressional district, citizens in my district who have lived their entire life within the context of the historic 18th Congressional District, individuals who are proud, who believe in America, who have sent young men and women off to war but yet live in housing of substandard quality, individuals who are still struggling to get the kind of education to see opportunities for their children, individuals who, if they missed one day of school lunch or school breakfast, their children, of occurs, would suffer the consequences and the pain of hunger; individuals who give their small donations to their beloved churches and pastors, they give their very best. And to be able to have to go home this weekend to speak to these individuals, to be able to say to them that today on June 13, 1996, they were declared less than an American by the U.S. Supreme Court, individuals who heretofore had paid poll tax or had their ancestors or grandparents or parents tell them how difficult it was first to achieve the right to vote in the State of Texas and now having spent just a few short years.

That is what America needs to understand, that these districts have only come into existence a mere three decades or less. Individuals who are in my district may be voting now consistently only for less than 30 years because of the obstacles that have been placed before them to vote even in the smallest election in the State of Texas, and then to have to go home to these individuals and to clear away the confusion for, they will be asking: Are we no longer part of America? Has the district been declared un-American? The chilling effect will be far reaching.

Young people who are just coming out of high school who I had the opportunity to speak before in the recent graduations in my district, bright-eyed and bushy-tailed, if you will, ready for the next day, looking for career opportunities, believing in America; now they must try to understand, are we truly second-class citizens in this country? The criteria used by the Supreme Court today was truly a burning of the Constitution. I would simply ask:

When does a configuration, a drawing, become a higher ideal than the opportunity for people to choose an individual of their choice to represent them in the U.S. Congress? When is it a sin and when is it illegal to take into consideration the diverse concept of race as it is with community of interests so that majority minority districts have now been categorized and labeled as a derogatory concept in the American political system? What does that say to an emerging population who have yet not taken their rightful place in the political arena; a Congress of 435 individuals with a mere 30-plus African-American Representatives, a number that has grown only since the 1990 census and the 1992 elections?

And so it is important, Mr. FIELDS, that we convene this special order. It is not for any selfish motives of those of us who come to the floor of the House, for I am grateful for the very small opportunities that I have had, but it is for the future of this Nation to recognize that the systematic destruction and undermining of the spirit of those who would cling to democracy is a destruction of this Nation's future. These opinions have continued to chip away at those who have tried to speak peace and equality and inclusion.

And as I bring my remarks to a close, let me say that I am gratified for the words that were said tonight with respect to this blight on America, this blaze on the Constitution, the burning of churches or houses of worship.

My colleagues on the other side of the aisle have indicated that they will rise up with millions of dollars for the ATF, the Alcohol, Tobacco, and Firearms agency.

In the Committee on the Judiciary, under the leadership of ranking member CONYERS and Chairman HYDE, we have brought out a piece of legislation that I have cosponsored to make the prosecution of these individuals more swift and effective.

But the real key has to be that we must catch these individuals and show America that we are serious, and then at the same time as we catch these individuals we must, in fact, begin to understand that we should not hide away from the racial anger and tones that have been set by the climate of political rhetoric in this Nation, and I hope that we all will commit to drawing down our words, stopping the polarization, and in order to do that let me say to you in closing that I am gratified that both Congresswoman CLAYTON and Congressman WATTS accepted my amendment that calls for, this week, calls for this Nation this week to adopt a week of prayer from June 16 to June 23, gathering in our respective houses of worship to speak not only against burning, but against the anger and the rancorous talk and the castigating of those of us who have come first as slaves in this Nation.

We must break the shackles of racism in this Nation. I call upon my brothers and sisters of Hispanics and Anglos and African-Americans and Asians and men and women in all parts of this community, Jewish people and gentiles, to respect the need to embrace each other.

□ 2345

I hope as we proceed this evening that our Supreme Court will be able to reconsider itself, and recognizing it as the highest body in the land, I respect its privilege, but I would simply hope that they would call upon the spirit of the Honorable Justice Thurgood Marshall who came to that court as a victor and a soldier and a general in the

war of civil rights, and he carried the message forward that in fact we all are created equal. If we take that claim, we will stop the burning of the districts and we will stop the burning of the houses of worship, and we will rise as Americans together, and we will not be singing that song, ''We Shall Overcome,'' but we will sing the song, ''We Have Overcome.''

I hope this special order will be in tribute to the gentleman from Louisiana [Mr. FIELDS] that Americans will listen and rise up to support freedom. I yield back to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I thank the gentlewoman for yielding.

Now I would like to recognize the gentlewoman from California [Ms. MILLENDER-MCDONALD]. Before I do, I would like to say that in our discussions on this task force on church burnings across the country, particularly in the southern part of our country, the gentlewoman from California, who by the way, is new to this body, made it very clear that we should have hearings, we should talk to ministers, we should talk to community people, people in the community about their feelings, and also make sure that there is a relationship merged between the investigators, the Federal agencies, and these ministers and these parishioners of these churches. I just want to thank the gentlewoman for her leadership because as a result, there was a meeting at 8 a.m. this morning in the office of the gentleman from Michigan [Mr. CONYERS], and as a result of that meeting, the ranking member of the Committee on the Judiciary decided to start his hearings right here in Washington, DC. Because of her leadership, we will be traveling all across the country as a caucus, Members of the Congressional Black Caucus, in each of these several States holding hearings on church burnings.

At this time I would like to yield to the distinguished gentlewoman.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I thank the gentleman from Louisiana. It is really fitting and absolutely great for me to see two young African-American men who are role models who are here tonight at this hour to talk about the rash of church burnings in this Nation. Then to hear the gentlewoman from Texas [Ms. JACKSON-LEE], who speaks so eloquently on this floor, who has to now go back and try to see what she can do with the recent decisions that have been brought down on her by the Supreme Court.

I would like to thank also the Speaker for allowing us tonight to come and speak about the rash of church burnings. Mr. Speaker, this issue is very important to me, as it should be to all Americans. However, I have a special concern about the rash of church burnings that is taking place across the South and other areas as I have lived through a similar period.

During the 1950's I was the child of an active Baptist minister in Alabama.

Given my father's status and the respect he had earned, especially among the African-American community, we lived in fear every night of the bombings and the arson that was rampant at the time. The young women who were killed in the church bombings in 1962 were neighbors and friends of our family.

Mr. Speaker, I can personally attest to the fact that these burnings, both in the 1950's as well as the ones with which we are currently faced, are acts of terrorism.

Furthermore, the U.S. Government, which spends billions of dollars each year investigating and attempting to abate terrorism here and abroad, should do all it can to stop this terrorism that is currently invading the souls of our community.

As we are all aware, Mr. Speaker, terrorism such as these church burnings is the insidious act of cowards; people who are too afraid to air their hatreds or fears in public lest they meet others who may be able to talk some sense into them during a debate.

Yet in order to really understand these random acts of violence and hatred, we should perhaps look at the culture by which they are being perpetuated.

The burning of African-American churches is but one manifestation of the fear, the hatred, and the divisiveness that is becoming more and more prevalent in our society.

Mr. Speaker, we see this divisiveness in ballot initiatives, we hear it in stump speeches by some politicians, and we witness it even in some of the legislation that is coming before us.

Moore and more, people are blaming minorities, immigrants, and women for their woes or their fears.

In my home State of California, we will have a ballot initiative in November on Whether or not to do away with all affirmative actions programs. This initiative follows closely on the heels of the Governor of my fair State asking the regents of the University of California to abolish all affirmative action administration programs.

While these actions, Mr. Speaker, as well as legislation that has been introduced here and in other bodies to eliminate affirmative action programs are not terrorism on the same level as the church burnings, they are born from the same fears and divisiveness.

What we, as national leaders, Mr. Speaker, should do is try to pursue a rational debate to try to solve the problems that face all Americans, regardless of their color, their age, their gender, or their religious affiliation.

We, the political leaders of our Nation, should not try to use the fears of the population to promote ourselves or our agendas. In doing this, we are only creating an environment in which hatred and anxieties are driven to extreme measures, such as those we are witnessing in the South and other places.

So, Mr. Speaker, I urge all Americans to join us in speaking out against the current rash of church burnings and to alert the perpetrators that this is not how civilized people conduct themselves.

I also urge Americans, and especially the politicians, to pause before they speak words of divisiveness. Rather than playing on and driving the fears of some citizens, I would hope that we could begin to work together for the resolves that will help all Americans build a better nation and indeed a better world.

Mr. FIELDS of Louisiana. I thank the gentlewoman. There are individuals in this country who are trying to turn back the hands of time, trying to make 1996 look like 1896, but we are not going back. We have come too far now. We have come to a threshold of freedom, and we have reached the periphery of liberation and we have seen the ambition of liberty. We are not going back.

There are those who try to burn opportunities by burning affirmative action. Some try to burn political inclusion by burning congressional districts, and some even try to burn our spirits by burning churches. But we are not going back.

At this time I would like to yield to the gentleman who has probably the most experience in the civil rights movement of all of us here tonight, the senior Congressman from the great State of South Carolina, who I have a great deal of respect for.

I want to say to the gentleman, I have never been confronted with a door that said colored or white only. I have never had to sit in the back of a bus. I am benefiting from fruits of a tree that I did not plant, I did not nourish, and I did not even shape. I am here today because of people like the gentleman from South Carolina who stood in those many lines and who marched the many highways. And I just want to say thanks to the gentleman, and I know I speak for the gentleman from Illinois as well.

□ 2355

We are here today because of the sweat and tears of your work and we want to thank you. I yield to the gentleman from South Carolina.

Mr. CLYBURN. I thank the gentleman very much, my good friend Mr. FIELDS from Louisiana. Thank you, first of all, for your kind words. I am pleased to hear them and I hope that I continue to earn them.

Second, let me thank the gentleman for organizing this special order. I think that your work chairing the Task Force on Church Burnings for the Congressional Black Caucus is work that is to be commended and I thank you so much for brining us all here this evening. I am pleased to join with my colleagues in this special order.

Let me begin my comments by first of all congratulating the people of South Carolina, Williamsburg County, Greeleyville.

As you may recall, this past Tuesday evening, I traveled to South Carolina

where on Wednesday morning I went with President Clinton to visit the Greeleyville community, the community that suffered a church burning on June 20 of last year. On Wednesday, we met at the site of a new church. On this coming Saturday, 360 days after their church was burned to the ground, the people of Greeleyville, the members of Mount Zion AME Church, their pastor, Reverend Terrence Mackey, will all gather at the site of the old church and they will march one mile to the new church. I think that the people of that community, black and white, have demonstrated to all of us what can be done and what should be done in responding to these kinds of vitriolic actions.

I am very pleased with their demonstration of cooperation. Earlier this evening I heard one of our colleagues talk about the difficulty that a community is having rebuilding a church that was burned. I thought as he spoke of the people in this little town in the poorest county in South Carolina, how they all banded together, irrespective of skin color, irrespective of hair texture, and they all came together to make sure that they demonstrate to the rest of the world how we ought to conduct ourselves.

Mr. Speaker, I know that the time is late and I think my time is running out, but I want to say one thing in order to make my point.

Many of you may recall that Martin Luther King Jr. in 1963 issued a letter from the Birmingham City Jail, a letter that spoke to the question of time and the neutrality of time. King admonished us in that letter that we are going to be called to repent in this generation not just for the vitriolic words and actions of bad people but for the appalling silence of good people.

I want to say to all the Members of the body and the people of our great Nation that these vitriolic actions may be bad but it is just as bad for us to remain silent.

So I want all of us to speak up and speak out and make sure that we do so in such a way that the people who perpetrate these vitriolic acts will be driven back under the rocks from which they came and hopefully we, the good people of our Nation, can march forward together.

I thank the gentleman so much for letting me be a part of this special order.

Mr. FIELDS of Louisiana. I thank the gentleman.

In closing, I would just like to say to the gentleman that I am happy and pleased that this Congress, and the American people should know that this Congress stands in unison, we stand together tonight, both Democrats and Republicans, blacks, whites, young, old, men and women. We will not tolerate the burning of any churches. We are going to appropriate the necessary resources to the agencies that are conducting investigations and we will find the perpetrators of these crimes and they will be brought to justice.

To end this special order, I yield to the distinguished gentleman from Illinois. Before I do, I want to leave on this note. I often talk about what we have in common.

I will never forget when I graduated from high school my mother said, ''What's the universal language?'' I said, ''It's English, Mom.'' And she said, ''No, it's not.''

She said, ''If you cry, can you cry in English?'' I said, no.

She said, ''If you're in Spain can you cry in Spanish? If you're in France can you cry in French?'' She said, ''No, you cry in pain.''

There is a lot of crying taking place tonight. I do not care if you are black or white, young or old, male or female, we all cry the same. I would hope we would work together to end that cry.

I yield to close to the gentleman from Illinois.

Mr. JACKSON of Illinois. Let me say that I think the gentleman from Louisiana's words were most appropriate and fitting to close this special order.

[National Rainbow Coalition, June 13, 1996]

''BURNING CHURCHES, BURNING OPPORTUNITY''
JACKSON ATTACKS SUPREME COURT DECISION

Washington, D.C.—The Reverend Jesse L. Jackson attacked today's Supreme Court decision which struck down majority-minority districts in North Carolina and Texas.

''At night, the enemies of civil rights strike in white sheets, burning churches,'' Jackson said. ''By day, they strike in black robes, burning opportunities.''

''1996 is looking more like 1896 every day,'' Jackson continued. ''Churches are burned, all across the South. The gains of the Second Reconstruction won by Dr. King are being rolled back, just like Jim Crow rolled back the gains of the First Reconstruction. The Supreme Court in 1896 ruled on Plessy vs. Ferguson, with its idea of 'separate but equal.' The Supreme Court now puts out ruling after ruling under the pretense that after four centuries of slavery and apartheid, that a white population which makes up 85% of the electorate, and an African American electorate which makes up only about 10%, operate on an equal playing field.''

Jackson noted with approval the words of Justice Stevens, who wrote: ''A majority's attempt to enable the minority to participate more effectively in the process of democratic government should not be viewed with the same hostility that is appropriate for oppressive and exclusionary abuses of political powers.''

Jackson also commented on those who voted in the majority: ''On the side of those voting to end the Second Reconstruction, we find Chief Justice Rehnquist, who first came to public notice as he attempted to intimidate minority voters from going to the polls.

''Second, we find Sandra Day O'Conner, an affirmative action justice, who is only on the court because the civil rights movement and the women's movement forced America to widen the pool of those 'qualified' to serve in our nation's highest positions—despite that, she votes to end the most effective electoral remedy we have yet found to diversify the make-up of our legislatures.

''And third, of course, we find Justice Clarence Thomas, who is on the Supreme Court only because he is Black—no white justice with his limited legal experience would ever have been considered for that position—and yet he turns his back on the same movement and remedies that allowed him to rise.

''Clarence Thomas is a memorial to George Bush's racial cynicism, and he has imposed upon us blow after blow more devastating than anything George Wallace was able to deliver.

Jackson concluded: ''It is humiliating and painful to watch a prime beneficiary of Martin's movement stick the dagger in the heart of Dr. King's dream.

''Districts have historically been drawn based on incumbency, political parties, geographical boundaries, and industry. Racial factors were added after judges found, years after Selma, proof of patterns of racial discrimination. Therefore, they ordered the redrawing of boundaries for 'racial inclusion,' rather than 'racial exclusion.' These judges chose to be 'race-affirmative,' to offset centuries of 'race-negativity.'

''The result after the 1992 elections was the most representative U.S. Congress, and the most representative state legislatures, in the history of this nation. This is the context in which the Supreme Court today has acted to wound Dr. King's dream.

''America is moving towards the end of this century with the same tragic music with which Plessy v. Ferguson ended the last century. And the saddest notes of all are being played by one of the civil rights movement's prime beneficiaries—Clarence Thomas.

Mr. COYNE. Mr. Speaker, I rise tonight to join in this special order on the recent rash of arson attacks on African-American churches throughout the South.

It causes me great pain that such a special order is necessary today, 40 years after Brown v. Board of Education and 30 years after the civil rights breakthroughs of the 1960's. I think that we all had believed that we were past the shameful period of our Nation's history when racist hate groups bombed and burned African-American churches in order to frighten African-American communities into submission.

I don't know whether these fires were primarily the product of some misguided individual or some fringe hate group—or whether they represent the uncoordinated acts of a number of people who have focused their hatred and frustration on these churches. We will have to wait for the results of the ongoing investigations to find that out. But I do know that—whatever the reason—such acts are unacceptable. They are unconscionable.

Few crimes are as abhorrent as an attack on a church. A church is a place to worship God. It is the heart of the moral and emotional life of any community. An attack on a church is a clear statement of hostility toward an entire community. In a country like ours that places a very high value on freedom of association, freedom of religion, and our Nation's diverse ethnic background, it should also be interpreted as an attack on the ideals and principles of our society.

One such case would be too many. But a single case could be understood as the isolated action of some sick individual. Unfortunately, the number of such crimes has grown so great that I think we can reasonably conclude that these arson attacks are racially motivated and, to some undetermined extent, organized. Clearly, African-American churches have been targeted because they represent the moral and emotional center of these communities. These attacks are clearly hate crimes directed at African-Americans. These crimes make clear that our Nation's painful struggle over race relations is far from over. Moreover, the sheer number of attacks suggests some kind of conspiracy, as well as a number of copycat free agents.

At times like these, it is important that Americans spontaneously rise up and unequivocally condemn these attacks, and that our government take every possible action to identify, apprehend, and punish the perpetrators. We must make it unmistakably clear that our society will not condone, tolerate, or ignore crimes of hate. We must make it clear that an attack on any member of our society is an attack on us all. We must make it clear that ours is a nation based on tolerance, diversity, and compassion—not violence, prejudice, and hate.

As a result of our racially troubled past and the sad, lingering legacy of slavery and Jim Crow laws, white Americans have a special responsibility at times like these to reach out to our African-American brothers and sisters to let them know that we do not share the racial hatred that appears to have motivated these attacks. We have a responsibility to let them know that we share their pain and anger, and that we want to work with them to heal the wounds created by these reprehensible attacks.

Sadly, it is clear that our society is still torn over the issue of race. I believe, however, that we have the potential to grow and mature. Change can be difficult, and it often takes time. But I believe that the day is not that far off when this society will fulfill the ideals of equality, freedom, and harmony to which it has always aspired.

I believe that we should attempt to turn this tragedy into opportunity—an opportunity to address the tensions that still linger below the surface in the daily interactions between Americans of different races, religions, and ethnic groups. As a first step, let us rise up as one people to condemn these intolerable attacks. Second, let us make certain that the Federal Government makes every effort possible to get to the bottom of these crimes. And finally, let us engage in a national dialogue to expose and extinguish the misunderstanding and fear that motivate such hateful acts.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOUGHTON (at the request of Mr. ARMEY) for today until 3 p.m., on account of attending a funeral.

Mr. CUNNINGHAM (at the request of Mr. ARMEY) for today after 7 p.m. and the balance of the week, on account of attending his daughter's graduation.

Mr. MYERS of Indiana (at the request of Mr. ARMEY) for today after 8 p.m. through Tuesday, June 18, on account of official business.

Ms. EDDIE BERNICE JOHNSON of Texas (at the request of Mr. ARMEY) for today after 7:30 p.m. and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FILNER) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. HILLIARD, for 5 minutes, today.

(The following Members (at the request of Mr. HAYWORTH) to revise and extend their remarks and include extraneous material:)

Mr. LUCAS of Oklahoma, for 5 minutes today.

Mr. GOSS, for 5 minutes today.

Mr. WALKER, for 5 minutes today.

Mr. GUTKNECHT, for 5 minutes today.

Mr. WELLER, for 5 minutes today.

Mr. HILLEARY, for 5 minutes today.

Mr. WAMP, for 5 minutes today.

Mr. METCALF, for 5 minutes today.

Mr. WELDON of Florida, for 5 minutes today.

Mrs. MORELLA, for 5 minutes today.

Mr. HORN, for 5 minutes today.

Mr. BAKER of California, for 5 minutes today.

Mr. MCINTOSH, for 5 minutes, on June 20.

Mrs. CUBIN, for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FILNER) and to include extraneous matter:)

Mr. KENNEDY of Massachusetts.

Mr. EDWARDS.

Mr. SCHUMER.

Mr. MARTINEZ.

Mr. BONIOR.

Mr. LEVIN.

Mr. JACOBS.

Mr. TORRICELLI.

Mrs. KENNELLY.

Mr. MARKEY.

Ms. DELAURO.

Mr. LAFALCE.

Mrs. MALONEY.

Mr. TOWNS.

Mr. PAYNE of New Jersey.

Mrs. LOWEY.

Mr. CARDIN.

Mrs. THURMAN.

Mrs. CLAYTON.

Ms. LOFGREN.

Mr. REED.

Mr. GENE GREEN of Texas.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Mr. FIELDS of Texas.

Mr. HOKE.

Mr. FOX of Pennsylvania.

Mr. CUNNINGHAM.

Mr. SPENCE.

Mr. DORNAN.

ADJOURNMENT

Mr. FIELDS of Louisiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), under its previous order, the House adjourned until Monday, June 17, 1996, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3571. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Tobacco Inspection; Growers' Referendum Results (Docket No. TB–95–13) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3572. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Tobacco Inspection; Growers' Referendum Results (Docket No. TB–95–15) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3573. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Hazelnuts Grown in Oregon and Washington; Assessment Rate (Docket No. FV96–982–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3574. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Increased Assessment Rate for Domestically Produced Peanuts Handled by Persons Not Subject to Peanut Marketing Agreement No. 146 and for Marketing Agreement No. 146 Regulating the Quality of Domestically Produced Peanuts (Docket No. FV96–998–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3575. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Apricots Grown in Designated Counties in Washington; Temporary Suspension of Minimum Grade Requirements (Docket No. FV96–922–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3576. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of June 1, 1996, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 104–232); to the Committee on Appropriations and ordered to be printed.

3577. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled the ''FHA Single Family Housing Reform Act of 1996''; to the Committee on Banking and Financial Services.

3578. A letter from the Assistant Secretary for Pension and Welfare Benefits, Department of Labor, transmitting the Department's final rule—Interpretive Bulletin 96–1 Participant Investment Education (Pension and Welfare Benefits Administration) (RIN: 1210–AA50) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3579. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Valuation of Plan Benefits in Single-Employer Plans; Valuation of Plan Benefits and Plan Assets Following Mass Withdrawal; Amendments Adopting Additional PBGC Rates (29 CFR Parts 2619 and 2676) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3580. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled the ''Development Disabilities Assistance Amendments of 1996,'' pursuant to 31 U.S.C. 1110; to the Committee on Economic and Educational Opportunities.

3581. A letter from the Director, Office of Regulatory Management and Information,

Environmental Protection Agency, transmitting the Agency's final rule—Testing Consent Order for Alkyl Glycidyl Ethers; Technical Amendment (FRL–5368–3) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3582. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Air Pollutant List; Modification (FRL–5520–5) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3583. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Priorities List for Uncontrolled Hazardous Waste Sites (FRL–5520–2) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3584. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 15.117(g)(3) of the Commission's Rules Relating to the Filing of UHF Noise Figure Performance Measurements (ET Docket No. 95–144) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3585. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 302 of the Telecommunications Act of 1996: Open Video Systems (CS Docket No. 95–46) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3586. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Foods and Drugs; Technical Amendments (21 CFR Chapter I) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3587. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Change of Names and Addresses; Technical Amendment; Correction (21 CFR Parts 172, 173, 175, 176, 177, 178, 180, 181, and 189) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3588. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Change of Names and Addresses; Technical Amendment; (21 CFR Parts 172, 173, 175, 176, 177, 178, 180, 181, and 189) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3589. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Foods and Drugs; Technical Amendments (21 CFR Chapter I) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3590. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Production and Utilization Facilities; Emergency Planning and Preparedness Exercise Requirements (RIN: 3150–AF20) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3591. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Health Maintenance Organizations: Employer Contribution to HMO's (Health Care Financing Administration) [OMC–004–F] (RIN: 0938–AE64) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3592. A letter from the Secretary of Education, transmitting the semiannual report to Congress on audit follow-up for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3593. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–279, ''Fiscal Year 1996 Budget Support Act of 1996,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3594. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Airstrip Closure (National Park Service, Cape Lookout National Seashore) (RIN: 1024–AC29) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3595. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Importation, Exportation, and Transportation of Wildlife (Fish and Wildlife Service) (RIN: 1018–AB49) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3596. A letter from the Acting Director, Fish and Wildlife Service, transmitting the Service's final rule—Endangered and Threatened Wildlife and Plants; Reclassification of Erigeron maguirei (Maguire daisy) from Endangered to Threatened (RIN: 1018–AC71) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3597. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Operating Requirements: Domestic, Flag, Supplemental, Commuter, and On-Demand Operations; Corrections and Editorial Changes (Federal Aviation Administration) (RIN: 2120–AG03) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3598. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Baker, Montana (Federal Aviation Administration) [Docket No. 96–ANM–001] (RIN: 2120–AA66) (1996–0056) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3599. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Federal Colored Airway B–9; FL (Federal Aviation Administration) [Docket No. 95–ASO–20] (RIN: 2120–AA66) (1996–0058) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3600. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of V–99, V–451, and J–62 (Federal Aviation Administration) [Docket No. 95–ANE–35] (RIN: 2120–AA66) (1996–0059) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3601. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Las Vegas (Federal Aviation Administration) [Docket No. 95–ASW–31] (RIN: 2120–AA66) (1996–0062) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3602. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Lockheed Model L–1011–385 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–104–AD; Amendment 39–9667; AD 96–12–24] (RIN: 2120–AA64) (1996–0062) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3603. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Superior Air Parts, Inc. Pistons Installed on Teledyne Continental Motors O–470 Series Airplanes (Federal Aviation Administration) [Docket No. 94–ANE–30; Amendment 39–9646; AD 96–12–04] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3604. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal, Inc. (formerly Textron Lycoming) LTS101 Series Turboshaft and LTP101 Series Turboprop Engines (Federal Aviation Administration) [Docket No. 95–ANE–16; Amendment 39–9647; AD 96–12–05] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3605. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Teledyne Continental Motors and Rolls-Royce, plc O–200 Series Reciprocating Engines (Federal Aviation Administration) [Docket No. 94–ANE–53; Amendment 39–9648; AD 96–12–06] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3606. A letter from the Director, Office of Global Programs, National Oceanic and Atmospheric Administration, transmitting the Office's final rule—Climate and Global Change Program—received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

3607. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Educational Assistance Programs and Service Members Occupational Conversion and Training Act Program (RIN: 2900–AH31) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3608. A letter from the Assistant Secretary (Tax Policy), Department of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code; to the Committee on Ways and Means.

3609. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled the ''Community Development Block Grant Performance Fund and HOME Performance Fund Act of 1996''; jointly, to the Committees on Banking and Financial Services and Ways and Means.

3610. A letter from the Vice President of the United States, transmitting a draft of proposed legislation entitled the ''Everglades and South Florida Ecosystem Restoration Act of 1996''; jointly, to the Committees on Transportation and Infrastructure, Resources, and Agriculture.

3611. A letter from the Secretary of Housing and Urban Development, transmitting two drafts of proposed legislation entitled the ''FHA Multifamily Housing Reform Act of 1996'' and the ''Housing Enforcement Act of 1996''; jointly, to the Committees on Banking and Financial Services, Resources, the Judiciary, and Ways and Means.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. COMBEST: Permanent Select Committee on Intelligence. H.R. 3237. A bill to provide for improved management and operation of intelligence activities of the Government by providing for a more corporate approach to intelligence, to reorganize the agencies of the Government engaged in intelligence activities so as to provide an improved Intelligence Community for the 21st century, and for other purposes, with an amendment; referred to the Committee on Government Reform for a period ending not later than July 23, 1996, for consideration of such provisions of the bill and the amendments recommended by the Permanent Select Committee on Intelligence as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X (Rept. 104–620, Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3237. Referral to the Committee on National Security extended for a period ending not later than July 23, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRAZER (for himself, Mr. BALDACCI, Mr. BISHOP, Mr. THOMPSON, Ms. NORTON, Mr. MORAN, Mr. WYNN, Mr. HASTINGS of Florida, Mrs. MEEK of Florida, Mr. LUTHER, Mr. ROMERO-BARCELO, Mr. HILLIARD, Ms. MCKINNEY, Mrs. CLAYTON, Mr. RANGEL, Mr. DORNAN, Ms. JACKSON-LEE, Mr. LEWIS of Georgia, Mr. FLAKE, Mr. HAYWORTH, and Mr. MENENDEZ):

H.R. 3634. A bill to amend provisions of the Revised Organic Act of the Virgin Islands which relate to the temporary absence of executive officials and the priority payment of certain bonds and other obligations; to the Committee on Resources.

H.R. 3635. A bill to direct the Secretary of the Interior to enter into an agreement with the Governor of the Virgin Islands, upon request, that provides for the transfer of the authority to manage Christiansted National Historic site; to the Committee on Resources.

By Mr. NEUMANN (for himself, Mr. MCINTOSH, Mr. BASS, Mr. BONO, Mr. BROWNBACK, Mr. BURR, Mr. CAMPBELL, Mr. CHABOT, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBURN, Mr. COOLEY, Mr. CREMEANS, Mrs. CUBIN, Mr. EHRLICH, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. FOLEY, Mr. FORBES, Mr. FOX, Mr. FRISA, Mr. FUNDERBURK, Mr. GRAHAM, Ms. GREENE of Utah, Mr. GUTKNECHT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HILLEARY, Mr. HOSTETTLER, Mr. JONES, Mr. LAHOOD, Mr. LARGENT, Mr. LATOURETTE, Mr. MARTINI, Mr. METCALF, Mrs. MYRICK, Mr. NEY, Mr. NORWOOD, Mr. RADANOVICH, Mr. RIGGS, Mr. SALMON, Mr. SCARBOROUGH, Mrs. SEASTRAND, Mr. SHADEGG, Mr. SOUDER, Mr. STOCKMAN, Mr. TIAHRT, Mr. THORNBERRY, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, and Mr. WELLER):

H.R. 3636. A bill to amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the Managing Trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit; to the Committee on Ways and Means.

By Mr. HORN (for himself and Mr. FOX):

H.R. 3637. A bill to amend chapter 57 of title 5, United States Code, and title 31, United States Code, to provide employees who transfer in the interest of the Government more effective and efficient delivery of relocation allowances by reducing administrative costs and improving services, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. BEREUTER (for himself, Mr. HOUGHTON, Mr. HASTINGS of Florida, and Mr. PAYNE of New Jersey):

H.R. 3638. A bill to reauthorize the Development Fund for Africa under chapter 10 of part I of the Foreign Assistance Act of 1961; to the Committee on International Relations.

By Mr. BLUTE (for himself and Mr. FRANK of Massachusetts):

H.R. 3639. A bill to amend the Federal Water Pollution Control Act; to the Committee on Transportation and Infrastructure.

By Mr. BONO (for himself, Mr. HUNTER, Mr. BROWN of California, Mr. CALVERT, and Mr. BURTON of Indiana):

H.R. 3640. A bill to provide for the settlement of issues and claims related to the trust lands of the Torres-Martinez Desert Cahuilla Indians, and for other purposes; to the Committee on Resources.

By Mr. GALLEGLY (for himself, Mr. FARR, Mr. FAZIO of California, and Mrs. SEASTRAND):

H.R. 3641. A bill to amend the Federal Power Act to provide for the delegation of dam safety authority to State government; to the Committee on Commerce.

By Mr. GALLEGLY:

H.R. 3642. A bill to provide for the transfer of public lands to certain California Indian Tribes; to the Committee on Resources.

By Mr. HUTCHINSON (for himself, Mr. EDWARDS, Mr. STUMP, and Mr. MONTGOMERY):

H.R. 3643. A bill to amend title 38, United States Code, to extend through December 31, 1998, the period during which the Secretary of Veterans Affairs is authorized to provide priority health care to certain veterans who were exposed to Agent Orange or who served in the Persian Gulf war and to make such authority permanent in the case of certain veterans exposed to ionizing radiation, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KENNEDY of Massachusetts (for himself, Mr. HANSEN, Mr. CONYERS, Mr. KASICH, Mr. HINCHEY, Ms. NORTON, Mr. HOKE, Mr. MORAN, Mr. SMTIH of New Jersey, Mr. FATTAH and Mr. FALEOMAVAEGA):

H.R. 3644. A bill to prohibit the advertising of distilled spirits on radio and television; to the Committee on Commerce.

By Mr. KLUG (for himself, Mr. WALSH, Mr. BARTON of Texas, Mr. PALLONE, and Mr. PETE GEREN of Texas):

H.R. 3645. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mrs. LOWEY (for herself, Ms. NORTON, Mr. CONYERS, Mr. WATT of North Carolina, Ms. JACKSON-LEE, Ms. WOOLSEY, Ms. PELOSI, Mrs. MEEK of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MALONEY, Mrs. CLAYTON, Ms. RIVERS, Ms. MCKINNEY, Ms. BROWN of Florida, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BROWN of California, Mr. DOOLEY, Mr. FROST, Mr. GUTIERREZ, Mr. HILLIARD, Mr. LANTOS, and Mr. THOMPSON):

H.R. 3646. A bill to provide remedies for certain instances of sexual harassment, and to provide additional funding for the Equal Employment Opportunity Commission; to the Committee on the Judiciary, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MANZULLO (for himself, Mr. WELDON of Pennsylvania, Mr. WAXMAN, Mr. SOLOMON, Mr. COLEMAN, Mr. COBLE, Mr. EVANS, Mr. DIAZ-BALART, Mr. FROST, and Mr. JACOBS):

H.R. 3647. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive benefits; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 3648. A bill to reestablish the National Science Scholars Program; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA:

H.R. 3649. A bill to provide for a demonstration project to assess the feasibility and desirability of temporarily placing Federal employees with another agency or other potential employer so as to facilitate the reemployment of individuals facing separation pursuant to a reduction in force; to the Committee on Government Reform and Oversight.

By Mrs. MORELLA (for herself, Mr. KENNEDY of Massachusetts, Mr. WOLF, Ms. NORTON, Mr. SABO, and Mr. JOHNSTON of Florida):

H.R. 3650. A bill to amend part E of title IV of the Social Security Act to require States to regard adult relatives who meet State child protection standards as the preferred placement option for children, and to provide for demonstration projects to test the feasibility of establishing kinship care as an alternative to foster care for a child who has adult relatives willing to provide safe and appropriate care for the child; to the Committee on Ways and Means.

By Mr. POMEROY:

H.R. 3651. A bill to amend the Federal Election Campaign Act of 1971 to limit expenditures in House of Representatives elections; to the Committee on House Oversight.

By Mr. REED (for himself, Mr. SCHUMER, Mrs. ROUKEMA, Mr. BERMAN, Mr. ENGEL, Mr. NADLER, Mr. WAXMAN, Mr. YATES, Mr. KENNEDY of Rhode Island, Ms. PELOSI, Mr. MCDERMOTT, Mr. HORN, Ms. NORTON, Mr. CLAY, Mr. OWENS, Ms. LOFGREN, Mr. MANTON, and Mr. TORRICELLI):

H.R. 3652. A bill to apply equal standards to certain foreign made and domestically produced handguns; to the Committee on the Judiciary.

By Ms. RIVERS:

H.R. 3653. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for the House of Representatives or the Senate to file information included in quarterly candidate reports with the Federal Election Commission within 48 hours of the time the information becomes available, to

require all reports filed with the Federal Election Commission to be filed electronically, to require the information contained in such reports to be made available through the Internet, and for other purposes; to the Committee on House Oversight.

By Mr. SPRATT (for himself, Mr. COBLE, Mr. PAYNE of Virginia, Mr. BURR, Mr. COLLINS of Georgia, Mr. RANGEL, Mr. ROGERS, Mr. CARDIN, Mr. NEAL of Massachusetts, Mr. COYNE, Mr. FORD, Mr. LEWIS of Georgia, Mr. LEVIN, Mr. MATSUI, Mr. HUNTER, Mr. FLANAGAN, Mr. BAKER of California, Mr. CHAMBLISS, Mr. BROWDER, Mr. FRANK of Massachusetts, Mr. HEFNER, Mr. QUILLEN, Ms. KAPTUR, Mr. SPENCE, Mr. MONTGOMERY, Mr. LEWIS of Kentucky, Mr. GRAHAM, Mr. DEAL of Georgia, Mr. FUNDERBURK, Mr. JONES, Mr. CLYBURN, Mr. WATT of North Carolina, Mr. BALLENGER, Mr. HEINEMAN, Mr. RAHALL, Mr. ANDREWS, Mr. THOMPSON, Mr. ROSE, Mr. PETERSON of Minnesota, Mr. SISISKY, Mr. GORDON, Mr. MCHALE, Mr. HOLDEN, Mr. BISHOP, Mr. BOUCHER, Mr. WOLF, Mr. CRAMER, Mr. ENGEL, Mr. CONDIT, Mr. STENHOLM, Mr. REED, Mr. WHITFIELD, Mr. HALL of Texas, Mr. INGLIS of South Carolina, Mr. NADLER, Mr. DEFAZIO, Mr. MILLER of California, Mrs. MYRICK, Mrs. CLAYTON, Mr. STUPAK, Mr. NORWOOD, Ms. JACKSON-LEE, Mr. KINGSTON, Mr. LINDER, Mr. TANNER, Ms. SLAUGHTER, and Ms. DANNER):

H.R. 3654. A bill to ensure the competitiveness of the U.S. textile and apparel industry; to the Committee on Ways and Means.

By Mr. TATE:

H.R. 3655. A bill to amend title 18, United States Code, to reform Federal prisons; to the Committee on the Judiciary.

By Mr. TORRICELLI (for himself and Mr. PALLONE):

H.R. 3656. A bill to amend the Safe Drinking Water Act to require persons contributing to drinking water contamination to reimburse public water systems for the costs of decontamination; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. VELAZQUEZ:

H.R. 3657. A bill to provide pay equity and labor protection for contingent workers, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Ways and Means, Government Reform and Oversight, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. VOLKMER:

H.R. 3658. A bill to amend the Federal Election Campaign Act of 1971 to provide for campaign spending limits, and for other purposes; to the Committee on House Oversight.

By Mr. YOUNG of Alaska:

H.R. 3659. A bill to amend the Tongass Timber Reform Act to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROHRABACHER (for himself, Mr. SOLOMON, Mr. GILMAN, Ms. PELOSI, Mr. COX, Mr. WOLF, Mr. LANTOS, Mr. HUNTER, Ms. KAPTUR, Mr. SMITH of New Jersey, Mr. BURTON of Indiana, Mr. FAZIO of California, Mr. TRAFICANT, Mr. DORNAN, Mr. FUNDERBURK, Mr. LIPINSKI, Mr. BUNNING of Kentucky, Mr. PALLONE, Mr. SCARBOROUGH, Mr. DIAZ-BALART, Mr. ROSE, Mr. STOCKMAN, Mr. BROWN of Ohio, Ms. ROS-LEHTINEN, Ms. MCKINNEY, Mr. STEARNS, Mr. DEFAZIO, Mr. STARK, Mrs. SCHROEDER, Mr. EVANS, Mr. MARKEY, Mr. MILLER of California, Mr. BAKER of California, and Mr. FRANK of Massachusetts):

H.J. Res. 182. Joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Ways and Means.

By Mr. WHITE (for himself and Mr. BOUCHER):

H. Con. Res. 185. Concurrent resolution expressing the sense of the Congress that Members should understand and use the Internet to improve the democratic process, communicate with the Internet community; to the Committee on House Oversight.

By Mr. WATTS of Oklahoma (for himself, Mrs. CLAYTON, Mr. HYDE, Mr. LAUGHLIN, Mr. WICKER, Mr. LARGENT, Mr. BONILLA, Mrs. MYRICK, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. ENGLISH of Pennsylvania, Mr. HEINEMAN, Mr. NORWOOD, Mr. HUTCHINSON, Mr. CONDIT, Mr. BAESLER, Mr. WAMP, Mr. FIELDS of Texas, Mr. SOUDER, Mr. HILLEARY, Mr. ARCHER, Mr. TALENT, Ms. JACKSON-LEE, Mr. GRAHAM, Mr. BONIOR, Mr. RICHARDSON, Ms. DELAURO, Mr. KING, Mr. PAYNE of New Jersey, Mr. SANDERS, Mr. WARD, Mr. FRAZER, Mr. FORD, Mr. BROWDER, Mr. HILLIARD, Mr. HINCHEY, Mr. OWENS, Mr. HALL of Ohio, Mr. FIELDS of Louisiana, Mr. MEEHAN, Mr. FROST, Mr. HASTINGS of Florida, Mrs. MALONEY, Mr. LANTOS, Mr. DELLUMS, Mr. FRANKS of Connecticut, Mr. WAXMAN, Mr. CLYBURN, Mr. ABERCROMBIE, Mr. FARR, Mr. JACKSON, Mr. GILCHREST, Ms. NORTON, Ms. WOOLSEY, Ms. FURSE, Ms. ESHOO, Mr. PALLONE, Mrs. THURMAN, Mrs. KENNELLY, Mr. SHAYS, Mr. CLAY, Ms. KAPTUR, Mr. WATT of North Carolina, Mr. FOGLIETTA, Mr. THOMPSON, Mr. MILLER of California, Mr. LEWIS of Georgia, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. WYNN, Mr. EDWARDS, Mr. CLEMENT, Mrs. SCHROEDER, Miss COLLINS of Michigan, Mr. RUSH, Mr. TORRICELLI, Mr. STOKES, Mr. ROSE, Mr. CUMMINGS, Mr. HEFNER, Mrs. MEEK of Florida, Mr. Flake, Ms. PRYCE, Mr. SERRANO, Mr. BISHOP, Mr. FATTAH, Ms. SLAUGHTER, Ms. RIVERS, Mr. NADLER, Mr. FRANK of Massachusetts, Ms. VELAZQUEZ, Ms. WATERS, Mrs. COLLINS of Illinois, Mr. STARK, Mr. BARRETT of Wisconsin, Mr. SANFORD, Mr. ARMEY, Mr. ZELIFF, Mr. BAKER of California, Mr. STOCKMAN, Mr. PAXON, Mr. SHADEGG, Mr. ENSIGN, and Mr. COBURN):

H. Con, Res. 186. Concurrent resolution expressing the sense of Congress with respect to recent church burnings; to the Committee on the Judiciary.

By Mr. WATTS of Oklahoma (for himself, Mrs. CLAYTON, Mr. HYDE, Mr. LAUGHLIN, Mr. WICKER, Mr. LARGENT, Mr. BONILLA, Mrs. MYRICK, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. ENGLISH of Pennsylvania, Mr. HEINEMAN, Mr. NORWOOD, Mr. HUTCHINSON, Mr. CONDIT, Mr. BAESLER, Mr. WAMP, Mr. FIELDS of Texas, Mr. SOUDER, Mr. HILLEARY, Mr. ARCHER, Mr. TALENT, Ms. JACKSON-LEE, Mr. GRAHAM, Mr. BONIOR, Mr. RICHARDSON, Ms. DELAURO, Mr. KING, Mr. PAYNE of New Jersey, Mr. SANDERS, Mr. WARD, Mr. FRAZER, Mr. FORD, Mr. BROWDER, Mr. HILLIARD, Mr. HINCHEY, Mr. OWENS, Mr. HALL of Ohio, Mr. FIELDS of Louisiana, Mr. MEEHAN, Mr. FROST, Mr. HASTINGS of Florida, Mrs. MALONEY, Mr. LANTOS, Mr. DELLUMS, Mr. FRANKS of Connecticut, Mr. WAXMAN, Mr. CLYBURN, Mr. ABERCROMBIE, Mr. FARR, Mr. JACKSON, Mr. GILCHREST, Ms. NORTON, Ms. WOOLSEY, Ms. FURSE, Ms. ESHOO, Mr. PALLONE, Mrs. THURMAN, Mrs. KENNELLY, Mr. SHAYS, Mr. CLAY, Ms. KAPTUR, Mr. WATT of North Carolina, Mr. FOGLIETTA, Mr. THOMPSON, Mr. MILLER of California, Mr. LEWIS of Georgia, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. WYNN, Mr. EDWARDS, Mr. CLEMENT, Mrs. SCHROEDER, Miss COLLINS of Michigan, Mr. RUSH, Mr. TORRICELLI, Mr. STOKES, Mr. ROSE, Mr. CUMMINGS, Mr. HEFNER, Mrs. MEEK of Florida, Mr. FLAKE, Ms. PRYCE, Mr. SERRANO, Mr. BISHOP, Mr. FATTAH, Ms. SLAUGHTER, Ms. RIVERS, Mr. NADLER, Mr. FRANK of Massachusetts, Ms. VELAZQUEZ, Ms. WATERS, Mrs. COLLINS of Illinois, Mr. STARK, Mr. BARRETT of Wisconsin, Mr. SANFORD, Mr. ARMEY, Mr. ZELIFF, Mr. BAKER of California, Mr. STOCKMAN, Mr. PAXON, Mr. SHADEGG, Mr. ENSIGN, Mr. COBURN, Mr. TIAHRT, Mr. INGLIS of South Carolina, and Mr. ROEMER):

H. Con. Res. 187. Concurrent resolution expressing the sense of Congress with respect to recent church burnings; to the Committee on the Judiciary.

By Mr. ROHRABACHER:

H. Con. Res. 188. Concurrent resolution expressing the sense of the Congress with respect to increasing political oppression in Burma; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

224. By the SPEAKER: Memorial of the House of Representatives of the State of Louisiana, relative to House Concurrent Resolution No. 48 to memorialize the U.S. Congress to take such actions as are necessary to designate U.S. Highway 90 as part of the Interstate System as an expansion of Interstate 49; to the Committee on Transportation and Infrastructure.

225. Also, memorial of the House of Representatives of the State of Louisiana, relative to House Concurrent Resolution No. 54 to memorialize the U.S. Congress to authorize the concurrent receipt of full retirement pay and disability compensation benefits for disabled veterans; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Ms. PRYCE.
H.R. 103: Mr. KANJORSKI.
H.R. 123: Mr. PORTMAN.
H.R. 127: Mr. JONES and Mr. DELLUMS.
H.R. 248: Mr. HOBSON.
H.R. 303: Ms. PRYCE.
H.R. 468: Mrs. KELLY.
H.R. 878: Mr. LOBIONDO, Mr. HAMILTON, Mr. EVANS, Mr. ACKERMAN, and Mr. RICHARDSON.
H.R. 941: Mr. FRELINGHUYSEN.
H.R. 1073: Mr. HAMILTON and Mrs. COLLINS of Illinois.
H.R. 1074: Mr. HAMILTON and Mrs. COLLINS of Illinois.
H.R. 1090: Mrs. VUCANOVICH.
H.R. 1171: Mr. BEVILL and Mr. BENTSEN.
H.R. 1352: Mr. DICKS.
H.R. 1514: Mr. HOYER, Mr. COOLEY, Mr. LUTHER, and Mr. MATSUI.
H.R. 1661: Mr. NORWOOD.
H.R. 1662: Mr. GOODLATTE.
H.R. 1797: Mr. NADLER.
H.R. 1805: Mr. LOBIONDO and Mr. HAMILTON.
H.R. 2008: Ms. ROS-LEHTINEN.
H.R. 2026: Mr. SHUSTER, Mr. MCINTOSH, Mr. HILLIARD, Mr. BEVILL, Mr. BLUMENAUER, and Mr. EHLERS.
H.R. 2128: Mr. RIGGS and Mr. MCKEON.
H.R. 2138: Mr. SAXTON.
H.R. 2152: Mr. PAYNE of Virginia.
H.R. 2246: Mr. NADLER.
H.R. 2247: Mrs. MALONEY and Ms. RIVERS.
H.R. 2333: Mr. BISHOP and Mr. RIGGS.
H.R. 2462: Mr. DUNCAN.
H.R. 2536: Mr. SHAYS and Mr. TATE.
H.R. 2566: Mr. TORRICELLI.
H.R. 2705: Mrs. CLAYTON, Mr. ABERCROMBIE, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. SABO, Mr. SANDERS, and Mr. WISE.
H.R. 2757: Mr. MATSUI, Mr. TAYLOR of North Carolina, Mr. FARR, and Mr. GUTKNECHT.
H.R. 2807: Mr. DEFAZIO.
H.R. 2911: Mr. RIGGS.
H.R. 2925: Mr. HILLEARY and Ms. KAPTUR.
H.R. 2976: Mr. BERMAN, Mr. CASTLE, Ms. FURSE, and Ms. EDDIE BERNICE JOHNSON of Texas.
H.R. 2997: Mr. CALVERT.
H.R. 3047: Mr. HAYES.
H.R. 3114: Mr. CASTLE, Mr. SOUDER, and Mr. LIGHTFOOT.
H.R. 3125: Mr. CANADY.
H.R. 3126: Mr. WATTS of Oklahoma.
H.R. 3142: Mr. COMBEST, Mr. SMITH of Texas, Mr. TIAHRT, Mr. LATOURETTE, Mr. CHRISTENSEN, Mr. CRAMER, and Mr. SCOTT.
H.R. 3187: Mr. DOYLE, Mr. BARCIA of Michigan, Mr. SCHAEFER, and Mr. MASCARA.
H.R. 3217: Mr. WALSH, Mr. LIPINSKI, and Mr. EVANS.
H.R. 3226: Mr. HOLDEN.
H.R. 3280: Mr. ACKERMAN, Mr. KENNEDY of Rhode Island, and Mr. OLVER.
H.R. 3338: Mr. PORTMAN, Mr. MINGE, Mr. POMEROY, Mrs. CHENOWETH, Mrs. VUCANOVICH, Mr. TANNER, Mr. COBLE, Mr. KLUG, and Mr. COLLINS of Georgia.
H.R. 3362: Ms. MCKINNEY, Ms. NORTON, Ms. RIVERS, and Ms. FURSE.
H.R. 3396: Mr. BILIRAKIS, Mr. HANSEN, Mr. CALLAHAN, Mr. PACKARD, Mr. PORTMAN, Mr. STENHOLM, and Mr. PETE GEREN of Texas.
H.R. 3416: Mr. GREEN of Texas and Mr. STEARNS.
H.R. 3427: Mr. DICKEY.
H.R. 3447: Mrs. KELLY and Ms. PRYCE.
H.R. 3467: Mr. LUCAS.
H.R. 3477: Mr. MINGE.
H.R. 3480: Mr. BARR, Mr. FUNDERBURK, Mr. TAYLOR of North Carolina, Mr. ROSE, and Mr. CANADY.
H.R. 3514: Mr. HALL of Texas, Mr. BARTON of Texas, and Mrs. SEASTRAND.
H.R. 3521: Mr. GREEN of Texas, Ms. RIVERS, Ms. LOFGREN, Ms. NORTON, Mr. ACKERMAN, and Ms. MCKINNEY.
H.R. 3525 Mr. INGLIS of South Carolina, Mr. DAVIS, Mr. GILCHREST, Miss. COLLINS of Michigan, and Mr. BLUTE.
H.R. 3559: Mr. TIAHRT, Mr. BEREUTER, and Mr. COOLEY.
H.R. 3571: Mr. HAYWORTH, Mr. MCHUGH, Mr. LIPINSKI, Mr. FORBES, Mr. QUINN, Mr. KENNEDY of Massachusetts, Mrs. KELLY, and Mr. DELLUMS.
H.R. 3601: Mr. MCINTOSH and Mr. HOSTETTLER.
H.R. 3622: Mr. BASS, Mr. ENSIGN, Mr. EWING, Mr. MANZULLO, Mr. HALL of Texas, and Mr. ENGLISH of Pennsylvania.
H.R. 3630: Mr. LONGLEY.
H.J. Res. 173: Mr. ROYCE, Ms. ROS-LEHTINEN, Mr. STEARNS, and Mr. SHADEGG.
H.J. Res. 174: Mr. ROYCE, Ms. ROS-LEHTINEN, Mr. CONDIT, and Mr. FOLEY.
H. Con. Res. 151: Mr. BENTSEN, Ms. SLAUGHTER, Mr. DURBIN, Mr. CUMMINGS, Ms. VELAZQUEZ, Mrs. MALONEY, Mr. ACKERMAN, Mr. DOYLE, and Mrs. SCHROEDER.
H. Con. Res. 156: Mr. NADLER.
H. Res. 172: Mr. FLAKE, Mr. POSHARD, Mr. DEFAZIO, and Mr. ACKERMAN.
H. Res. 452: Ms. LOFGREN.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 12 by Mrs. SMITH of Washington on House Resolution 373: Dick Zimmer.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, THURSDAY, JUNE 13, 1996 No. 87

Senate

The Senate met at 10 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:

Almighty God, make us maximum by Your Spirit for the demanding responsibilities and relationships of this day. We say with the psalmist, ''Blessed be the Lord, who daily loads us with benefits, the God of our salvation!''—Psalm 68:19.

We praise You that it is Your will to give good things to those who ask You. You give strength and power to Your people when we seek You above anything else. You guide the humble and teach them Your way. You know what we need before we ask You, and yet, encourage us to seek, knock, and ask in our prayers. When we truly seek You and really desire Your will, You do guide us in what to ask. Our day is filled with challenges and decisions beyond our own knowledge and experience. We dare not press ahead on our own resources. In the quiet of this magnificent moment of conversation with You we commit this day and ask for the wisdom of Your Holy Spirit. Thank You in advance for a great day lived for Your glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning, Mr. President. Thank you very much.

SCHEDULE

Mr. LOTT. This morning, the Senate will begin consideration of the budget conference report, and will continue the discussion. Under the consent agreement reached yesterday, there will be 2 hours for debate on the conference report, with the time equally divided between Senators DOMENICI and EXON. All Senators should be aware that a vote will occur on the adoption of the budget at 12 noon today.

The House did act last night—it must have been close to 10 o'clock or so—but they did pass the budget resolution. We will have the papers, and we will be prepared to vote at 12 noon. Following that vote, there will be a period for morning business to accommodate a number of requests on both sides of the aisle. I emphasize that morning business will be after the 12 o'clock vote, not in the morning as we begin, as is quite often the case.

It is also possible later today the Senate will consider other legislative-executive items. Therefore, Senators should be aware that additional rollcall votes are possible during today's session. We are very hopeful that some agreement, perhaps, could be worked out on how we would handle the Federal Reserve Board appointees. We will have further information on that when we have the vote at 12 o'clock.

I yield the floor.

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

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the Senate will now move to consideration of the conference report, House Report 104–612, accompanying House Concurrent Resolution 178, which the clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment to the bill (H. Con. Res. 178), a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 7, 1996.)

The PRESIDING OFFICER. There will now be 2 hours of debate equally divided between the Senator from New Mexico, Senator DOMENICI, and the Senator from Nebraska, Mr. EXON.

Mr. BYRD. Mr. President, on behalf of Mr. EXON, who controls the time on this side, I yield myself such time as I may consume. It will not be 30 minutes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I am convinced that if this budget resolution conference agreement is fully implemented over the next 6 years, it will lead the Nation into far more serious fiscal difficulty than we are in today. It follows the familiar supply-side policies of the Reagan administration, which, as we all recall, promised to balance the Federal budget while at the same time enacting massive tax cuts, it calls for increases in defense spending even when the Pentagon says it does not need the money, and cuts in entitlements—which never came to pass under the Reagan administration. President Reagan's policies did not result in the economy growing itself out of deficits or in balancing the budget. I voted with the President, Mr. Reagan, in support of his massive tax cuts and I also supported his buildup of a bloated defense budget. Instead, what did we see? We saw a massive increase in the national debt, which rose from under $1 trillion in the previous 200 years of the Nation to over $2.6 trillion on January

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

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20, 1989, the day President Reagan left office.

Astoundingly to me, the fiscal blueprint contained in this budget resolution conference agreement is remarkably similar to those failed Reagan policies which nearly bankrupted the Nation, and from which we are still suffering, and which are still placing us in desperate straits with respect to our fiscal situation. For example, unlike the Senate-passed budget resolution, which allowed a tax cut to occur in a third reconciliation measure only after enactment into law of the first two reconciliation measures which contained deficit reduction, this conference agreement moves the tax cuts forward to the first reconciliation bill. The instructions for that first reconciliation bill call for the relevant Senate committees to report their proposals by June 21. Those instructions go to those committees with jurisdiction over welfare, Medicaid, and tax breaks.

So what we see then is that this first reconciliation bill will presumably cut Medicaid spending, cut welfare spending, and use those savings to finance a massive tax cut. That first reconciliation bill, I am advised, will reduce the deficit by a mere $2 billion over the entire 6 years, because the savings from welfare reform and Medicaid will be used to finance a huge tax cut.

I think it is utter folly to be talking about a tax cut at this time in our fiscal history. I say that with respect not only to the Republican tax cut, but also to the tax cut that is proposed by the Clinton administration. I was the one Democrat who voted against the President's budget, so I think I come into court here with fairly clean hands. I voted against that budget for two reasons: One, it cut taxes; and, two, it cut discretionary funding a great deal.

So if that were not enough, this conference agreement also allows for further tax breaks in the third reconciliation bill. Presumably, the purpose for this process is to allow the majority in the Congress to have another bite at the apple, should the President veto the first tax-break bill, or, if the majority finds that they did not do enough tax cutting in the first measure, even if the President signs it, they will have the opportunity to provide more tax cuts in the third reconciliation bill.

I do not try to second-guess the leadership or the other party in this matter. I have tremendous respect for Senator DOMENICI and Senator EXON. They provide a great service to the people of this country and to the Senate, and the Senate is in their debt. I respect them for their sincere judgments. But to those of us—I am one—who participated in the river boat gamble. So I come into court with unclean hands. I voted for the massive tax cuts over a 3-year period. I voted for them, although I did offer an amendment to provide that the tax cut for the third year, I believe, would not go into effect until such time as we could see what the impact of the tax cuts in the first 2 years would be on our budgetary and fiscal situation. But I voted for those. So I participated in that river boat gamble of tax cuts and a defense buildup first. I supported those two things as strongly as did the Republicans in this body. So I am not a Johnny-come-lately after the fact complaining about what the Republicans did on that occasion. I voted with them. I have been sorry for it.

To those of us who participated in the river boat gamble of tax cuts and spending cuts later as proposed by President Reagan, this conference agreement's proposed tax cuts now and spending cuts later is all too familiar to us. Have we not learned our lesson? It is all too easy to enact tax cuts and save the pain for later. I have voted for a good many tax cuts in my 50 years of politics, and I have voted against them. I said to the administration people that it is folly to talk about cutting taxes now with the colossal deficits that we have and the colossal debt that we have; the colossal payments of interest that we have to make on that colossal debt. If we follow the policies proposed in this budget resolution, we are about to do it again. What will keep the results from being the same at the end of this 7-year period as they were when we followed the policies proposed by the Reagan administration?

This budget resolution calls for $11 billion more in defense spending just in fiscal year 1997 alone than has been proposed by the President. It proposes tax cuts ranging from $100 to $200 billion or more. It proposes terrible devastation on the domestic discretionary part of the budget. I have been a member of the Appropriations Committee longer than anybody else in this body. I have been chairman of the Appropriations Committee for 6 years, and I have been a member of the Defense Appropriations Subcommittee for quite a long time. So I view these reductions in discretionary funding of exceedingly important programs to our people and to our country with a great deal of regret. It proposes, as I say, a terrible devastation on the domestic discretionary part of the budget—that portion which funds our investment in our Nation's education, environmental cleanup, clean air and water, highways, bridges and airports, flood prevention, crime control, war against drugs, plus the operations of the entire Federal budget. For that portion of the budget, this agreement, according to the Congressional Budget Office in a table provided to me just last evening, proposes real cuts in domestic discretionary budget authority of $254.9 billion below inflation over the period of fiscal years 1997–2002—$254.9 billion below inflation for domestic discretionary budget authority.

The people of this country are going to wake up one day, and they are going to say, ''We are tired of having our domestic discretionary programs cut to the bone.'' It is already into the marrow of the bone, and discretionary spending has taken it on the nose for several years. Discretionary funding of domestic programs has borne the brunt of the budget cuts and will continue to bear the brunt of those cuts under this measure that is before us. One day the American people will say, ''Where have you been? What is happening to our infrastructure—our highways, our sewage and water projects?'' We need more money in West Virginia and in other rural areas to update our sewerage and water systems, and in some instances to install systems for the first time.

I am sure West Virginia is not alone in this. Why cannot we help our people? That is pretty important business—having clean water to drink. I offered an amendment twice here just in the last few days to provide for additional funding for States and for communities that need help with respect to their water and sewerage problems. Those amendments were defeated. Everything is being sacrificed here on the altar of a balanced budget. I do not decry the need to work toward our balancing the budget. But the way we are doing it, the way we are going about it, I object to.

Under this budget resolution, we will be able to purchase nearly $255 billion less in the year 2002 for domestic discretionary investments than we can today. The needs will be greater. The funding will be less than today.

I would point out that this budget resolution conference agreement cuts domestic discretionary budget authority below a freeze by $33 billion. That is a real cut. That is a cut from which the American people suffer, and they are going to be asking some questions down the road. They will be shaken out of their lethargy when they wake up one day and see that we are continuing to cut funding for domestic programs that mean so much for the health and well-being of the American people themselves. It is an outrage. It is a disgrace for American communities in this day and time not to have modern water systems. They need them in those rural areas to have pure water. Not to have clean water to drink—what is more important than that? In other words, under this budget resolution, $33 billion less will be available than would be required to fund the investments contained in the domestic discretionary portion of the budget at a hard freeze level over the next 6 years.

For fiscal year 1997 alone, Dr. Rivlin, the Director of OMB, points out in her letter to the chairman of the Budget Committee dated June 11, 1996, nondefense discretionary spending is cut by more than $15 billion below the President's request. The President's request was not anything to boast about. I can tell you that. The President's request was too low. The President's budget over the 6 years is $230 billion below inflation. So that is why I voted against them. It was not anything to beat one's chest over when it came to discretionary programs by President Clinton.

Furthermore, there is a peculiar section in this agreement as it relates to discretionary outlays for fiscal year 1997. According to page 28 of this conference report, section 307 is entitled ''Government Shutdown Prevention Allowance.'' That section will hold in reserve $1,337,000,000 in nondefense discretionary outlays which will only be made available in the Senate pursuant to section 307(b). That paragraph reads as follows:

(b) REVISED ALLOCATIONS.—In the Senate, upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997, or in the House of Representatives, upon the filing of a conference report thereon, that complies with the fiscal year 1997 discretionary limit on nondefense budget authority, the Chairman of the Committee on the Budget of the appropriate House may submit a revised outlay allocation for such committee and appropriately revised aggregates and limits to carry out this section.

In other words, if I understand it correctly, this section will allow the chairman of the Budget Committee to provide additional nondefense outlays of up to $1,337,000,000 to the Appropriations Committee ''upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997.''

This is getting curiouser and curiouser. Section 307 virtually ensures that there will be at least one continuing resolution for 1997. How else can the Appropriations Committee receive the $1.3 billion in outlays? What is this? This is an attempt by the majority to bludgeon the President into signing appropriation bills which will contain $15 billion less than he has requested for public investments in education, environmental cleanup, clean air and water, crime fighting, and a host of other programs. We faced this same problem in fiscal year 1996 and the President refused to accept cuts of this magnitude, and we ended up with total gridlock, Government shutdowns, and a record-setting 13 continuing resolutions to keep the Government functioning.

What we have in this agreement, it appears to me, is a blatant attempt to bypass the regular appropriations process even before it begins. Anyone can see that the President will not agree to sign regular 1997 appropriation bills when he is assured of getting $1.337 billion more in outlays if he waits for a continuing resolution. So the Republican majority has thrown up its hands and given up before it even begins to fight for the enactment of the 13 regular appropriation bills. They have tried to save themselves by creating a ''Government Shutdown Prevention Allowance.''

This just will not wash. Does the majority think that the President will just roll over and play dead on his budget priorities this year—with cuts of $15 billion as this resolution requires? Do they think that I and others who oppose such devastation in domestic investments will be satisfied with such cuts simply because we have a new Government shutdown prevention allowance? Well, let the majority proceed with their proposals and we will meet them one at a time and see how it turns out.

I can tell every Senator with complete confidence that this Nation cannot sustain the levels of cuts to the domestic discretionary portion of the budget over this 6-year period that are contained in this budget resolution without destroying the hopes of the American people for the betterment of their children and grandchildren. The money will not be there for increased investments in education. The money will not be there for an adequate transportation system to move our goods to market and our people to and from work in an efficient manner. The money will not be there for the safety and increased capacity of our national airport system, for improvement in flood prevention, cleaning up the environment, better water and sewage treatment for communities throughout the Nation. These will not be possible. There will be no improvement to these infrastructure systems, which are already in a state of serious deterioration.

Mr. President, like other budget resolutions before this which claimed to balance the Federal budget, several of which were put before the Senate by the present chairman of the Budget Committee, Mr. DOMENICI, this conference agreement contains no enforcement mechanism for any area of the budget except discretionary spending. We have operated under enforceable caps with across-the-board sequester mechanisms for a number of years. So that Senators can be sure that the devastation proposed by the cuts proposed in this budget resolution to the domestic discretionary portion of the budget will occur. Enforcement mechanisms make that a virtual certainty.

But, like all of its predecessors, this budget resolution conference agreement contains no such enforcement mechanisms for entitlement spending or for revenues. In other words, there is no assurance that the spending cuts proposed in any reconciliation measure that may be enacted into law pursuant to this budget resolution will actually result in the savings claimed. Traditionally, those savings have been far less than predicted. Similarly, any revenue increase measures that may occur in any of these reconciliation bills may not achieve the levels projected and the tax cuts may actually cost more than is being projected. If so, there is no method in this resolution to make certain that the revenue projections are, in fact, achieved or that the entitlement savings are, in fact, achieved.

There is no sequester mechanism or automatic tax-surcharge mechanism so that we may be certain that the entitlement spending cuts or any revenue increases will be achieved, or that any tax cuts will cost no more than is projected. So to all Senators who support this budget resolution today, I ask where will you be when the numbers go south in the future years as they did in the Reagan budgets? Where will you be? There is nothing here to ensure that these deficit projections will be reached. The only sure achievements will be the devastation in discretionary spending—that is a sure achievement—because of the caps for each of the next 6 years.

Finally, Mr. President, in closing let me point out that, despite all the rhetoric to the contrary, this budget resolution conference agreement does not result in a balanced budget in the year 2002. To confirm this fact one simply needs to turn to pages 3 and 4 of the conference report. At the bottom of page 3 one will see under Section 101(4) a heading entitled, deficits.

For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

fiscal year 1997: $227,283,000,000.
fiscal year 1998: $224,399,000,000.
fiscal year 1999: $206,405,000,000.
fiscal year 2000: $185,315,000,000.
fiscal year 2001: $141,762,000,000.
fiscal year 2002: $103,854,000,000.

So, apparently, there will still be a deficit of over $100 billion in fiscal year 2002 under this conference agreement.

No matter how hard this thing tries to impress by sticking out its chest and spreading its tail feathers, it is still a turkey and it will not fly.

I say this again to emphasize, with great respect to all of the Senators who have had a part in developing this conference agreement. We sometimes do the best we can, and then we are not able to do enough. I was not entitled to sit in on the conference. I do not know what arguments were made and what arguments were made and lost. I am simply looking at the agreement as I find it here today and making my own personal judgment concerning it.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has used 29 minutes.

Mr. BYRD. I thank the Chair. I kept my word.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator BYRD, I purposely came to the floor so I could hear his remarks, and I was here for all of them. I cannot respond right now, because the call of duty has me going somewhere else. But four or five of the points the Senator makes, I will state our versions of them, which I think are different than your assumptions.

I share some concerns. It is clear that if I were producing a budget and I were the king and all I had to do was do it myself, while I might come and confer with you, it would not be this budget. But we have to get a majority of the Senators to vote to reduce this deficit.

Frankly, I believe it is a pretty good plan. I think your analysis of the

taxes, the tax cuts—I think we have an explanation that is slightly different, maybe in some respects greatly different, than you assume.

I would say one thing with reference to the appropriated accounts—well, let me say two things. It is most interesting, you have properly stated how much the President cuts discretionary programs. You would then, I am sure, agree that if we took the triggered part of his budget, it even cuts it more. That is the one that is on par—or did you use the triggered numbers? It would be more.

Mr. BYRD. I already took that into account in my numbers.

Mr. DOMENICI. There are two budgets, one which uses the Congressional Budget Office assumptions and one which uses the President's own assumptions. In each instance, the amount of the cuts are different.

But I would say one answer to your concern might be that you might adopt some of the President's Cabinet's approach to out-year appropriated accounts, for they come around and testify they are meaningless; it goes 1 year at a time, and not to worry about it. Frankly, we have not done that because we figure we need some of the savings. But when you put a budget down, you have to stand by it. You cannot find excuses and say it really is not real.

The second point is, we are fully aware that it would be grossly unfair, and probably not good for the country, to not get the entitlement cuts and insist on all of the discretionary. You would have some things out of proportion, and you probably would not get a balance. If you read the report and the resolution, it says if, in 1998, the entitlement savings have not occurred, then the caps are off discretionary accounts. That is not of great help, but it does at least make the point that we are fully aware that to get the balance, you have to have the entitlement savings; you cannot just do the discretionary accounts.

I will return and have a few additional comments. I yield the floor at this point.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, while the distinguished Senator from New Mexico, the chairman of the Budget Committee, is on the floor, I would like to ask him a question.

The PRESIDING OFFICER. The Senator from New Mexico has yielded the floor.

Mr. BYRD. Mr. President, do I have the floor?

The PRESIDING OFFICER. Yes, sir.

Mr. BYRD. Mr. President, I ask unanimous consent that notwithstanding I have the floor, I may ask a question of another Senator without losing my right to the floor.

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

Mr. DOMENICI. I am really going to be in a meeting. I will come back and answer any questions the Senator has within the next 30 or 40 minutes. I am supposed to be in Representative ARMEY's office at this moment, but I will come back, if the Senator has some questions.

Mr. BYRD. I thank the Senator.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged to both sides equally.

Mr. GORTON. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged equally against both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I have noted with interest over the last several weeks that our colleagues on the other side of the aisle have repeatedly spoken of the need for a balanced budget amendment to the Constitution. They have talked repeatedly about the need for deficit reduction.

I believe we do need to balance the budget. I believe we do need significant deficit reduction, because we face a demographic time bomb in this country. That demographic time bomb is the baby boom generation. When they begin to retire, they will double, in very short order, the number of people eligible for Social Security and Medicare, and that is going to put severe pressure on the finances of the United States. So it is critically important that we get our fiscal house in order.

Mr. President, given all the rhetoric that has come from the Republican side of the aisle about the need to balance the budget, about the need for deficit reduction, I looked with anticipation at their budget proposal that is, after all, the work that they now control. They control the House of Representatives. They control the U.S. Senate. As everyone in this Chamber knows, and everyone knows in the other House, the President is not involved with the budget resolution. He cannot veto it. He plays no role in it. This is completely a creature of the two Chambers, the House and the Senate, controlled by the Republican Party.

So I think, given the rhetoric, one would anticipate that if you look at the budget proposal, the Republicans would be reducing the deficit. What a shock it is to look at the budget proposal before us and find out that our Republican friends, instead of reducing the deficit, are increasing the deficit.

Let me repeat that, because I am certain a lot of people will find that hard to believe. After all of the rhetoric, after all of the discussion that said we are going to reduce the deficit, that that is the priority, if you look at the plan before us, it does not reduce the deficit, it increases the deficit.

Mr. President, this year the deficit is going to come in at $130 to $140 billion. Next year under this plan, the deficit will not go down, will not be decreased, will not be cut, the deficit will go up. The deficit will go up to $153 billion. The next year it will be $147 billion, both higher than the deficit we have now.

Sometimes I think the popular image is the Democrats are less in favor of deficit reduction than our friends on the other side of the aisle, but if one looks at the record, one finds quite a different result.

When President Clinton came into office, he inherited a deficit of $290 billion. That was the deficit in 1992. In 1993, we passed a plan that not a single Republican supported, and that plan led to a reduction in the deficit the next year of $255 billion. The next year it was further reduced to $203 billion. The next year it was reduced to $164 billion, and now this year, $130 to $140 billion—4 years of deficit reduction, the first time since the administration of Benjamin Harrison.

I think in fairness, one has to say the Democratic record of deficit reduction in the Clinton administration has been a good one. And I must say, I am disappointed our friends on the other side of the aisle, when they have a chance to exercise control over the budget, come in with a proposal that, instead of reducing the deficit, raises the deficit. That is not the direction we ought to be going.

I am still hopeful that we will go back to an approach of a bipartisan attempt to do what we all know must be done, which is to put this country on a path to fiscal responsibility. Not just rhetoric, but the reality.

I must say, I read in the paper this morning that some House Republicans were in revolt, because they did not come here to raise the deficit, but that is precisely what their plan does. Mr. President, I intend to vote against that plan. I hope other of my colleagues will vote against that plan as well, because not only does it raise the deficit, but it contains a set of priorities that are virtually the same set of priorities that we were confronted with last year which the American people soundly rejected—soundly rejected.

We should not go on that path again this year, and we certainly should not be voting for a plan that raises the deficit.

I thank the Chair and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, if my colleague will stay just for a moment, I would like to engage in a colloquy with him about a point the Senator from West Virginia made.

I have been listening to part of the debate and participating in part of the debate. I found the representation both

on the floor of the Senate and even in the newspaper this morning very interesting. It says ''House Narrowly Passes Balanced Budget Plan,'' which is the plan we are talking about here. This is the plan the House narrowly passed yesterday, described as a ''balanced budget plan.''

This piece of paper is on every Senate desk. It is laying here on mine, but every Senate desk has it, and this is the actual conference report. On page 4 of the actual conference report, it says, ''Deficits,'' and then in the year 2002, it says, ''$103 billion in deficits.''

The Senator from North Dakota, Senator CONRAD, has spoken on this before as well, but it seems to me what this does is technically comply with the law, because the law says that you cannot use Social Security trust funds to portray in a piece of legislation like this that you have balanced the budget. But with the exception of this notation on page 4 that the deficit is going to be $103 billion in 2002, with the exception of that one notation, every other piece of information given on the floor of the Senate, every speech given by the majority that brings this to the floor alleges this is a balanced budget.

Is it just out of step, I guess, with common practice to be able to ignore what you put in the legislation and claim something different? Can Senator CONRAD answer that question? I guess the question I would ask is, what is the circumstance that allows this kind of hoax to continue?

Mr. CONRAD. In answer, Mr. President, I might just say it is perhaps one of the most perplexing stories in this town, because this is not a balanced budget plan. I mean, honestly stated, to take the retirement funds of the people of the United States and throw those into the pot and call it a balanced budget, frankly, borders on laughable. There is a $103 billion deficit by the year 2002 under this plan.

Sometimes I think the media just do not get it. They are reporting on what we call the unified budget. The unified budget is when you put everything into the same pot and then you see whether you have balance or not. The problem with that, of course, is that includes Social Security, all of the receipts and all of the expenditures. Social Security is not contributing to the deficit, as the Senator from North Dakota knows, Social Security is in surplus, substantial surplus. And that is going to continue. In fact, those surpluses are going to grow, and the reason we put a plan in place to have Social Security surpluses grow is because we are getting ready for when the baby boom generation retires.

But, of course, we are not getting ready; we are spending every dime. As a result, to call these balanced budgets is not accurate. It is misleading.

Mr. DORGAN. If the Senator will yield further, on the same page it says, ''Social Security revenues,'' and they are anticipating how much in revenues will come in to the Social Security Program during the next 6 years.

During the 6 years, the revenues from Social Security, which is the payroll tax everyone pays from their paycheck while they are working, will increase by $100 billion over the 6 years. It will go from $385 to $487 billion. In other words, this contemplates that from the payroll taxes, which are regressive taxes, will rise by $100 billion. People talk about flat taxes. These are the flat taxes. This is totally flat. Every worker, no matter what their income is, pays the identical percentage of payroll tax. That payroll tax will increase the proceeds to the Federal Government by $100 billion in the 6 years.

The solemn promise that has been made in law is that increase in the regressive payroll tax is designed to be put in a trust fund to be saved for when it is needed when the Social Security System will exhibit some strains when the war babies retire. It is interesting to me that the $100 billion increase in the regressive payroll tax is clearly not going to be saved, if you listen to the other side claim they now have balanced the budget, because they clearly are taking that $100 billion on the bottom of page 4 and saying, ''Well, we don't care what the promise is with respect to taking that from workers and putting it in the trust fund, we intend to use it to balance the budget.''

At the same time they want to construct a budget they say needs balancing, they want to reduce taxes. Yes, they want to cut the alternative minimum tax for corporations, they want to make it easier to move your plant overseas by giving a tax break, they want to enact a whole series of tax cuts. Most of those tax cuts will benefit upper income people.

They want to bring, next, to the floor of the Senate a proposal to build up to a $60 billion star wars program. There is an unending appetite to spend money on the part of even those who claim they are balancing the budget, but are not balancing the budget in this proposal.

I ask Senator CONRAD about the $100 billion increase in Social Security revenues that are anticipated in this budget. Does it not appear as if those are the revenues that they would then use to claim they have balanced the budget, when in fact they have not?

Mr. CONRAD. In fact, if you take the amount of money over the 6 years, it is $525 billion of Social Security surpluses that are going to be used to say that the budget has been balanced. So $525 billion of Social Security surpluses are going to be looted or raided, or whatever terminology one wants to apply in order to claim a balanced budget.

This is not a balanced budget. In fairness, I think one ought to say the President's plan is also not a balanced budget. Even the plan that I was part of, part of the centrist coalition, was not truly a balanced budget. None of these plans are truly balanced budgets.

In fact, the only plan that we have had a chance to vote on in the last 2 years that was truly a balanced budget was the one I offered last year, and the Senator from North Dakota supported it, the fair share balanced budget plan. That did balance without counting Social Security surpluses. It is the only budget that has been voted on on the floor on the Senate that was a true balanced budget plan. That got 39 votes here in the U.S. Senate. Obviously, 39 votes does not prevail.

I just say, the media, when they report, ought to tell the people accurately and honestly what has happened. Because to take retirement funds and throw those into the pot and call it a balanced budget, if we were doing that in the private sector, if in any company you took the retirement funds of employees, threw those into the pot, and said you were balancing the budget, you would be headed for a Federal institution. It would not be the U.S. Congress. It would be a Federal facility, a law enforcement facility. You would be headed for Federal prison because that is a violation of Federal law.

Mr. DORGAN. Let me make one additional comment.

Mr. President, I know the Senator from Nebraska wishes to contribute on these subjects. But the Senator from North Dakota says something I said yesterday. The President's budget also is not in balance, nor was the bipartisan budget in balance. I have never claimed they were. But those who bring this to the floor who claim they are in balance are wrong. This is not a balanced budget.

I only make the point that the Senator from Nebraska has been on the floor talking about this budget issue. I read his statement yesterday. I did not hear his statement when he made it, but I read it in the CONGRESSIONAL RECORD. He makes the point that I think is very important.

We ought not be talking about tax cuts. I know that might be popular. We ought to set the issue of tax cuts aside, talk seriously about how do you honestly and really balance the budget, do that job, finish that job, then come back to the question of how do you construct a tax system that eliminates or reduces some of the burden on middle-income people? That is what we ought to do.

But instead of that, we have a bunch of folks out here who wave their arms and flail around on the floor of the Senate and claim they have a balanced budget, which is not in balance; and then in the next breath say, ''We not only have a balanced budget''—that is not in balance—''but we want to cut taxes and increase spending.''

What on Earth kind of priorities are those? That does not make any sense. I could understand if there was a consistent approach, even if it was wrong. I can understand consistency. But to be consistently inappropriate in the way you approach this issue just makes no sense.

How can you be for a balanced budget and then come to the floor with this

and be consistent about wanting to do the things that reach a balanced budget? This is not advertising. I mean, this is not some marketing game we are playing. The issue is, are we going to solve this problem?

This document is a remarkable document, not only for what it says, but for what it does not say. What it says is, ''There they go again.'' That is what it says. That is what the Senator from Nebraska said. It is the same tired, old set of priorities. ''Let's take money from the health care for the elderly and give it for tax breaks for upper income folks.'' There they go again; the same set of priorities.

But even more important than that, the inconsistency here is stark, the inconsistency of saying we want a balanced budget, then proposing one that is not in balance and then in the same breath saying let us reduce revenue by giving tax cuts to those, especially those at the upper end, who do not need it. And then let us spend more money especially on things like star wars and other defense boondoggles that cost tens and tens of billions of dollars. The inconsistency is incomprehensible. Senator CONRAD made that point and Senator EXON has made the point as well.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Nebraska has 13 minutes remaining.

Mr. EXON. How much?

The PRESIDING OFFICER. Thirteen minutes.

Mr. EXON. Mr. President, I have three other speakers who wanted 5 minutes each, including the leader.

At this point, Mr. President, I thank the senior Senator from West Virginia for the kind remarks that he made about this individual with regard to the budget. He is a real stalwart. I have enjoyed working very much with Senator BYRD over the years.

Mr. President, I ask unanimous consent that an analysis of the Republican budget, prepared by the Democratic staff of the Senate Budget Committee, be printed in the RECORD.

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

ANALYSIS OF THE REPUBLICAN CONFERENCE REPORT ON THE FISCAL YEAR 1997 BUDGET RESOLUTION PREPARED BY THE DEMOCRATIC STAFF OF THE SENATE BUDGET COMMITTEE

INTRODUCTION

With the filing of this conference report, all of the efforts of the Republican majority to portray their budget as moderate are in vain. The Republican majority have done a superb job to airbrush their budget, but the American people can see the real thing—warts and all.

It retains the same unflattering profile as its predecessor: unnecessary reductions in Medicare and Medicaid paying for tax breaks for the wealthy. This is in fact the Newt Gingrich Budget. And as Senator DOLE leaves Capitol Hill for the campaign trail, he leaves whatever is left of his budget to the tender mercies of the extreme right. They will give it their full attention.

This rehashed budget is part and parcel of the Republican strategy of no-work and all-political-play. They wanted to ram through their failed and stale political agenda and confront the President at every turn of this crooked legislative road. Worst of all, two of the three baby reconciliation bills the conference report creates will be devoted largely to cutting taxes—an act that will worsen the deficit.

The House is already working its voodoo in this conference report. At least the Senate language required that all the entitlement spending reductions be enacted into law before we considered the tax breaks. The House shamelessly tossed that requirement out the window and the Senate concurred.

The first reconciliation bill contains Medicaid, welfare, and tax breaks. So much for performing deficit reduction before doling out the tax breaks. So much for fiscal conservatism. The first reconciliation bill will reduce the deficit by just $2 billion, if it reduces the deficit at all. This is as plain as the light of day. The majority now want to eliminate the Medicaid guarantee of meaningful health care benefits for 18 million children, 6 million disabled Americans, millions of nursing home residents, 36 million people in all, to fund their tax breaks.

The conferees assume a net tax cut of $122 billion, yet Chairman Kasich maintains that the cuts will be as large as $180 billion. There is not a single specific mention of closing tax loopholes or of ending corporate tax giveaways. The same budget that eagerly reduces funding for our Medicare and Medicaid programs cannot find the courage to call upon the special interests to assume any of the burden of balancing the budget.

The Republicans cling to the tax breaks—the tax breaks that fuel the reductions in Medicare and Medicaid and divide our great Nation. That is why they and this budget will ultimately fail. And that is not only a tragedy for the departing Majority Leader but for the American people as well.

MEDICARE

The reduction in projected spending for Medicare is still too large. The Republican budget reduces Medicare spending by $168 billion and proposes $10 billion in new spending for a graduate medical education trust fund. Under these assumptions, Medicare spending per beneficiary falls dramatically below comparable private sector growth rates, reducing quality and access to health care for millions of middle-class Americans. Private health care costs are expected to increase by 7.1 percent per beneficiary compared to a 4.7 percent per-person rate in the Republican plan—a 34 percent difference. The GOP plan will dramatically cut the purchasing power that seniors have for health care.

The plan also includes a premium increase for high-income beneficiaries and a $123 billion reduction in Part A. Details on the premium increase are not available. The American Academy of Physicians, the American Hospital Association, and the American Association of Retired Persons concur, however, that the proposal contains deeps cuts in payments to hospitals, which could result in cost-shifting, undermine quality, and threaten the finance viability of many rural and urban hospitals.

Damaging structural changes proposed by the Republicans will risk turning Medicare into a second-class system for seniors who cannot afford to opt out of traditional Medicare through Medical Savings Accounts. These changes would segregate the sickest and least affluent beneficiaries into in a severely weakened fee-for-service program.

The President proved you can balance the budget with far less Medicare savings while keeping Medicare solvent and protecting seniors from new costs. The President's budget cuts Medicare by $50 billion less than the Republican plan but maintains solvency for 10 years. The President's budget shows that premium hikes, deep reductions, and damaging structural changes are not necessary to balance the budget and guarantee the life of the Medicare trust fund. By preserving cuts in corporate subsidies for tax cuts for the rich, the Republicans are forced to reduce the growth of programs for middle-class Americans far deeper than the President's plan.

REDUCTIONS FROM LOW-INCOME PROGRAMS

Although the Republican budget does not identify all of the assumptions behind cuts in mandatory programs, more than 42 percent of these savings come from programs that help low-income Americans.

MEDICAID

The Republican budget includes $72 billion in Medicaid cuts. This could translate into total cuts of more than $250 billion if states spend only the minimum required to receive their full allocations. If this occurs, spending growth per person would be reduced to a level below the general rate of inflation.

Recently introduced Republican legislation shows that they have not backed down from their proposal to block grant Medicaid and to eliminate health care guarantees for the elderly, disabled, and pregnant women and children. The Republican bill distributes more than 96 percent of the funding in exactly the same way as last year's Medigrant proposal.

As the Democratic Governors have pointed out, these Medicaid provisions do not reflect the bipartisan National Governors' Association proposal, because the NGA agreed that States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters. The umbrella fund included in the new Republican proposal is not sufficient to achieve that goal.

Under this proposal, 36 million people will lose their guaranteed access to health care. Those who do receive coverage will no longer be guaranteed a basic level of benefits. States could be forced to deny coverage to millions of children and people with disabilities, and to older Americans who rely on Medicaid to pay for nursing home and long-term care.

Welfare

The Republicans claim to adopt the National Governors' Association's welfare reform recommendations. The Republican budget cuts $53 billion from welfare programs, however, significantly more than the $43 billion in savings attributed to the bipartisan NGA proposal. Recently introduced Republican welfare reform legislation does include several provisions requested by the Governors. But, as the Democratic Governors have pointed out, the Republican plan cuts food stamps more than the NGA proposal, rejects the NGA's work requirements, and includes a 20-percent cut in the Social Services Block Grant, which will undermine states' efforts to make sure that adequate child care will be available. The Republican bill also eliminates the provision supported by the NGA that States maintain their current level of effort in order to receive Federal foster care funding.

The Republican Medicaid and welfare bill was crafted with no Democratic input. It

would appear that the Republicans would rather play election-year politics than work toward real, bipartisan reforms that could be signed into law.

Earned Income Tax Credit

The Republican plan includes $18.5 billion in cuts to the Earned Income Tax Credit (EITC). The EITC helps low-income working families stay off welfare and out of poverty. The conference report does indicate that the tax credit would end for 4 million childless workers, and states that the EITC would be ''coordinated'' with the $500-per-child tax credit. Most families who receive the EITC, however, would be ineligible for much, if not all, of the child tax credit. The same claims were made last year, but analysis of the final proposal indicated that more than 7 million working households would have had their taxes increased under the EITC provisions in the vetoed reconciliation conference report.

EDUCATION

No Real Investment in Education and Training

The $1.3 billion by which the Republicans increase education funding from 1996 to 1997 is wholly insufficient to maintain the levels agreed to in the 1996 omnibus appropriations bill. In fact, over 6 years, the conference report is below a CBO 1996 freeze by $11 billion for Function 500 (Education, Training, Employment, and Social Services) discretionary spending. It is clear that the Republicans have still not learned that the American people, a majority of Congress, and the President believe that adequate funding for education programs is essential.

The trivial increase included in the conference report of $2.6 billion over 6 years over the Republicans baseline for Function 500 discretionary spending is shameful given how important education and training is to our Nation. The President's budget, by contrast, invests $59.4 billion more than the Republican budget. In real terms, the conference report reduces education and training spending by $25 billion over 6 years.

Capping the Direct Student Loan Program

The conference report proposes capping the Federal direct student loan program, crippling this successful program. (The conference report does not provide a volume amount at which this cap would be set. The House-passed budget resolution eliminated the program, while the Senate capped it at 20 percent.) Since schools participating in the direct loan program currently handle nearly 40 percent of loan volume, hundreds of schools will be forced out of the program. This will lead to disruptions and disarray for colleges and universities and considerable headache and uncertainty for students. The Republican majority does not believe that competition and choice belong in the student loan market; they want to assure banks and guarantee agencies continued access to Federal subsidies.

Even though the Republicans claim outlays savings of $3.7 billion over 6 years from their cap on direct lending, their proposal would cost, not save billions, if it were scored under the existing rules of the Credit Reform Act. The Republicans add $5.8 billion in outlays to the deficit through a ''baseline adjustment'' directing the Congressional Budget Office to override the Credit Reform Act in its scoring of student loan programs.

THE ENVIRONMENT

Over the next 6 years, the Republican budget cuts $3.8 billion from essential environmental and natural resources programs, a 17 percent cut below the President's level by the year 2002, including a 23 percent reduction for the EPA's enforcement and operations activities and a 36 percent reduction for the energy conservation programs. The Republican plan uses these reductions to let polluters off the hook, to the tune of $5.4 billion, by financing taxpayer spending for Superfund cleanups rather than requiring responsible parties to pay the cost.

The Republican budget plan also assumes a $1 billion of savings will be achieved from the opening of the Arctic National Wildlife Refuge (ANWR) to oil and gas development, putting at risk one of our national treasures. The Republican plan would weaken EPA's ability to protect public health and the environment and lead to further deterioration of the National Parks. The Republican plan jeopardizes administration priorities such as the environmental cops on the beat program, the Partnership for a new Generation of Vehicles, and the Climate Change Action plan.

CRIME AND JUSTICE

The Republican budget, as approved by the conferees, actually decreases the funding level from both the House and Senate budgets for the Administration of Justice function (Function 750). The proposed funding level is $20.9 billion, and is well below the House level of $22.1 billion and the Senate resolution of $21.7 billion, and considerably below the $23.5 billion requested by the President.

The Violent Crime Reduction Fund (VCRTF) would be funded at only $4.7 billion, which is $300 million below the $5 billion authorized level. The President requested that the Trust Fund be funded at the full $5 billion level. In addition, funding for the VCRTF is not included for the years 2000 and 2001. The President's budget assumes continued funding for the Trust Fund in those years. It is unlikely that our need to commit adequate resources to fighting crime will end after the year 2000.

At a time when Americans continue to express concerns about the level of violent crime and the need to continue an aggressive war on drugs, this Republican budget would actually spend less money ($20.924 billion) in 1997 than was allocated in 1996 ($20.969 billion).

The Republicans continually depict the President as soft on crime and not aggressively pursuing the drug war. This Republican budget at $2.6 billion below the President's request, however, clearly demonstrates that Congress, not the President, is placing a low priority on fighting crime and achieving justice in America.

TAX BREAKS

No one should be fooled into believing that the Republicans intend to limit their tax breaks to $122.4 billion, as claimed by the conferees. The Republicans try to hide the size of their tax breaks by not including in their baseline the extension of three expired excise taxes dedicated to trust funds and by counting the cuts over 6 years as opposed to last year's 7 years. The Republicans are not backing off of their huge tax breaks; they are merely disguising them with clever gimmicks. Simply extending the excise taxes will raise the tax cut to $155 billion. House Budget Committee Chairman Kasich claims that the tax breaks will be in the range of $180 billion.

On its face, this budget does not even pay for the one tax cut it endorses, as the child tax credit costs about $137 billion. Unlike the cost of the child tax credit that grows incrementally each year, the Republican tax cut in 2002 is reduced to $16.6 billion from a 2001 level of $22.6 billion. If the child tax credit is indeed the only assumed tax cut, then it must be sunsetted or triggered-off in some way in 2002, perhaps by lowering the size of the credit.

The Republican budget does not call upon special interests to assume any of the burden of balancing our budget. While President Clinton has proposed that $40 billion be raised from corporate reforms and loophole closing legislation, the Republican budget lists no savings from those categories.

The Republican budget allows for a ''deficit neutral'' tax relief bill that will most likely include capital gains tax breaks and other tax cuts. Chairman Domenici has repeatedly asserted that tax increases can be used by the Finance Committee to offset additional tax decreases. If the past is any guide, the Republicans will soon be proposing to raid pension funds for working families as a way to pay for tax cuts that benefit primarily our wealthiest citizens. As many of the other corporate reform provisions in the Balanced Budget Act have already been promised to pay for other legislation before the Senate, it remains unclear what will be used to offset the costs of any additional tax breaks.

Experience tells us to be very wary of Republican promises of who will benefit from their tax breaks. Last year's vetoed Republican reconciliation bill devoted 47 percent of its tax cuts to people making more than $100,000. Chairman Kasich has already promised that this year's tax breaks will likely be more of the same.

NATIONAL DEFENSE AND INTERNATIONAL AFFAIRS

For 1997, the Republican conferees adopt the Senate position and increased defense spending over the Pentagon's 1997 request by $11.3 billion. In 1998–2002, the conferees more or less split the difference between the House and the Senate resolutions. This $11.3 billion increase in 1997 tops last year's Republican budget, which increased spending over the Pentagon's request by $6.9 billion. As demonstrated by recent action in the House and Senate authorizing committees, much of this increase will go toward wasteful programs that the Defense Department does no want and did not request. In 1998–2002, the conferees allow the defense budget to grow at a rate slower than inflation, yielding spending levels that are well below the President's request for 2001 and 2002. In comparison to last year's budget resolution, this year's effort provides defense with $7.7 billion more in real purchasing power.

For International Affairs, the conference report provides $18.2 billion for 1997, which exceeds what was recommended in both the House and Senate resolutions. Despite this relative increase in funding, this allocation is still $1.0 billion less than the President requested and $260 million less than appropriated last year. For the period 1997 through 2002, the Republican budget provides over $18 billion less than the President requested for International Affairs. These reductions will undermine our global leadership responsibilities and compromise our ability to advance core national interests. Republicans once again talk the talk of being a global superpower, but then refuse to walk the walk by allocating the funds necessary to act like one.

PROCESS IN THE BUDGET RESOLUTION

The Republican budget contains instructions for three different reconciliation bills to try to maximize Republican exposure during this election year.

The first reconciliation bill addresses welfare, Medicaid, and tax breaks. The resolution moves the tax breaks up into the first bill, which will barely reduce the deficit, if it does at all. The House committee reporting date is this coming Thursday, June 13, and the Senate committee reporting date is June 21. The Senate committees instructed are Agriculture and Finance (both direct spending and revenue reductions).

The second reconciliation bill is devoted solely to Medicare. The House committee reporting date is July 18, and the Senate committee reporting date is July 24. The only Senate committee instructed is the Finance Committee, and for only direct spending.

The third reconciliation bill addresses miscellaneous direct spending and, once again, tax breaks. This way, if the President vetoes the first tax break bill, Congress can send him another. The House committee reporting date is September 6, and the Senate committee reporting date is September 18, not even a month and a half before the election! Senate committees instructed for this bill include Agriculture, Armed Services, Banking, Commerce, Energy, Environment, Finance (both direct spending and revenue reductions), Governmental Affairs, Judiciary, Labor, Veterans. Reporting is no longer contingent on passage of the prior two reconciliation bills, as it was in the Senate-passed reconciliation bill.

You can bet that there will be a continuing resolution—a C.R.—this year. That's because section 307 of the budget resolution—comically named the ''Government Shutdown Prevention Allowance''—provides that the Budget Committee Chairman can boost the allocations to the appropriators and lift the appropriations caps by $1.3 billion in outlays (enough to get to a CBO freeze) if and only if the appropriators report out a C.R. The only question now is, will the FIRST appropriations bill be a C.R.?

The Republican budget contains a tax reserve fund that allows tax cut legislation to be offset by spending cuts. The types of tax breaks allowable show the Republican priorities: family tax relief, fuel tax relief, and incentives to stimulate savings, investment, job creation, and economic growth—read capital gains—so long as the legislation does not increase the deficit.

The Republican budget contains a reserve fund to reauthorize superfund. This will allow discretionary spending to be moved off budget to pay for cleanup without holding original polluters responsible.

The Republican budget contains a provision requiring that asset sales be counted, rejecting the compromise present-value language agreed to on the Senate floor.

The Republican majority has given us another extreme budget, and the Senate should reject it.

Mr. EXON. Mr. President, in view of the fact that we have roughly 10 minutes left—as I understand it, we are planning to vote at noon, I ask the Senator from Washington.

Mr. GORTON. The Senator from Nebraska is correct.

Mr. EXON. Mr. President, in order to expedite the proceedings, I ask unanimous consent that the final 10 to 12 minutes, whatever time is left on the Democratic side, be reserved for use between 11:40 and 11:55 this morning.

Mr. GORTON. Reserving the right to object, would the Senator from Nebraska make that period of time end at 11:50 so that the Senator from New Mexico, as the proponent, may have the last 10 minutes? Can the Senator move it forward a little and end at 11:50?

Mr. EXON. Yes, if the Senator wants that. I agree to amend the unanimous consent request as suggested by the Senator from Washington.

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

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

Mr. GORTON. Would the Senator withhold?

Mr. EXON. I withhold.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I regret the absence from the floor of the two Senators from North Dakota who just engaged in a discussion of this and of other budget proposals. But even in their absence, their statements should not go without response.

At one level, the so-called Social Security argument, the proposition that these budgets are not balanced, we are dealing with mere debating points, and relatively outrageous debating points at that.

At a second level, the concerns of the Senator from North Dakota, Mr. CONRAD, who was a part of the same bipartisan group attempting to reach a common ground on that issue, as I was, I wish my remarks to be more serious. I think his were more pointed and more thoughtful. I will try to do the same.

More than a year ago, at the time at which this argument about whether or not payroll taxes and Social Security benefits should be counted when we determine whether or not the budget was balanced, Charles Krauthammer, in his column in the Washington Post, wrote:

In my 17 years in Washington, this is the single most fraudulent argument I have heard. I do not mean politically fraudulent, which is routine in Washington, in a judgment call anyway; I mean logically, demonstrably, mathematically fraudulent, a condition rare even in Washington, and a judgment call not at all.

Why did Mr. Krauthammer, an outside observer, write about this argument in this fashion? For one simple reason, Mr. President. The budget deficit of the United States of America, however many billions of dollars we are speaking of, is an exceedingly simple concept, readily understood by any citizen of this country. It is the difference between the amount of money the Government of the United States spends every year and the amount of money the United States takes in every year.

Unfortunately, for various and sundry purposes, some good, some not so good, we have frequently passed laws that put some of these receipts into a particular fund, spend out of that particular fund, and then we have gone beyond that process to pretend they are not a part of the budget or of the budget deficit. But they are.

The payroll tax is a tax which the Presiding Officer pays and I pay and every other working American pays, just to exactly the same extent that the income tax is a tax or an excise tax is a tax. The money spent by the Federal Government is a Federal expenditure, however worthy or unworthy its purpose, whether it is wasted or spent highly constructively.

When we speak of a balanced budget in the year 2002, we speak of it in the sense of how much money we are spending and how much money we are taking in. When President Clinton says that he has a balanced budget in the year 2002, he speaks of it in the sense of how much money we spend and how much money we take in. When the bipartisan group, of which the Senator from North Dakota was a part, speaks of a balanced budget, it uses exactly that same concept.

My gosh, Mr. President, by the argument that we received over here, we can balance the budget this year. All we have to say is that $150 billion of money we spend is not on the budget. Let us pass a law. Just pass a law. Let us say all the money that we spend on national defense is not counted on the budget. Presto, we would have a surplus, and we could all go home, and the budget would not be unbalanced.

Mr. President, obviously, it is not as easy as that. The money we spend on national defense does count. The money we spend on Social Security does count. The money that comes in our payroll taxes does count. When we count everything, the budget is passed.

Even worse, Mr. President, some Members voted against a constitutional amendment to balance the budget unless we included in it this fiction that payroll taxes for Social Security purposes and payments to Social Security recipients did not count. Mr. President, that is especially outrageous because by the time the constitutional amendment was ratified and became fully effective in this country, it would have exactly the opposite effect that the proposal has today.

Today, the proposal outlined by the two Members from North Dakota would say we cannot count as balanced a budget that is, in fact, balanced. We have to state there is a $100 billion deficit because in that particular year, the Social Security taxes are taking in $100 billion more than is being paid out in benefits.

We all know, we have been told, we know inevitably that sometime relatively early in the next century, exactly the opposite will be the case: The Social Security trust fund will be paying out more money than it is taking in.

So if these Senators have their way, in 10 or 15 years we will be able to claim a budget is balanced while the Social Security trust fund is going bankrupt and while the country is, in fact, obligated to spend hundreds of billions of dollars every year that it does not have. The books will say the budget is balanced in exactly the same way that it would say that they were balanced today if we just decided to take national defense off budget and claim the money we were spending on it did not count, for some reason or another.

It is for that reason, Mr. President, that Charles Krauthammer, a year and a half ago, said this was the most fraudulent argument he had ever heard in 17 years in Washington, DC. That is not the real issue before the Senate, in our judgment, as to whether or not to

pass this budget resolution. That judgment really rests solely on the question, is it time to begin to move honestly toward a balanced budget? Is it time to arrest the growth rate of a handful of entitlements which each year take a larger percentage of our budget and each year contribute more to our budget deficit? Is it time to assure that we are going to have enough money for the very appropriated accounts about which the Senator from West Virginia was so eloquent, or are we going to allow them to be eaten up completely by these entitlements to the point which we will have no money for any of those purposes—for education, for the environment, for a park system, for the Department of Justice, because we are simply unwilling to deal with these entitlements?

In fact, Mr. President, it is true under this budget resolution, the deficit in 1997 will be larger, by a small margin, than the deficit in 1996. The deficit in 1998 will begin to go down, it will be about the same as the 1996 deficit, and then it will go down more rapidly thereafter.

Mr. President, if we were to adopt President Clinton's budget, the increase in the deficit in 1997 would be even greater, and in every single year it would be significantly more than it is under the proposal before the Senate now. Why? Because he does not arrest the growth of entitlements in the way we do. In the early years, at least, he proposes to spend much more in discretionary spending.

Mr. President, this is what I principally regret about the argument of the Senator from North Dakota. The bipartisan budget, which the two of us supported, also has a higher deficit using these figures in 1997 than in 1996. It has a higher one in 1998 than in 1997. Yet, the Senator from North Dakota and I both supported it. Why? Because, in my opinion, it does a better job in the long-term control of entitlement programs. Thereafter, it allows for at least as much in tax relief to working Americans as does ours, and allows for more in the way of discretionary spending on education, law enforcement and the like. I felt it preferable to the one we have before the Senate now, but we did not win. This one is infinitely preferable to the proposal of the President, and it is infinitely preferable to doing nothing and allowing the status quo to continue and engaging in fruitless debate-point kinds of arguments.

Mr. President, the job would have been easier had we started a year ago. The President's veto of a balanced budget then frustrated that goal. It would have been easier still if we had started 2 years before that, at the beginning of the Clinton administration, or 2 years before that in the Bush administration. For one reason or another, we did not. Now we have a series of excuses as to why we should not start now or, more precisely, why we should do it differently.

Everyone is for a balanced budget. Everyone is for a balanced budget, Mr. President. It is always a different one. It is never the one they have before them. That, accumulated over 30 years, is the reason we find ourselves in our present position.

I believe this resolution is going to pass. I think that will be a good thing. I believe the President of the United States is almost certain to veto the enforcement mechanisms which would make it a reality. That will be a bad thing.

We are likely to be back here next year, whoever is President, faced with the same challenge, but a more difficult challenge. We will be further in debt, it will be more difficult to bring these spending programs under control, but we will have the same debate once again as we do now. It will not be won by debating points. It will only be won by a support of something that is actually before the Senate and something that will actually work, that this present resolution most certainly is.

I suggest the absence of a quorum, and I ask unanimous consent it be charged equally against both sides.

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

The clerk will call the roll.

The assistant legislative 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. Without objection, it is so ordered.

Mr. DOMENICI. Parliamentary inquiry, how much time does the minority have remaining?

The PRESIDING OFFICER. The minority has 10 minutes.

Mr. DOMENICI. On this side we have how much?

The PRESIDING OFFICER. The majority has 39 minutes.

Mr. DOMENICI. I ask unanimous consent that any time charged to the minority in the immediate past quorum call be charged to the majority, because they are very short of time.

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

Mr. KERRY. Mr. President, I voted against the Republican budget resolution when it came before the Senate. I told this body my reason which distills to one simple truth: It does not reflect the priorities of the American people. Sadly, as soon as Members of the House of Representatives had their say in the budget, as soon as the influence of the Speaker of the House was brought to bear in the conference committee, a bad budget was rendered even worse.

Mr. President, the bill which lies before us is in fact the Newt Gingrich budget. After the drubbing the Republican Party took last year for holding hostage the Government and those its services help as those Republicans sought their scorched Earth budget at all costs, some of the rougher edges have been slightly rounded, some of the more severe slashes have been moderated. But this is unmistakably a budget without a heart, a budget that has no concept of investment for the future of our country and its people.

When we first considered the budget for the next fiscal year, I tried to improve the bill by restoring funds for environmental protection and conservation efforts, for education—the Gingrich budget marks the largest education cut in history—and I tried to trim unnecessary defense spending to the level requested by the President.

But then as now, the Republican Party has moved in lockstep to prevent us from providing services that the American people urgently need.

As an alternative, the President's budget continues the sound economic and fiscal policy put in place in 1993 which has halved the deficit, kept interest rates and inflation low and created more than 8 million jobs. His budget is the right way to balance the budget.

But this resolution is shameful. The Gingrich budget continues the smoke-and-mirror gimmicks vetoed by the President and rejected by the American people. It slashes Medicare, cripples education programs, and opens tax loopholes for big corporations. This is the wrong way.

Despite continuous and strong economic news, American workers feel insecure. Working families worry about their economic security; they worry about their retirement security. As I travel across Massachusetts, people tell me they are worried about their physical safety and their ability to afford health care.

This Republican budget will only exacerbate this pervasive sense of insecurity. At a time when we are fearful about the level of violent crime and the need to conduct a real war on drugs, the Gingrich budget would spend less in 1997 than was allocated in 1996 for crime prevention. At a time when Americans believe that their only chance to realize the American dream is through education, the Republican budget gives education and training funding short shrift—$56 billion less than the President's balanced budget. At a time when Americans look toward their senior years and see an uncertain future, the Republican conference report slashes Medicare spending by $168 billion.

That is the wrong set of priorities for our Nation, for our economy, and for hard-working American families, Mr. President. I reject this conference report as I, the President and the American people rejected the Republican plan last year, and as I rejected only 2 weeks ago this year's Republican plan.

I hope my colleagues oppose the Republican conference report. We can do better for the country and we ought to. I yield the floor.

WRONG BUDGET PRIORITIES

Mr. PELL. Mr. President, the budget resolution conference report now before us once again reflects the impact

of what I fear is an extreme conservative agenda that I believe is not shared by the majority of my constituents, or indeed of the Nation. I cannot support it.

I note at the outset that I was happy to support the bipartisan centrist alternative budget that was offered last month by Senators CHAFEE and BREAUX. In my view, the alternative plan took a more moderate approach based on a far more reasonable ranking of priorities.

I should also note that the budget resolution which passed the Senate on May 23 was somewhat better than the pending conference report. Although I did not vote for the bill, I was pleased that the distinguished chairman of the Budget Committee, Mr. DOMENICI, added $5 billion to discretionary spending, of which $1.7 billion was earmarked for education.

Unfortunately, that enlightened step was quickly undone by the conferees, and the budget now before us resembles all too clearly last year's ill-conceived and misguided reconciliation bill that resulted in 2 Government shutdowns and 13 continuing resolutions. It is dismaying to contemplate a repetition.

The budget before us is all wrong, in my view. It continues the preposterous inconsistency of scheduling tax cuts and continuing tax breaks while at the very same time purporting to move toward a balanced budget. It pads the defense budget by more than $11 billion. And to offset these costly steps, it depends on excessive and unwise cuts in Medicare and Medicaid as well as in welfare and education.

I am, of course, most particularly distressed by the cavalier and to my mind dangerous treatment of the Federal investment in education, which this budget would cut by 20 percent across the board by 2002. The impact would be felt at all levels of education, at a time when enrollments particularly at the secondary levels are climbing to historic highs.

At the college level, the Republican budget would cut the Pell grant program by $6.2 billion over 6 years. An estimated 1.3 million students would lose Pell grants, and the value of the maximum grant would decline by $400 per student.

College work study opportunities would be lost by 800,000 students by 2002. The Direct Student Loan Program would be capped, forcing colleges and students out of the program. And national service would be cut, denying opportunity to some 40,000 over the 6-year period.

At the secondary level, in fiscal year 1997 alone, the pending budget will have a very harmful effect on several programs of proven merit:

Cuts in education for disadvantaged children would deny funding for math and reading skills for some 344,000 children.

Safe and drug free school antidrug and antiviolence programs would be cut by $30 million next year.

Cuts in Head Start would deny preschool education to at least 12,500 children next year.

Funding under Goals 2000 would be cut for 500 schools helping 250,000 students meet higher education standards.

Reduction in funding for bilingual education would eliminate services for some 38,000 students with limited proficiency in English.

Cuts in summer jobs for youth and dislocated workers assistance will result in lost opportunities for skill enhancement for some 81,000 young people.

Mr. President, these reductions might have been justified if every last dollar had been shaved from programs less essential than education, or if national defense was seriously at risk or if every taxpayer in the country was being taxed to the limit of his ability to pay.

But the fact is that none of these conditions obtain. On the contrary, this budget provides tax cuts and tax breaks that may reach $180 billion for the wealthiest individuals in the Nation while at the same time cutting education programs by $25 billion,.

This is an unconscionable inversion of reasonable priorities and it ought to be rejected out of hand. I can only hope that our successors will bring a more enlightened and responsible attitude to the task.

Ms. SNOWE. Mr. President, I rise this morning in strong support of the conference budget resolution. I believe it provides us yet another opportunity in the 104th Congress to put our Nation's budget on a path toward balance, and does so in the spirit of compromise.

Mr. President, as if we needed any further proof of the difficulty we face in balancing the budget after 27 consecutive years of fiscally irresponsible behavior, the last year and a half has further highlighted the challenges we face in achieving this goal. Even with an overwhelming majority in this Congress expressing strong support for a balanced budget—indeed, 64 Members of this body even voted for the balanced budget amendment just this past week—and a President expressing the same support, we have still not enacted the legislation necessary to put us on a path to balance.

If there is anything that we have learned during these past 17 months, it is that some measure of compromise will be needed by all of us in order to get to what we claim to be a shared goal. The Democratic Party may control the White House, but they do not control the Congress. By the same token, the Republican Party controls the Congress, but not with a margin sufficient to unilaterally override a Presidential veto. Therefore, with neither side having control sufficient to simply make happen whatever they would like, we are forced to exercise give-and-take if we truly wish to move forward at all.

Mr. President, I believe that the budget conference report that has been crafted demonstrates give-and-take, and is a sincere effort to forge a compromise before the 104th Congress adjourns sine die. By doing so, this resolution gives us a chance to move the process forward. And through continued compromise in reconciliation, legislation could then be enacted that would put us on a path toward balance in 2002.

Therefore, I would like to commend the chairman of the Senate Budget Committee, Mr. DOMENICI, and all of the members of the House-Senate conference committee for their efforts in crafting this conference budget resolution. Their willingness and ability to put together a budget that strikes a compromise between the positions taken by the President and congressional leaders during months of often acrimonious negotiations is a testament to their commitment to balancing the budget sooner rather than later.

Mr. President, during the debate on the Senate budget resolution just this past month, I was part of a bipartisan group of Senators that offered an alternative budget resolution that split the differences on contentious issues such as Medicare, Medicaid, and tax cuts. Although that resolution was ultimately defeated by a narrow margin, it proved that compromise was possible and that Republicans and Democrats could work together and find common ground.

After the defeat of that bipartisan resolution, I voted in favor of the budget resolution crafted by Senator DOMENICI because I felt it offered a sound and reasoned approach to balancing the budget—and could also warrant bipartisan support. I regret that none of my Democratic colleagues voted in favor of that resolution because I believed that it not only offered a fiscally responsible and realistic path to achieving balance in 6 years, but it also demonstrated the ongoing commitment to compromise by the chairman of the Senate Budget Committee, Senator DOMENICI.

In an effort to gain support from Democrats as well as Republicans, Chairman DOMENICI incorporated a variety of the bipartisan budget group's 7-year savings targets in his 6-year Senate budget resolution. Now, following negotiations with the House, the Chairman is again presenting us with a plan that contains many of these similar savings targets. I therefore give this conference report my support—and am hopeful that my Democratic colleagues will reconsider their prior opposition to the Senate budget resolution.

To reach balance, the total level of savings derived in the most contentious categories of the 1997 conference report are very similar to those contained in the bipartisan budget proposal. Specifically, the bipartisan budget assumed $154 billion of savings in Medicare, $62 billion in Medicaid, $58 billion in welfare and the EITC, and

cut taxes by $130 billion. In comparison, the conference report would slow the growth of Medicare by $158 billion over 6 years, slow Medicaid growth by $72 billion, derive savings of $70 billion from reforms to the welfare and the EITC programs, and cut taxes by a net total of $122 billion.

Mr. President, despite these similarities, I am sure that there are those who will criticize this conference budget resolution on the grounds that the policies that back the numbers are wrong. I would simply remind my colleagues that a budget resolution is a blueprint and not a final package of policies for balancing the budget. The policies that embrace these targets will be crafted during the reconciliation process. We will have ample time to debate the specific policies that achieve these targets in the coming months.

Still others will argue that the savings targets contained in the 1997 conference report are unrealistic or hurtful. To those I would ask: Is it hurtful to save the Nation's Medicare Program from bankruptcy? Is it unrealistic to believe that Medicaid and welfare can be reformed in a manner that improves the delivery of services to those in need—especially the poor and elderly?

The answer to all of these questions is the same: ''Of course not.''

One striking example of the unjustified vilifying of this budget resolution is in the Medicare program. As we all learned from the Medicare trustees this past week, the Medicare trust fund is now expected to go insolvent in 5 short years—which is 1 year less than we were told just over 12 months ago—and perhaps in as quickly as 4 years. We have a responsibility and an obligation to make the changes necessary to ensure that this program—which provides essential health care for millions of our Nation's senior citizens—be preserved for 10 years.

Rather than embrace a broad budget goal for Medicare that would allow us to craft a package of reforms to preserve this program for 10 years, opponents contend that the President's plan —which contained real reforms that would only extend solvency of this trust fund for 1 additional year —should be embraced. We owe it to our senior citizens of today—and to those of tomorrow—that this vital program will not be imperiled simply because it appeared to be a good ''wedge issue'' for an upcoming election.

By the same token, Mr. President, the entire balanced budget debate is not only about today, but also about tomorrow. We must never forget that balancing the budget is not merely an exercise in national accounting, rather it is about improving the lives of every American both now and in the future. Today, a balanced budget would mean improved financial conditions for our Nation's workers and families by providing for higher growth and lower interest rates. We would effectively be putting money in the bank accounts of working Americans because they would be paying less interest on their mortgages, less on their student loans, and less on their car loans.

At the same time, balancing the budget is about preserving the future by ensuring that our children and grandchildren would not be subjected to an 82-percent tax rate or a 50-percent cut in benefits to pay for our profligate spending today. Every generation of Americans has sought to provide a brighter economic future for the next—but our unwillingness to exercise self control today is imperiling this goal for the generation of tomorrow.

I believe John F. Kennedy said it most succinctly: ''It is the task of every generation to build a road for the next generation.'' I do not believe that building this road for the next generation can be put off any longer. I do not believe that we can stand idly by while our children's inheritance is squandered.

This budget resolution provides us with an opportunity. An opportunity to forge a compromise now—not after the next election. We should not allow the forces of politics to overcome the force of responsibility.

Mr. President, I support this budget agreement.

Mr. FEINGOLD. Mr. President, the finishing touches have been applied to the leadership's Presidential election year budget, and as many of us on both sides of the aisle feared, the cornerstone of that election year budget is not balancing the books but cutting taxes.

Even the few fig leaves that were carefully placed on last year's budget resolution have been removed. The special reserve fund from which tax cuts were to be funded only after CBO certified that we were on a glidepath to a balanced budget has been removed.

Instead we have a Rube Goldberg construction of reconciliation bills, leading to a massive tax cut which, we are told, totals $122 billion, but which might actually be closer to $180 billion if one believes the Chairman of the other body's Budget Committee.

If anything, the conference version of the budget resolution provides even more opportunities for enacting a tax cut before the budget is balanced. As I understand the conference report, Congress can now consider tax cuts as part of the welfare-Medicaid reconciliation bill, or as part of a separate tax cut reconciliation bill. It is readily apparent that the goal of this year's budget resolution is not to balance the budget in 7 years, in 6 years, or even sooner.

The goal is to pass an election year tax cut.

Mr. President, the goal, and thus the budget as a whole, is entirely political—a defect that is not unique to this budget resolution. The tax cut bidding war that has been heating up for the past 2½ years is now white hot. The President is proposing tax cuts. The Republican congressional leadership are proposing tax cuts. The GOP candidate for President is about to propose tax cuts. Even the bipartisan coalition of Senators proposed a significant tax cut as part of their own budget plan, though I think many in that coalition would have preferred no tax cuts at all until we balanced the budget.

Mr. President, every time you turn around you bump into somebody about to propose a tax cut. Last week, the President proposed a $1,500 education tax credit, and there are reports that he may propose a tax break for first-time homebuyers. The Republican congressional leadership is pushing a gas tax cut, and has also proposed an adoption tax credit and a series of business tax cuts. And the Republican Presidential nominee is expected to propose a significant tax cut, reportedly as much as a 15-percent across-the-board cut in income taxes, a cut that would cost about $90 billion a year according to one report.

Mr. President, we may need an environmental impact statement reviewing the loss of all those trees that will be used to make the paper for this blizzard of tax cut bills. The Washington Post took both Presidential candidates to task for their election year tax cut proposals. That June 4 editorial noted that ''both men know better,'' and went on to say that ''the candidates are moving, both of them, against what we persist in regarding as their own better instincts toward a bidding war on taxes.''

Mr. President, I think that is a fair characterization.

I respect both President Clinton and Senator Dole, and I think they both know better than to engage in this bidding war on taxes. It is driven purely by political winds. With continuing budget deficits facing the Nation, our focus must remain on balancing the budget, not on cutting taxes.

This is true not only for the Federal budget as a whole, but also within the budget in areas such as Medicare. The recent report of the Medicare trustees came as no surprise. We have known for some time that the Medicare trust fund would be insolvent in a few years, a projection that has been all too common over the past 25 years.

We need to devote our economic resources toward stabilizing that trust fund in the short term, and ensuring its solvency in the long term. I regret that the path of this budget resolution is instead to further undermine that trust fund by putting tax cuts ahead of both balancing the Federal budget and the long-term solvency of Medicare.

Mr. President, the bipartisan budget plan that was debated here last month also had this fatal flaw. That plan, which held much promise in so many areas, was fatally flawed by having to provide funding for a tax cut that was neither politically necessary nor fiscally responsible. That it used as its funding source an across-the-board cut in Social Security COLA's not only frustrated the rest of the plan, it also may have jeopardized efforts to reform

the Consumer Price Index which so many respected authorities maintain overstates the cost of living. Making a case that the CPI needs to be modified will only suffer if the savings realized from reform are used to cut taxes rather than to secure the fiscal stability of Social Security.

Mr. President, there was absolutely no need for that bipartisan plan to include a tax cut, and I very much hope that any future bipartisan actions which may flow from that important effort begin by dumping those tax cuts and focusing every last dime of savings on balancing the budget.

Mr. President, I regret that so many have been infected by this tax cut fever. Its symptoms seem to cloud the mind. Even those who persist in believing the thoroughly disproven voo doo economics of the early 1980's can find little on which to launch their arguments for a so-called pro-growth tax cut.

As some have noted, whether or not the ''pro-growth'' set believe in those discredited policies, there is little doubt that the Federal Reserve and the financial markets do not, and the effects of any tax cut that might be enacted would be countered in short order with an offsetting rise in interest rates.

Mr. President, we can barely cut taxes and balance the budget on paper, let alone actually putting such a plan into effect. Maintaining the fiscal discipline needed to eliminate the deficit is hard enough for Congress. Adding a tax cut on top of that goal is fiscally irresponsible.

Mr. President, this budget resolution invites mischief. It provides multiple opportunities to stray from what must be our most important economic goal, namely a balanced budget. And by opening up these new fronts, it further escalates a tax cut bidding war that is already getting out of control.

Mr. President, we can expect a long, hot summer of tax cut proposals flying back and forth.

Mr. President, it may have appeal in some quarters, but the great bulk of the American people would much rather be dealt with honestly and responsibly. They know that you cannot balance the budget and cut taxes at the same time. You have to choose one road or the other.

Mr. President, let us choose the road to a balanced budget.

Mr. DODD. Mr. President, as I come to the floor today to speak on this budget conference report I am reminded of the immortal words of Yogi Berra: ''It feels like deja vu all over again.''

Because, contrary to my colleagues' protestations of moderation, this conference report repeats the same mistakes of last year's failed budget process, which twice shut the Government down. Last year's plan gutted Medicare, Medicaid, education, and the environment and was soundly rejected by the American people and this conference report seems to be no different.

Frankly, I'm amazed that after the lessons of last year the Republicans would try to hoodwink the American people into thinking that they have changed their stripes. But this budget does just that by presenting the thin veneer of compromise and moderation, while at the same time maintaining draconian spending cuts in America's priorities and tax cuts for Americans who don't need them.

But the American people will not be fooled. They learned long ago that when it comes to the Republican's budget-cutting efforts, ''All that glitters is not gold.''

Unfortunately, the only thing that shines in this budget is the repetition of the same mistakes that gave us 13 continuing resolutions and 2 Government shutdowns last year.

For example, on Medicare this conference report calls for cuts of up to $168 billion. These reductions would leave seniors with an increasingly second-class health care system. The enactment of the accompanying profound policy changes would leave the sickest and poorest Americans in a weakend and toothless Medicare program.

This conference report also represents a $123 billion reduction in part A. These cuts would limit beneficiary access to hospital health services and limit payments to hospitals. These reductions could result in cost-shifting, affect quality and leave in serious jeopardy the continuing viability of many rural and urban hospitals.

But, Republicans don't stop with Medicare. Medicaid, too, would be gutted by $72 billion in cuts and block grants that would threaten this Nation's guarantee to provide health care for children and the poor. In fact, under the Republicans' block grant approach, these Medicaid reductions could total $250 billion if States spend only the minimum required.

If this conference report were enacted, more than 36 million Medicaid beneficiaries, including 18 million children, more than 6 million people with disabilities and millions of older Americans who rely on Medicaid, would lose their guarantee of adequate health care.

But these Medicaid costs are an integral part of a conference report that finds more than 42 percent of its savings by cutting priorities that affect low-income Americans. Is this any way to balance the budget—on the backs of America's poorest citizens while at the same time including sizable tax cuts for wealthy Americans?

Additionally, I hear a lot of rhetoric from across the aisle about moving Americans from welfare to work and making the opportunity of the American Dream available to millions of Americans. Maybe one of my Republican colleagues could explain to me how we are supposed to do that when we're taking away the tools to make those dreams a reality?

In my opinion, there is no better example of the Republicans' insensitive attitude to the working poor than their proposed cuts in the earned income tax credit. [EITC].

Here we have a program that benefits millions of America's working poor that in the past has had sweeping bipartisan support and that provides an essential lifeline for those Americans trying to escape poverty.

But, while most Americans would look at the earned income tax credit and say ''Here's a Government program that works,'' my Republican colleagues look at the EITC and say, ''Here's a place to save money.'' This is akin to raising taxes on the working poor.

At at time when growing wage inequalities threaten to segregate Americans by economics, it is beyond my ability to understand how my Republican colleagues could pass a conference report that raises taxes on the working poor while cutting taxes for wealthy Americans. But, it seems those kind of skewed priorities have become the norm is this body.

Additionally, this budget continues the Republican assault on education and job training. The overwhelming desire of the American people to see Congress maintain our national commitment to education has led my Republican colleagues to increase funding. But, Americans won't be fooled by these hollow increases.

In real terms,this conference report would mean $25 billion less in education and training spending over the next 6 years. On the other hand, President Clinton understands the need for maintaining our commitment to education and job training. That's why his budget includes nearly $60 billion, more than the GOP budget, in new investments in priorities such as Head Start, Goals 2000, Pell grants, school-to-work, summer jobs, and dislocated worker training.

The President's budget also maintains our national commitments to the environment and to crime fighting, which suffer serious blows under the GOP conference report.

For example, the Republican budget cuts nearly $4 billion, from the President's request for environmental priorities such as energy conservation and EPA enforcement and maintains the GOP commitment to open up one of America's last great environmental treasures, the Arctic National Wildlife Refuge, to oil and gas drilling.

On the crime front, while Republicans like to portray this President as soft on crime, it is Republicans who are actually cutting money that helps keep our streets safe from the scourge of drugs and violent crime. For example, the Violent Crime Reduction fund would see serious cutbacks and the total funding for the Administration of Justice function would be cut by more tan $2.5 billion than the President requested.

Yet, at the same time they're cutting money for crime, education, the environment and job training, this conference report still finds enough money

to provide $11.3 billion more in defense funding than the Pentagon even requested.

This additional, unrequested funding, along with another $60 billion boondoggle for a Star Wars missile system serves as a vivid reminder of where the priorities of my colleagues across the aisle lie. And to be honest with this much in additional spending it's hard to take seriously Republican assertions that they truly want to balance the budget.

There's an inherent hypocrisy in suggesting that on one hand we need to balance the budget—even amending the Constitution if need be—while on the other hand calling for additional, unrequested defense spending and a repeal of the gas tax, which will only drive up the deficit.

What's more, these spending increases come on the heels of Republicans' continued insistence that this Congress pass tax cuts for wealthy Americans who don't need them. Last year's budget devoted 47 percent of its tax cuts to people making more than $100,000 and there is little reason to believe that this year is any different.

Stop me if this agenda sounds familiar. As one of the 11 Senators to vote against the 1991 Reagan budget plan that cut taxes, raised defense spending and plunged this Nation into deeper and deeper debt the similarities are all too familiar.

It was that plan that brought this Nation to the point we're at today. If we hadn't exploded the deficit during the 1980s this debate would not necessary. But, it seems some people never learn.

If my Republican colleagues were truly intent on balancing the budget in a fair and equitable manner they might want to look down Pennsylvania Avenue to the White House.

President Clinton has presented a budget that puts our fiscal house in order while protecting our values and priorities as a Nation. But, it seems Republicans are more intent on playing politics with this issue, rather than taking up the President's offer to continue the negotiations.

This conference report puts us in the wrong direction toward compromise, but more importantly it puts us on the wrong path toward making a better future for our children. It is my intention to vote against this conference report and I urge all my colleagues, Democrats and Republicans, to reject it as well.

Mr. ROTH. Mr. President, I rise today to express my disappointment that the fiscal year 1997 budget resolution alters my sense-of-the-Senate amendment in a way that completely changes the intent of the amendment agreed to by 57 Senators.

In February I introduced legislation that would create a dedicated trust fund for Amtrak. As chairman of the Finance Committee, I reported out this legislation with the support of my colleagues on both sides of the isle. On the budget resolution I offered a sense-of-the-Senate amendment that expressed support for this legislation—for direct funding for Amtrak—and it was overwhelmingly approved by the Senate.

While my sense-of-the-Senate amendment received strong support in the Senate, my amendment was drastically changed while in conference with the House. My amendment was supported by 57 Senators who voted for direct funding for capital improvements to Amtrak. My legislation would have been offset according to the budget rules, therefore, it would not have had an affect on the deficit. It would fund Amtrak without raising taxes, without increasing the deficit, and without cutting funding for other forms of transportation.

Unfortunately, my amendment was modified in conference. The modified version of my amendment would only create an authorization, with no direct spending for Amtrak. These are two different amendments with two different meanings. However, only my amendment was voted on by the full Senate and only my amendment received overwhelming support from this body.

Mr. President, the 57 Senators that voted in favor of direct spending knew what they were voting on. These Members know that if Amtrak is to survive, it will need direct spending to make the needed capital improvements and upgrades to equipment and shops. They also know that another authorization will not help Amtrak secure the money needed for long term capital investments.

What Amtrak needs and what the Senate voted on is direct funding for capital improvements. I conclude by expressing my profound disappointment that the conference report for the fiscal year 1997 budget resolution does not reflect the will of the Senate on this issue.

Let me also point out that my preference for the overall budget resolution would have been the lower discretionary levels as contained in the House-passed version of the budget resolution.

Thank you Mr. President and I yield the floor.

Mr. INHOFE. Mr. President, I know there is a lot of redundancy in what we all say around here, and certainly I have tried to make these points before, but we had quite a discussion this morning debating the budget resolution. During that time, I guess one of the most eloquent Senators in the history of this body, Senator BYRD from West Virginia, had some comments that I want to respond to.

One was he commented on the mistake that he made when he voted for tax cuts back in the 1980's. I suggest that there is a basic difference in philosophy. I hope it came out. I think people have to weigh this on their own.

I can remember, in 1992, a quote I attribute to Laura Tyson, the chief economic adviser to President Clinton, who said, ''There is no relationship between the level of taxation that a nation pays and its productivity.'' I think that is the crux of where we are now in our debate, whether it is about the balanced budget amendment or just a balanced budget. If you really believe that, then I can understand why people would not want to have tax cuts and why they would vote the way they do.

But I have to remind the distinguished Senator that there is no period of time in history when we had greater tax cuts than there was in the 1980's. That is when we had our marginal rates coming down so dramatically. In 1980, the total revenues for Government were $517 billion. In 1990, it was $1.03 trillion. It doubled in that period of time. During that period of time, we had the greatest tax decreases of any 10-year period in America's history. The revenues from marginal rates went, in 1980, from $244 to $466 billion.

That is where the basic difference of opinion is. People want to have more of their money to invest. For each 1 percent increase in the economy, it develops an additional $26 billion of new funds.

The distinguished Senator from West Virginia said—and this is a quote, I wrote it down—he said, ''The people of America are going to wake up and say we are tired of cutting domestic discretionary programs.'' I think that is a basic difference of opinion among many of us here. I think perhaps the majority of us do not believe that. We think the people of America are not tired of cutting domestic programs. They are tired of tax increases. They are tired of deficit increases. They are tired of having their children and their grandchildren born into an environment where they immediately inherit a $19,000 debt, and if we do not do something to change it, they will end up having to pay 82 percent of their entire lifetime income just to support Government.

Another thing that was said was said by the distinguished Senator from North Dakota, who again used the ''S'' word, I call it, star wars. I have to say, and I firmly believe it—I am on the Senate Armed Services Committee and the Intelligence Committee and I was on the same committees over in the House of Representatives—I believe there is a greater threat facing America today than there has been, certainly, since World War II, maybe since the Revolutionary War: the proliferation of nuclear weapons, weapons of mass destruction, and the lack of defense against delivery of those weapons. As the distinguished Presiding Officer knows, because he is on the same committees I am, we are in an environment where we have had slashes in the military budget for 12 consecutive years. So now we are essentially where we were in buying power in 1980 when we could not afford spare parts.

So I think it is doing a disservice to the American people to use such terms as star wars. When you realize it is not

$70 or $80 or $90 billion, we are talking about an investment that the American people have made in national missile defense today of about $50 billion. Just take the Aegis ships, 22 Aegis ships, already paid for, already floating, that have launching capability, all we have to do is spend about $4 billion more to give them the capability of getting into the upper tier to give us the defense system that we have to have.

We have rogue nations, as James Woolsey said, some 25 to 30 rogue nations, nations that have weapons of mass destruction, not the obvious ones of Russia and China and North Korea, but Iran, Iraq, and all the other nations, Syria, Libya. I think about the war that took place, the Persian Gulf war, where Saddam Hussein said, ''If we could have waited for 5 more years before we invaded Kuwait, we would have been able to have the missile capability of delivering a weapon of mass destruction at the United States of America.'' This is coming from a guy who murdered his own grandchildren, so we are not talking about normal people who think like we do.

So I would say I wanted to respond to those two statements made by those two very distinguished Senators from West Virginia and from North Dakota.

Mr. DOMENICI. 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. HOLLINGS. 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. HOLLINGS. I thank the distinguished chairman of our committee.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article in the Wall Street Journal of June 6 entitled, ''A Tax Cut Trap,'' by the distinguished journalist Albert R. Hunt.

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

[From the Wall Street Journal, June 6, 1996]

THE TAX CUT TRAP

(By Albert R. Hunt)

[*No matter how many consultants told him to make his message more upbeat . . . no one could ever convince Dole that deficits would simply ''grow away.'' Bobby Joe Dole grew up in Russell, Kansas. He saw people die from debt.*—From ''Bob Dole,'' a 1992 biography by Richard Ben Cramer.]

Bobby Joe Dole is on the verge of an epiphany on huge tax cuts aimed at helping the federal budget deficit simply grow away, according to Republican bigwigs who are prodding him in that direction. Running 16 points behind President Clinton, they want their nominee to return to those salad days when the GOP won elections by promising to cut taxes for everybody.

If a tax exists, Sen. Dole is being urged to cut it, ranging from lower capital gains rates to bigger write-offs for personal savings and donating to charities that help the poor. Overlaying this would be the big ticket: either an across-the-board 15% reduction in income taxes or a flatter income tax with only a few politically necessary exemptions.

The total tab over seven years could reach three-quarters of a trillion dollars, or three times as much as the huge GOP-drafted tax cut that played such a pivotal role in unraveling the Republican's budget plans this Congress.

Sen. Dole, who undoubtedly will propose a major tax reduction plan, probably in July, is more cautious than those giving him advice. And for good reason; skeptical voters may spot the fallacies in this supposed free lunch:

(1) It would be *sayonara* both to the centerpiece of the Republican revolution, a balanced budget, and to deficit cutting, a hallmark of Sen. Dole's 36-year congressional career (which is slated to end next Tuesday).

The Kansas Republican's contempt for supply-side tax cutters in the 1980s was legendary. In 1992 he assailed a proposed Bush tax cut as ''bad medicine,'' and last year he was quoted as saying that in the 1980s the tax cutters said, '''Everything's going to be fine.' Well . . . it wasn't. You see how the debt went up during those years.''

Dole advisers insist he'll accompany tax reductions with spending cutbacks, likely to include tax loophole closings too, and they note there'll be some stimulus effect of the massive tax cuts. But a quick glance at last year's budget battle shows just how tough this is. To finance a $245 billion tax cut the Republicans had to propose politically unpopular cutbacks in Medicare and slash so many social service programs that cumulatively their plan amounted to an assault on the poor. The conservative House Democrats, the so-called Blue Dogs, have proposed a federal budget that would balance in six years with no tax cut.

(2) The economic rationale for these cuts is full of snake oil. Proponents contend that the 1981 Reagan tax cuts produced a surge in revenues—rising, in real terms, an average of 3.8% a year from 1982 to 1989—and that the 1993 Clinton-engineered tax increase was a disaster.

Tax revenues did rise in the 1980s for one primary reason: Payroll taxes were boosted six times during that period, and rose an average of 4.8% from 1982 to 1989. Individual income tax revenues rose only an average of 2.2% and most of that was after passage of the 1986 tax reform act.

Since the 1993 act, tax revenues have risen 4.8% a year. Back in 1993 Republicans warned of the dire consequences of that deficit reduction/tax hike legislation. Newt Gingrich said it would ''lead to a recession . . . and will actually increase the deficit.'' Rep. Dick Armey (R., Texas) called it a ''job killer.'' Sen. Phil Gramm (R., Texas) was even more apocalyptic.

Here are the facts: The unemployment rate today is 5.4%; three years ago it was 7.1%. Since August 1993, seven million new jobs have been created, and the budget deficit has been more than cut in half to $130 billion. The Dow Jones Industrial Average has soared more than 2000 points, with relatively low inflation and interest rates.

(3) Under the proposed tax plans, the GOP can forget about emphasizing income inequality or the lagging middle class, issues that featured so prominently in the early primary contests.

When Sen. Spencer Abraham (R., Mich.) and others complain that individual taxes have risen 25% under the Clinton administration, they omit some pertinent particulars. The 1993 tax increase raised tax rates for only the wealthiest 1.2% of Americans. That legislation also included a tax *cut* for 15 million poor workers and their families. The average federal income tax rate for the typical family of four today is lower than it was four years ago, and lower than during much of the Reagan administration.

The Republican tax proposals being urged on Bob Dole—despite some window dressing—would amount to a considerable redistribution of income to the more affluent. If the Republican nominee opts for a flatter, two-tier tax, remember he already has vowed to retain the home mortgage deduction, charitable write-offs and deductions for state and local taxes. Thus he is left with three choices: (a) adopt rates so high that his plan loses any political appeal; (b) bust the budget; or (c) sock it to the middle class. More than 47% of the benefits of a 15% across-the-board cut would go to individuals making over $100,000 a year; less than 8% would go to people making less than $30,000.

Yeah, some Republicans counter, but the Republican nominee is so far behind he needs to try something audacious: Moreover, they relish the idea of switching the political terrain to a fight with President Clinton over tax cuts. One example: Privately, Treasury Secretary Bob Rubin—once a towering figure on Wall Street—is telling the president the evidence is that a capital gains tax cut would do little to stimulate the economy. Political strategist Dick Morris—with no experience in either tax policy or economics—is whispering it could undercut the Republicans and appeal to contributors. The Republicans figure the president will side with the politics and then they can outbid him.

But the GOP confidence that the tax issue always works to their advantage may be outdated. It may be more like generals who are always fighting the last war, even in the face of changing circumstances. Few voters love paying taxes, but polls suggest taxes are not a high priority for the vast majority of Americans.

Bob Dole hopes to capitalize on the character issue. Yet he's about to present a whopping tax cut that would be antithetical to much of what he has championed for years. This may gain Mr. Dole some previously skeptical converts, but he risks losing something far more valuable in this contest: his credibility.

Mr. HOLLINGS. Mr. President, I have been so frustrated in trying to get the truth out. I am not amazed that colleagues on the floor differ with my views on a tax cut, but my frustration has been with the media's coverage of this issue. When I find the truth I want to include it in the RECORD, and this is not only a very, very good analysis of the false promise of a tax cut, but also outstanding advice for our distinguished friend, Senator Dole.

I yield the floor.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator HOLLINGS' time be charged to the majority.

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

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes of our time.

I am not sure I am going to have a chance, just before the vote, to thank people, but I want to thank Senator EXON. His last budget resolution and conference agreement is this one. Members of the Budget Committee come and go, but he has been a member since the 96th Congress, January 1979, when it was then chaired by Senator Muskie.

I want to recognize other departing members of the Budget Committee:

Senator BENNETT JOHNSTON, who has been a member of the committee since January 1975, the 95th Congress, when it was under the chairmanship of Senator Muskie—19 years on the committee; Senator SIMON of Illinois, a member of the Budget Committee since the 100th Congress, January 1987, when Senator Chiles was chairman, and a member on the House Budget Committee, also, when he served there; and, finally, Senator BROWN from Colorado, a dedicated member of the committee who has been on this committee for a short period of time, comparatively speaking, during all his tenure with us in the Senate. His tenure began in the 102d Congress, in January 1991.

I thank each of the Senators for his distinguished service and hard efforts with reference to the budget.

Senator EXON, in your absence I had extended my congratulations and appreciation to you and including other members who are leaving the Budget Committee in my congratulations.

I understand, Senator EXON, that you have 10 minutes remaining. We have essentially 20 minutes at this point. I am trying to find out if Republicans are meeting, in which event I will leave for a while, but we will try to arrange the last 20 minutes in some kind of sequence. I have not had a chance to talk to our leader, but I am hopeful since you would have 10 of that 20, we would at that point presumably have 10, that we might divide it up in some kind of equal proportions, with the majority obviously being entitled to the last 5 minutes of any such arrangement. I am unable to do that for a while, but I hope you understand that is my intention.

Mr. EXON. Will the Senator yield for a question? We certainly want to accommodate all parties as best we can. We had earlier assumed that we would have a vote at 12. Is that still the intention?

Mr. DOMENICI. Absolutely. I think that is the unanimous consent agreement.

Mr. EXON. Therefore, as I understand it, we have 10 minutes left and we are to use that 10 minutes under the unanimous consent from 11:40 to 11:50, and then you, the majority, would have the last 10 minutes, is that the understanding?

Mr. DOMENICI. I do not know if that is the consent agreement. We can ask the Presiding Officer. What does the consent agreement says in terms of the allocation of the last 20 minutes?

The PRESIDING OFFICER. Senator EXON will have from 11:40 to 11:50, under the previous unanimous consent.

Mr. DOMENICI. What we are trying to do is do you a little better than that. When I get hold of Senator LOTT, if there are four speakers who want to wrap up, I am hoping to have them speak for 5 minutes each, not the full 10 first, but 5 from you and 5 from us.

Mr. EXON. We have no objection to that whatever. I thank my colleague from New Mexico. All these years we have worked on the committee together we have had an exceptionally fine relationship. He has always been kind and understanding before he was in the leadership position, and he has been even more kind and more understanding since he has been my chairman of the Budget Committee. I thank him for his fine remarks.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask the time be charged to the majority.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative 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. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I propose the following unanimous consent request. I ask unanimous-consent that at 11:40, Senator EXON be recognized for up to 5 minutes, to be followed by Senator DOMENICI from New Mexico for up to 5 minutes, to be followed by the Democratic leader for up to 5 minutes, with the majority leader recognized for the final 5 minutes prior to the vote on the adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. We have no objection.

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

Mr. DOMENICI. 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.

Mr. ROBB. 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. ROBB. Mr. President, I also ask unanimous consent that I be allowed to speak as in morning business for up to 3 minutes.

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

Mr. ROBB. Mr. President, I rise today to oppose the budget resolution conference report advanced by our Republican colleagues. I do so, not because I object to implementing plans for a balanced Federal budget. My commitment to that objective remains unshakeable. I oppose this plan because it is tied to a political agenda, not a substantive one, and because it opens the door to huge tax cuts even before we make and lock in the tough principled choices necessary to actually balance the budget. The sad truth about this plan is that its proponents know it will be vetoed by the President, and budget gridlock will continue. This whole exercise is not about balancing the budget, which I have done everything I can to advance on a bipartisan basis. It's about political positioning for this fall's election. I know of no precedent under either party's control of Congress for the present course we are following.

This budget proposal has split up the reconciliation process into three different bills. The first bill will encompass both Medicaid and welfare reform. While the President has indicated his willingness to enact a welfare reform bill this year, this budget resolution calls for the attachment of a Medicaid reform plan that our Republican colleagues know the President will veto. By combining these elements into the same package, the Republican majority precludes any chance for positive action on welfare reform this year.

The second reconciliation bill is directed at reform of the Medicare Program. Given the recent report of the trustees, action is clearly needed to address the finances of the program. While the Republicans deserve credit for tackling this issue head on, the fact of the matter is that the actions they have proposed for shoring up Medicare's finances threaten the effective delivery of the very health care services to our seniors that they say they want to preserve.

Mr. President, the bottom line is that the proposed reductions in Medicare, Medicaid, and welfare wouldn't have to be as large if they weren't needed to finance a large tax cut at a time we're trying to balance the budget, and their refusal to consider an adjustment to the consumer price index in order to spread the burden of deficit reduction more equitably across the entire Federal budget may be good politics but it's not good policy.

Not only are the reductions in Medicare, Medicaid, and welfare programs unneccessarily large in this budget proposal, we are going to have to vote on discretionary spending levels in this resolution which are both unwise as a matter of policy, and unattainable politically. While the conference committee has attempted to provide a sufficient amount for fiscal year 1997, not a single appropriator, from either side of the aisle, can tell you how those outyear numbers can be achieved which means that the pressure of future Congresses to ignore the proposed restraints will be overpowering—and most of the savings a sham.

Mr. President, the events of the past year have confirmed that the only way to solve our major fiscal problems, both short term and long term, is on a bipartisan basis. The difficulty is that enacting a credible, fair, and bipartisan budget proposal will require tough medicine for both sides. Republicans will have to come down on their demands for tax cuts, and Democrats will have to be more willing to confront entitlment reform, including Social Security.

Mr. President, I have been fortunate this past year to work with a group of bipartisan Senators, dubbed the centrist coalition, to produce a credible balanced budget proposal—a proposal with a realistic discretionary spending

pattern, one with significant entitlement reform which continues to protect our most vulnerable citizens, and one which makes a justified modifcation of the consumer price index. This plan, offered as a substitute during the consideration of the current budget resolution, was the only proposal to receive significant bipartisan support this year, garnering 24 Democratic votes and 22 Republican votes.

While I cetainly understand the inability to move this proposal this year given election year politics, I am hopeful that it will provide the seeds for an effective compromise early in the next Congress since the budget resolution before us does not move us any closer toward long-term balanced budgets than we are today.

Mr. President, I am very frustrated by the process that we are engaged in at the moment. We have an opportunity, if we can work on a bipartisan basis, to advance the cause of a balanced budget and fiscal responsibility, and we are missing that opportunity.

I, for one, am prepared to make substantial reductions in spending in the entitlement areas—in Medicaid, in Medicare and in Social Security. I am also prepared to address the very politically sensitive area of adjustments to the Consumer Price Index to more accurately reflect inflation. But at this point, we are not going to do that.

The current resolution is designed to split the reconciliation process into three different pieces. The most objectionable part, from my point of view, is we put tax cuts right up at the front so that we undermine any public confidence that we are really serious about deficit reduction.

We are making bigger reductions in the projected spending in some of the entitlements than we need to because we are planning to put that money into a tax cut before we have actually locked in the tough, principled choices that are going to be necessary if we are going to achieve the stated objective of a balanced budget.

This resolution also substantially reduces the chance of ever getting any meaningful welfare reform in this Congress by linking Welfare reform with a Medicaid reform package that the President is committed to vetoing.

It seems to me that we ought to be able to get together; indeed, 24 Democrats and 22 Republicans found common cause with respect to a budget resolution that was submitted earlier. If we are serious about solving this particular problem, the Resolution before us is not the way to do it.

So, Mr. President, I regret very much that I am going to have to vote against the pending measure, notwithstanding my long-term commitment to deficit reduction and a balanced budget.

For the opportunity to express my views, I thank the Presiding Officer and I thank the ranking member of the Budget Committee for suggesting this approach for getting my views on the record.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The time is controlled by the Senator from Nebraska, and under the previous unanimous consent agreement, he is to be recognized now for 5 minutes.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I ask unanimous consent that I may be allowed to speak as in morning business for 6 minutes.

I make a unanimous-consent request I be allowed to speak as in morning business for 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. BOXER. Thank you very much, Mr. President. I spoke yesterday on the budget, and I will not reiterate that. I wanted to make a very brief statement about two issues.

BURNING OF CHURCHES

Mrs. BOXER. Mr. President, we have seen in recent weeks a series of attacks on black churches in the south. At least 33 churches have been set ablaze in a campaign of terror.

Mr. President, every one of us has to make his or her voice heard in opposition to this wave of terror. These churches have been sources of stability, of kindness, of moral and spiritual guidance for their congregations.

These fires are a chilling reminder of a period that we all thought had passed. A period marked by some of the most shameful, hateful acts ever perpetrated by Americans against Americans. A period in which bombings, fires, beatings, and shootings were tools to prevent African-Americans from realizing equal status in our society. A ''dark era in our Nation's history,'' the President recently called it.

I want to praise President Clinton for his leadership in mobilizing Federal investigators while at the same time offering solace to the people whose churches have been burned. It is the business of the president to offer moral leadership, to console the victims of racists attacks, to call the cowards out for what they have done.

I also praise Ross Perot for his leadership in calling on his Reform Party members to guard the churches.

I also wish to praise Senator MOSELEY-BRAUN for offering a resolution, of which I am a cosponsor, condemning the church fires and urging the administration to mobilize all appropriate resources to put the people who set these fires behind bars.

Finally, Mr. President, I want to state that this is a problem not just for African-Americans, but for all Americans. We should speak with one voice and pass the Moseley-Braun resolution unanimously, so that our message is clear.

Mrs. BOXER. I thank the Chair.

(The remarks of Mrs. BOXER pertaining to the introduction of S. Res. 262 are located in today's RECORD under ''Submissions of Concurrent and Senate Resolutions.'')

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

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, as I understand the situation now, under the previous unanimous-consent request, we have 10 minutes equally divided on each side remaining before the vote. We have about 16 minutes, 17 minutes before noon, according to my clock. I ask unanimous consent that the scheduled vote at noon be extended to 3 minutes past noon so that the previous unanimous consent request can be abided with regard to time allotted by each side.

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

Mr. EXON. Mr. President, I ask unanimous consent that a table showing how the deficit in this budget increases because of its tax breaks be printed in the RECORD.

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

REPUBLICAN DEFICITS WITH AND WITHOUT THE TAX CUT

[In billions of dollars]

	1996	1997	1998	1999	2001	2002	1996
CBO Baseline Deficits (April) [1]	130	165	175	182	192	194	210
Republican deficits with tax cut	130	153	147	117	89	42	5
Republican deficits w/o tax cut	130	135	129	97	63	11	−39
Addendum:							
Republican tax cut	0	18	16	18	23	26	28
Interest on tax cut	0	1	1	2	3	5	6
Total	0	19	17	20	26	31	34

[1] The 1996 deficit estimate is a preliminary revision from CBO based on current Treasury data. The 1996 estimate included in their official April forecast was $144 billion.

Mr. EXON. Mr. President, as we wrap up the debate on the budget conference report, I would like to make a few final observations, if I might.

If last year was the Republicans' winter of discontent, this is their spring of missed opportunities. I know the Republicans wanted to hit one out of the ballpark with this budget, but what they did reminds me more of the Red Sox's Bill Buckner in the infamous 6th game of the 1986 World Series. That is when he let Mookie Wilson's grounder roll through his legs. The Mets rallied and eventually won the series. That was a missed opportunity on a grand scale; so is this budget.

There was a chance—granted a small one—to craft a compromise on a balanced budget this year. To his credit, the President has repeatedly offered to come back to the bargaining table. As he has pointed out, at the very least, we could have agreed on the common

savings in both the Republican and the Democratic plans. But the Republicans rebuffed the President, and now we are saddled with this GOP budget retread.

It still has too many reductions in Medicare—reductions that are not necessary to maintain the solvency of the trust fund. As much as the Republicans bridle at the suggestion, the size of the tax breaks always has and still does determine the size of the Medicare reductions. The Medicaid provisions still jeopardize the guarantees to health for our most vulnerable citizens. The cuts to education and the environment are still too severe, and they got worse in this conference report.

So much time has passed since we first saw this Republican budget 18 months ago, and so little has really changed. We can see from this same tired budget that the majority's cupboard is bare; they are bereft of new ideas. This conference report is just a sorry addendum to last year's budget fiasco. I think we all know it, and I urge my colleagues to vote against it.

In closing, Mr. President, let me thank all of the members of the Budget Committee on both sides, of which the distinguished presider of the Chair is one. On my side of the aisle, I have had nothing but cooperation from all the Democrats on the Budget Committee, and I particularly thank all of them for all of their efforts.

I want to take just a moment, if I can, to thank Bill Dauster, who heads up our great staff on this side of the committee. We worked well with the other side and staff as well.

I simply say, while we do not agree on this budget, there has been a lot of good-faith effort and good intentions to try to work this out the best we could. I am sorry that we do not have a better product.

I reserve any balance of my time that I have.

May I inquire of the Chair, do I have any time left of my 5 minutes?

The PRESIDING OFFICER. The Senator has 1 minute, 30 seconds.

Mr. EXON. How much?

The PRESIDING OFFICER. One and a half minutes.

Mr. EXON. Mr. President, I ask unanimous consent, although we have had very great difficulty this morning in coming to an agreement in breaking it, that those who are scheduled to make speeches at this time, to call to their attention time is running out. I will suggest at this time the absence of a quorum, and that the first 3 minutes of the quorum would be charged equally to the time remaining on both sides. I withdraw my request. The chairman of the committee has arrived on the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I am sorry I was late. I apologize to the Senate. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Four minutes, 50 seconds.

Mr. DOMENICI. Thank you very much.

Mr. President, as I have said frequently, if I were a king I would not write this budget. But we do not have any kings in the United States. We have a U.S. Congress. That means we have Senators from very different States. That is the way our Founding Fathers decided to run this Republic. And there are very differing views, even among Republicans and certainly among Democrats and Democrats and Republicans.

I believe, however, that other than having some kind of mandate from on high on how to do it, I believe this is as good as we can do this year. And to tell you the truth, I have been at budgeting for a long time. For those who would call this a budget that perhaps does not reduce spending enough, or counts on too many things happening next year and the year after that, let me suggest, it would be beyond the comprehension of the Senate 10 years ago to think they could vote up or down and pass a budget resolution with this much savings in it.

We have never come to grips with the real problems. And this budget resolution at least says, ''We know the problems. We know we can't continue this deficit spending. And let's try it this way.''

As I said, it is not perfect, but it takes the main problems with deficit spending, the big ones that everybody knows about, and it begins to say, ''Let's try to spend less. Let's try to send some of them closer to home where more efficiencies can be adopted.''

It says to Medicaid, which is burgeoning beyond what the States will be able to pay, ''Let's ratchet it down. Let it increase, but not as much as it would. Let the States make some decisions to see if they can't save significant amounts of money and still cover our poor people with health care.''

On welfare reform it is not only saying we are spending too much, it is saying the program is broken. Let us do a new one, give the States more authority, and build it around the premise of 5 years instead of a lifetime on welfare; and those who are on welfare have to get educated and work at preparing to get a job, and then get jobs. That is doing what the American people want.

Ten years ago if that were all the reform we had in the budget we would have been heralding it as something great for America. In addition, we try to make Medicare solvent for 10 years without hurting senior citizens.

Our budget also recognizes that in addition to a deficit up here, there is a deficit in the checkbook of working Americans. Especially those with children. Their taxes are too high and their credits for having to raise children are too low. So we say, let us fix one other deficit. Let us fix the deficit in the checkbooks of working men and women who have children under 18. Let us give them a $500 tax break for each child that they are raising. This is a deficit that is going to destroy family life unless we work at trying to solve it.

We have left only 122 billion dollars' worth of tax relief in this budget. Most of it will go to that cause. I think when you add it all up—and one salient point, that for all of the discretionary spending, we are at a freeze. We have asked the Congressional Budget Office, how much should we spend in 1997 if we want to spend at a freeze level? They gave us the dollar numbers, and that is what we settled with the U.S. House in conference.

So hopefully we will get appropriations done and we can tell Americans we have frozen it. We have not increased it, and we have not cut it. That is a pretty good approach to a year when you really say you are trying to balance the budget. When you add that all up, it seems to me this budget resolution not only deserves a majority vote, but I am very hopeful that the President will sign much of the legislation that comes from it because I think we have the right message. We are delivering in a way that is good for Americans, be they young or old or those who are out there working to make sure their children and their seniors are taken care of. It is a good budget. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, let me begin by complimenting the distinguished ranking member of the Budget Committee, Senator EXON. This will be the last budget he works on in his capacity as ranking member of the Senate Budget Committee. I must say no one has put more effort, more work, and more real leadership into this whole process than has he over the last many years. He is an extraordinary member of the caucus. It has been my good fortune to work with him very closely and, fortunately, with great effectiveness as a result of his participation. I thank him, not only for his work in this Congress, but for all the years that he has worked so diligently as a very key member of the Budget Committee.

Let me also commend his excellent staff, led by Staff Director Bill Dauster, for the outstanding work they have done in presenting our case on this budget and throughout the many difficult budget battles in this Congress. They do exemplary staff work, and they have served this Senator, and indeed our entire caucus and the American people, with distinction and intelligence.

Let me also thank the distinguished chairman of the Budget Committee. He works diligently and with passion and conviction. I oftentimes remark about the real contribution he makes. I may find myself in disagreement with him on many occasions, but not with him personally. He carries out his duties admirably. I commend him for his work.

In this case, Mr. President, in spite of his leadership, the fact is that he proposes to move this process in the wrong direction. He and his colleagues have produced a budget that is designed to appear more moderate, but it contains the same failed policies that the President was forced to veto last winter.

In fact, this budget, in spite of all of the good work and rhetoric of the distinguished chairman, contains the same extreme proposals relating to Medicare, Medicaid, education, the environment, and the other issues we debated so vociferously last winter. It is just as extreme if you follow it out to take into account the 7-year budget timeframe that we had to work with last year. The numbers are hardly different. So no one should be misled. This is almost identical to what we were presented last year. Because of the extreme and harmful policies it contains, the President had to veto it last year.

The President has offered a plan that balances the budget without resorting to such extremism. The deficit as a result of his efforts and our efforts over the last 4 years has been cut by more than half. The deficit was $290 billion in 1992. The deficit this year is $130 billion. For 4 years in a row, the first time since the 1940's, we have cut the deficit dramatically. This resulted from real leadership, and because we did what we said we were going to do.

This deficit will actually go back up under the Republican budget plan for the next 2 years. So instead of this hyperbole and instead of all of the partisan rhetoric, we ought to be negotiating downtown with the White House, sitting down with the President and the bipartisan congressional leadership, and finding an agreement that will balance the budget by 2002.

Instead, as is often the case in this Congress, Democrats have been locked out: locked out of the budget negotiations, locked out of the budget process almost entirely, and locked out of any real effort to try to resolve these matters in a bipartisan way.

There are many problems with this budget. But I want to cite very briefly just six.

First of all, this budget reveals again what is really at the heart of the Republican priority list: more tax breaks for those who do not need them. The conference agreement drops any pretense of balancing the budget before it provides for the opportunity to propose tax cuts. At least in the Senate bill the tax cuts were contingent on the passage of two other bills which actually cut the deficit and achieved balance.

The reconciliation prescription in this budget conference report does not even do that. The conference agreement drops all contingencies. It proposes that major tax reduction proposals for those at the very highest income levels be dealt with in the very first reconciliation package that comes before the Senate.

The first bill could be a $122 billion net tax cut in addition to the deep cuts in Medicaid and welfare. The actual tax breaks, Mr. President, will actually add up to $180 billion in that bill, according to the Chairman of the Budget Committee in the other body.

This arrangement will force a veto. It is designed to include devastating Medicaid cuts that will act as a poison pill. There is no doubt in my view that the tax cuts that we are going to be confronted with are the same kind that created the deficit. Just after we have been able to deal so effectively with the deficit over the last 4 years is no time to turn back the clock and propose budget-busting tax breaks before any serious effort to cut the deficit.

So that is problem No. 1: approving tax cuts before we actually make room for them; tax cuts in many cases that are not necessary; tax cuts that are going to drive up the deficit all over again in the not-too-distant future.

The second problem is the excessive Medicare cuts that we all know are incorporated in this plan. The tax cuts, in large measure, to the extent they are paid for at all, are paid for out of Medicare cuts, $168 billion in Medicare cuts. We know these deep cuts will lower quality of health care provided to millions of seniors and individuals with disabilities. We know they threaten the solvency of many rural hospitals, who may be forced close their doors. We know they will undercut the ability of many beneficiaries to gain access to care, and we know they will create real problems for many who obtain their health only through the Medicare system today.

Mr. President, these issues will go away. They must be addressed in a comprehensive way. We know we have to deal with solvency. The President's budget proposal maintains the solvency of Medicare for the next 10 years. Yet, the pending budget resolution contains $50 billion more in Medicare reductions than the President's plan. The only purpose of such unnecessary reductions in Medicare is to finance the excessive tax breaks proposed in this resolution. We simply cannot accept a willingness on the part of some to use deep Medicare cuts to pay for the tax cuts in this budget plan.

The third problem is that this bill virtually destroys Medicaid—it proposes $72 billion in Medicaid cuts. We are also concerned about the way in which these cuts are provided. It proposes to turn the Medicaid Program into block grants. This approach does not reflect the bipartisan plan proposed by the National Governors Association. It has been opposed by Democratic Governors. Block grants would create a tremendous inconsistency in the availability of benefits under Medicaid, regardless of what other assurances were being given by the Republican majority. These cuts are not just $72 billion as they relate directly to the budget. Because of the ability for States to dramatically reduce the availability of funding, the cuts could actually reach $250 billion if the States maximize their ability to reduce the commitment to health care.

This will undercut the availability, and in some cases completely eliminate the availability for millions of children, and for persons with disabilities. It threatens seniors in nursing homes and the financial well-being of their spouses. All this devastation and sacrifice is being asked for in order to provide for tax breaks in many cases for those who do not need them at all. The fourth problem is this budget proposal dramatically shortchanges education. It reduces education and training by a full 20 percent in real dollars, or $25 billion by the year 2002. When we vote on this resolution, keep in mind that it incorporates the largest education cuts in history. Over the same time period, in spite of the fact this represents the most dramatic reduction in the availability of funding for education in our history, school enrollments are going to rise to historic highs. Every school is going to be faced with the prospect of increasing enrollment, and greater demands for real budgets, at the same time the Federal Government is reducing its commitment to the very schools it claims to support. The President's budget, on the other hand, invests $57 billion more than what this budget resolution provides.

The fifth problem, Mr. President, is this resolution dramatically harms the environment. It cuts $3.8 billion from environmental protection and natural resources. That is 17 percent below the President's commitment to the environment into the year 2002. We cannot all talk about how much of an advocate we are to the environment if we are not willing to commit the resources to ensure that environmental protection can become a reality. Mr. President, we have to address environmental funding in a way that ensures the ability to implement comprehensive environmental protection.

Finally, the sixth problem, is that it raises taxes on working families. It proposes an $18.5 billion in increase in taxes on working families through the cutting back on the earned-income tax credit. It raises taxes on 7 million working families in the next 7 years. As the President's budget makes clear, we can balance the budget without raising taxes on working people.

Mr. President, we can do a lot better than this. This is an extreme budget. This budget takes money from health, education, the environment, and working families. Those priorities, we have said from the beginning, are our priorities. This budget attacks those priorities in ways that we do not believe are wise for this country or for the people affected. Obviously, this budget continues the great debate about where we ought to be taking this country. Do we really want to make the dramatic and draconian cuts in health and in education, in Medicare and in Medicaid, in the EITC, to provide for the tax breaks for many people who simply do not

need them today? I do not think the American people want that. I know members of our caucus do not want it, either.

This budget resolution represents an abandonment of any pretense of balancing the budget before cutting taxes. As a result of this fiscal irresponsibility and the cruelty of its priorities, this budget is dead. The reconciliation process that will be carried out as a result of this budget resolution is going nowhere.

The only way that we can resolve this matter is to do what we talked about doing yesterday, to work together, to resolve our differences, and in a bipartisan way to come up with an agreement on a plan that details ways with which to balance the budget. We should build on the record of the last 4 years, and guarantee the kind of economic growth and the protection of priorities that we all know are so critical to the long-term best interests of this Nation.

I urge all of our colleagues to look at this resolution very carefully and to join us in opposition when we have that opportunity a few moments from now. I yield the floor.

Mr. EXON. Mr. President, I have 1 minute remaining. I will stay within that 1 minute. I thank my Democratic leader, my good friend from the neighboring State of South Dakota for his kind remarks. I thank the chairman of my committee for all that he has done over the years.

This is my last part in managing a budget resolution. I simply say in leaving, while I am not satisfied with what we have done and while I will be involved, I am sure, in the months to come this year in trying to bring some resolution to the remaining differences, I want to say it has been a thrill and an honor to work with so many outstanding people on both sides of the aisle. I only wish my friends on the Republican side could have been a little bit more understanding. But I simply say we have, in the last 3 years, cut the deficit from about $300 billion to about $140 billion. We are on the road to the right course. We should not give up.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I know the hour of the vote has arrived. I believe we have 5 minutes' time remaining. I will use leader time if that is necessary.

Mr. President, I am proud to be here today to endorse this budget resolution conference report. It is obviously the thing we need to do. It is the first critical step in the process this year. After we pass this budget resolution conference report, we can then quickly move to the reconciliation bills that, in fact, enforce the things that we say we are going to do in this bill, and we can begin passing the appropriations bills because the Appropriations Committees will then have the numbers they need to mark to, and we can move this process forward as we need to in a cooperative way. But first, we must pass this conference report.

I begin by again recognizing the outstanding work of the distinguished chairman, the chairman of the Budget Committee. I daresay there is no Senator that knows more about the budget rules and the budget itself than Senator PETE DOMENICI of New Mexico. He does outstanding work, here in this body, on that committee, and working with Members across the aisle and with the other body. I congratulate him for the fine job he has done, once again, this year.

I also want to extend my congratulations and best wishes to our good friend, the Senator from Nebraska, Senator EXON. He certainly epitomizes the old saying, ''you can disagree without being disagreeable,'' and particularly this year we have found that while he made his points and offered some amendments he has worked with us to move the process along. I know the Senator from New Mexico has already pointed that out. We appreciate the very fine work of Senator EXON.

Also, I might note today, Mr. President, that this the last budget resolution other Senators who are members of the Budget Committee will work on, too. Senator BENNETT JOHNSTON of Louisiana has been an excellent member of the Budget Committee since the 95th Congress, January 1977, I believe under the chairmanship of Senator Muskie. Mr. President, 19 years on the committee is almost a sentence, but he has done excellent work as a member of the Budget Committee. He also has been a pleasure to work with and has been helpful on many occasions.

The distinguished Senator from Illinois with the bow tie, Senator SIMON, has always worked as a really good member of the Budget Committee, and the distinguished Senator from Colorado, Senator BROWN, has worked on budgets many times in the past and has been a great member of the Budget Committee. I commend them all for their fine work and what they have done.

It has not been easy to reach this budget conference report, to get to this point. We have had disagreements along the way. In the Budget Committee and on the floor of the Senate efforts were made to amend it, substitute alternatives were offered, and the Senate passed an amendment that added some additional funds for nondefense discretionary spending. When the conference work was going on, that was not received with a great deal of pleasure in some circles, but we worked it out and we came up with a reasonable agreement that will allow us to do what we need to do for our country and continue to move us toward our ultimate important goal of a balanced budget by the year 2002.

We do have a budget resolution conference report here before the Senate that continues to represent dramatic changes in the way we govern. If you want to continue to build a monument to status quo, the way things have been done around here for years, that basically always seems to lead to more spending, then you do not want to be for this budget resolution. This budget resolution continues the good work that was started last year, that moves us in a different direction, that moves toward giving some relief to the American people that work and pay taxes, and moves toward some real reform in the entitlement areas, where we need it so badly.

It does continue to restrain spending. It does allow enough funds for a strong national defense, but it will continue a pattern overall, in that period of years, of less spending for defense. We have worked on that very carefully, and I think this conference report does an adequate job there.

This conference report reflects our beliefs in a balanced budget and lower taxes for families with children. When I hear these accusations about tax relief for those that do not need it, I wonder first of all, whose taxes are they, anyway? Whose money is it? It is the people's money. We are talking about allowing families with children to have just a little help in raising their children with their own money, a $500 tax credit—which, by the way, is limited to people under a certain income level.

So I do not apologize at all for wanting to help families with children, for wanting to help children with some tax relief instead of it coming to Washington and letting Washington decide, ''Oh, yes, we will send it back the way that we determine is best for your children.'' We say, ''How about letting the families make that determination?''

With regard to the Medicare issue, we have seen recently that the decline in the Medicare Trust Fund is greater than we had anticipated, greater than even a year ago. We can stand here and ignore this problem. But what we are threatening is our parents', our grandparents', and our children's future, and their ability to depend on this program.

The bipartisan substitute that was offered, as a matter of fact, had proposed Medicare reforms that would lead to a savings over the 6-year period of $154 billion. In this conference report, the proposed savings are $158 billion. As you can see, the numbers on Medicare are very close. Over a 7-year period, I think the difference between the administration's proposal and ours is around 2 percent. Yet, we are still all talking about an increase every year—every year for this important program.

So I think that we are doing the right thing here. It provides for reduced Government spending and less Government intervention. It lays out a blueprint for what we need to do, but it continues the path we started with last year. By the year 2002, we will have the first balanced budget since 1969.

With regard to what the President has proposed, Mr. President, I would like to submit for the RECORD a chart

which shows budget deficits, and I ask unanimous consent that it be printed in the RECORD.

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

BUDGET DEFICITS

[In billions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Current law baseline	146	156	160	147	136	111	105
Conference agreement	146	153	147	117	89	42	−5
President's Budget: [a]							
With trigger	146	155	152	123	105	54	−3
Without trigger	146	156	153	125	108	87	81
Chaffee-Breaux Moderate	146	147	154	134	114	77	49
Balanced Budget Act [b]	151	159	127	97	73	34	−3

[a] CBO reestimate.
[b] CBO reestimate from December baseline.

Prepared by SBC Majority Staff, June 13, 1996.

Mr. LOTT. Mr. President, this chart shows that every year—every year—the President's proposals would have the deficits that our package has over these 6 years. As a matter of fact, there has been this reference to the spike we have in the next fiscal year. Yes, there is a spike in our budget in the next fiscal year, but there is also one in the President's budget, and it is $2 billion higher than our proposal.

So if you want to compare the proposals, I invite you to do so. This chart will be in the RECORD.

I am proud to support this package. It is fair. It is what we need to do.

I urge my colleagues today to stand up, do the right thing, and vote for this budget resolution. Let us move the process forward. Let us do what is right for our children and for our country.

I yield the floor, Mr. President.

Mr. President, I understand the yeas and nays have not been requested. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. BUMPERS] would vote ''no.''

The PRESIDING OFFICER (Mr. ASHCROFT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—53

Abraham	Coverdell	Grassley
Ashcroft	Craig	Gregg
Bennett	D'Amato	Hatch
Bond	DeWine	Hatfield
Brown	Domenici	Helms
Burns	Faircloth	Hutchison
Campbell	Frahm	Inhofe
Chafee	Frist	Jeffords
Coats	Gorton	Kassebaum
Cochran	Gramm	Kempthorne
Cohen	Grams	Kyl
Lott	Pressler	Specter
Lugar	Roth	Stevens
Mack	Santorum	Thomas
McCain	Shelby	Thompson
McConnell	Simpson	Thurmond
Murkowski	Smith	Warner
Nickles	Snowe	

NAYS—46

Akaka	Ford	Mikulski
Baucus	Glenn	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Johnston	Reid
Byrd	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	Wyden
Feingold	Levin	
Feinstein	Lieberman	

NOT VOTING—1

Bumpers

The conference report was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I am disappointed and disillusioned by this conference report on the budget resolution for the 1997 fiscal year.

I am disappointed that the conference report lowered next year's discretionary spending by $1.3 billion from the Senate-passed budget resolution. I applaud Senate Budget Committee Chairman PETE DOMENICI and ranking member JAMES EXON for their strong support of adequate funding for programs that invest in our country. Unfortunately, the House of Representatives refused to accept the Senate's more responsible discretionary spending levels.

Moreover, I am disillusioned that the House budget conferees have resorted to a new budget gimmick. Instead of showing leadership to produce a more moderate budget resolution, they have added a new smoke and mirror—the Government shutdown prevention allowance. This section of the conference report will free up $1.3 billion more in spending only if Congress decides to pass a continuing resolution to fund the Government. This is a billion-dollar incentive for Members to pass a continuing resolution.

After two unnecessary and expensive Government shutdowns and more than a dozen continuing resolutions last year, I have had enough of this piecemeal approach to budgeting. Budgeting by continuing resolutions is a true failure in leadership. Instead of passing the buck by passing continuing resolutions, we should make the tough budget decisions and then vote on them in appropriations bills. Unlike short-term continuing resolutions, year-long appropriations bills allow Federal, State, and local agencies to plan their budgets and make Government more effective.

This conference report also makes harmful short-term cuts in important programs that will have devastating consequences over the long-term. It cuts Medicare and Medicaid more than is necessary to achieve a balanced budget. These cuts would reduce Medicare spending growth per-beneficiary far below projected private sector growth rates. I am disappointed that the majority persists in cutting a program that is vital to 83,000 Vermonters, 12 percent of whom live below the poverty level.

And it cuts environment funding while increasing defense spending by $11 billion for 1997—which is unacceptable in today's post-cold-war world. The people of the United States never voted to gut environmental spending in the last election. They overwhelmingly want to make sure Government provides basic safeguards for a clean environment. This is a job that Government can do and needs to do.

Mr. President, this budget resolution is better than last year's extreme budget, but it still cuts programs for elderly, young and low-income Vermonters more than is necessary to balance the budget. And it hurts the environment while resorting to budget gimmicks.

We can do better than this disappointing and disillusioning budget.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, we hope to have some announcement about proceeding for the remainder of the day and week momentarily. We are working on that right now. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

EXECUTIVE SESSION

FEDERAL RESERVE SYSTEM NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE FEDERAL RESERVE SYSTEM

Mr. LOTT. Mr. President, as in executive session, I ask unanimous consent that the Senate now proceed to executive session to consider the nomination of Alan Greenspan, to be the Chairman of the Federal Reserve System, and it be considered under the following time agreement: The time beginning at 2 p.m., today, for the remainder of today's session, and all debate time during Friday's session be equally divided between Senators D'AMATO and HARKIN or their designees; at 9:30 a.m., on Thursday, June 20, there be 3 hours remaining on the nomination, to be equally divided between Senators D'AMATO and HARKIN; and that the vote occur on confirmation of Alan Greenspan at 2 p.m., on Thursday, June 20, 1996.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I further ask unanimous consent that immediately following the confirmation of Alan Greenspan, the Senate proceed to the vote on the nomination of Laurence Meyer to be a member of the Federal Reserve System, to be followed immediately by a vote on the confirmation of Alice Rivlin to be a member and Vice Chairman of the Federal Reserve System.

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

Mr. LOTT. Finally, Mr. President, I ask unanimous consent that following the confirmation vote of Alice Rivlin, the President be immediately notified that the Senate has given its consent to these nominations and the Senate then resume legislative session.

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

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators allowed to speak for up to 5 minutes each; and, further, that Senator THOMAS be in control of the first 30 minutes, and Senator DASCHLE or his designee be in control of up to 30 minutes.

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

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, to update all Senators, following morning business, the Senate will then move to the consideration of the Federal Reserve nominations that are on the Executive Calendar. The agreement reached, therefore, will provide that no further votes will be called for today or during tomorrow's session of the Senate. We have discussed this with the Democratic leader and worked it out very carefully.

This matter has been delayed far too long already, and we need to take up these very serious nominations. So we now have reached a process that allows us to do that. I assume there will be 3 hours or so of debate today, and then debate again on Friday on these nominations, and then, of course, the vote for them would occur on Thursday, at 2 p.m., of next week. That is at the request of the Democratic leader.

We will be looking at what issues will be taken up on Monday and/or Tuesday, and we will notify the Members once an agreement has been reached on that. I yield the floor, Mr. President.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

''ME, TOO'' POLITICS

Mr. THOMAS. Mr. President, we appreciate the opportunity to take some time this afternoon. This is a continuation of our effort among the freshmen to have a freshman focus and to bring what is often a unique perception of Senate Members, those of us who just came less than 2 years ago, on the topics of today. So we appreciate that. Some of my colleagues will join in.

Mr. President, we want to talk a little today about me, too politics. I think it is a timely topic. It is one that has been very prominent here in this body over the last several months or even, in fact, year.

It sounds kind of good—me, too. It sound like that ought to give us an opportunity to agree. We will order something and there will be a resounding, me, too.

Unfortunately, that is not the way it works. Unfortunately, me, too politics means when there is an idea that comes up, I say, me, too, and then find lots of reasons why you cannot do it, so that there is a very difficult problem in determining—walking one way and talking another, saying, ''I'm for it,'' but making sure that it never happens. That is what we increasingly are seeing with this administration, President Clinton, and with the minority here in the Senate.

There are, of course, real choices to be made. There is nothing wrong with choices. That is what politics is about. It gives you and me, as voters, a chance to choose because various candidates are for various things. That is how the system works. When those choices are made indistinguishable, then it is very difficult. It is very difficult to have politicians who say one thing and do another, and continuously do that.

So there are basic decisions that have to be made. Are we going to have more Government, more Federal Government or less? Are we going to move in the direction of having more taxes, or are we going to move in the direction of having American families spend more of their money themselves? Those are basic decisions. Are we going to spend more? Are we going to borrow to spend more so that the credit card can go to our kids, or are we going to reduce spending?

These are tough decisions, but they are fairly clear decisions. What is happening is they are being blurred by this me, too politics. The technique, of course, is that whatever is suggested as fundamental change, then the others say, ''Well, I'm for that as well,'' and then go about making sure it never happens.

The technique, of course, is to speak for it, and then decide, ''Well, but it goes a little too far,'' or, ''There are some details here that we can't do. I want a balanced budget, but this isn't the right way.'' So it is a way of saying, ''I'm for it,'' but making sure you never have to vote for it.

Mr. President, I think that is troublesome. I think that is troublesome in terms of the system. It is troublesome certainly in terms of elections where, at least in my view, the purpose of elections is to give some direction to our Government.

We have to generally do it in fairly broad areas. Certainly no one talks about 800 different votes that you take in a year, but they do talk about your philosophy. Are you for less Government or for more? More spending or less? A balanced budget or not? Term limits or not?

Unfortunately, the President has become a me, too President. There are countless examples of echoing the fundamental changes that have been brought about by the Republican Party, or by Bob Dole, almost like a shadow. Every time the Republicans come out with a plan to make fundamental change, to bring about the reforms that people have asked for, why, we see the President standing up and saying he agrees; but when the chips are down, he goes the other way. It is no longer ''Me, too.'' It is more like the old Frank Sinatra song, the old tune of ''My way.'' ''Do it my way.''

So it is easy to say, ''Well, I'm for that, but, you know, it's not the right way to do it,'' or, ''I'm for that, but it goes too far,'' or, ''I'm for that, but there are the details.'' So it confuses where we really are.

Balancing the budget and cutting taxes and reforming welfare, ending the days of big Government, why, the President continues to sound in tune with fundamental change, but when the reform comes around, then his position shifts and it does not happen. That has happened so many times this year.

For example, he vetoed the balanced budget after saying he was for a balanced budget. After running on a balanced budget, after saying, we can do it in 5 years, in 8 years, in 10 years, in 7 years, he vetoes a balanced budget.

He vetoed welfare reform after pledging to change welfare as we know it. He vetoed legislation that would have kept Medicare solvent for the next generation after promising to save the program. These are the issues that we are seeing too much of ''Me, too'' instead of reform.

We need to really bear down on the idea of people saying one thing and doing another. I am pretty proud of this body and of the majority in this body who came here a year and a half ago and said we believe that voters want some fundamental change in terms of the direction of this country, a balanced budget being one of them.

Of course, the idea of moving welfare and many of the programs closer to people by moving them to the States, these are fundamental changes that people talk about. We have done many of those things, but unfortunately, the ''Me, too'' politics has kept them from being completed. We have sent the first balanced budget in 25 years to the White House—the first time. Vetoed.

So we need to really take a look at what we are for. If people disagree, if people want more government—and

there are those who do, a legitimate point of view. I do not happen to share it. But you can argue that, ''Yes, there are more things Government can do. Yes, we ought to take more money from folks because we can spend it better in the Government.'' That is a legitimate point of view; not one I share. But we at least ought to decide where we are on those things so that what we say and what we do are the same.

Welfare reform is one that comes, of course, to mind. We provided the President an opportunity to reform the Nation's welfare system, not just once, but twice. On both occasions the President said no; first, as part of the Balanced Budget Act in November and then a bill that stood on its own in January.

Just last month the President issued an Executive order requiring States to end welfare payments to teenaged parents who quit school or refuse to live with a responsible adult, language in part that was part of the proposal. Now the ''Me, too'' politics will say, ''Yeah, I'm for that. I agree with that. Look what I've done,'' which is about one-hundredth of the total package. We see more and more of that.

Another flip-flop occurred on, of course, announcing support for Wisconsin's historic welfare reform plan to put able-bodied recipients to work, something the Republican welfare program that was vetoed would have accomplished. Now the administration is backing off of that, flip-flopping again, saying there are some details in the Wisconsin plan that need to be negotiated.

Let me tell you, the people in Wisconsin have a better idea of what needs to be done to deliver services in their State than bureaucrats here do.

I come from a State that is small. We need a different system than you need in a large State. The States are the only place to do that. So you cannot talk one way and walk another. Balancing the budget clearly has been the most significant issue over the last year and a half, not simply because of the numbers, not simply because of the arithmetic, but because the budget reflects the kind of approach we take to govern, whether we are fiscally responsible, whether we say, ''Yes, we will spend more than we take in,'' whether we say it is morally correct if you want services, those people who receive them ought to pay for them, rather than putting it on the credit card for the kids. Those are basic issues.

We cannot balance the budget unless we are willing to adjust and make fundamental changes in Government. Budgets are vital to where we are going. The first 2½ years the administration never submitted a balanced budget to the Congress despite all of the talk, and opposed a balanced budget amendment to the Constitution, arguing we do not need to do this. ''Just balance the budget,'' the same argument that has been going on 25 years right here in this place, and we have not balanced it. Of course we need the discipline of a constitutional amendment.

Finally, under the pressure to produce a balanced budget, but not basically making the changes that have to be made to do it. You have to deal with entitlements. Two-thirds of the expenditures are in entitlements. If you do not deal with entitlements, several things happen. One is that you never balance the budget. The other is that programs we want to strengthen and save, like Medicare, cannot exist unless you make some fundamental changes in them.

Tax cuts, promises to cut taxes—instead, what do we get? The largest tax increase in the history of this country. Last year, we came forward with plans to reduce taxes—vetoed, of course.

Mr. President, I have great confidence in the American people. I have great confidence in voters that they will make decisions based on fundamental direction. I certainly hope so. That is our job as voters, to decide where we want to go and then, of course, have to decide who the candidates are that are going in the same direction we are, not that any party or any politician is going to represent every detail of our point of view, but in general this party, this party, this candidate or that candidate comes closer to representing my view than the other. That is the choice we have.

Mr. President, I hope we all understand this business of ''Me, too, politics'' is not leadership. It is not decisiveness. It is a matter of avoiding taking strong positions. It is a matter of saying, ''Yes, this is a good idea. I am for it, I want to balance the budget, but I just cannot vote for it the way it is,'' and never will.

I appreciate the opportunity to discuss this. I see my associates have come forward. I yield to the Senator from Pennsylvania.

Mr. SANTORUM. I thank the Senator. On the issue of the President, which is a discussion that many of us are scratching our head about with respect to the rhetoric we are hearing from the White House on issues—very, very important issues—that face this country, where Republicans here in the Congress and in many places, on a bipartisan basis, are trying to move forward with programs we believe will move this country forward. We have been met with very stiff resistance from the White House.

Yet when the campaign that has now commenced—the speeches; the President is out, making the campaign speeches—you would think from the speeches that he gives that all of the things that we are pursuing, that the American public is in general agreement with, like balancing the budget, like cutting taxes, like having smaller Government, like giving more power back to State and local governments, like welfare reform, all of those things that are very much supported by the American public and have been stopped, clearly been stopped by this White House, because we have passed all of those things, and they have been vetoed down at the Oval Office, the President is now campaigning in his speeches that he is for all of this. In fact, he is the one who is trying to make these things happen.

It is particularly difficult for me, as someone who has worked extensively in the area of welfare reform, to hear the President of the United States not only giving speeches on the issue about how he is in support of the welfare system, but we have a President of the United States running ads on television talking about his welfare plan. Let me remind the President and my colleagues that the President of the United States has introduced one welfare reform proposal. It was introduced in June 1994, some 18 months into the President's term.

As you may recall, in 1992 when he ran for election, he promised to end welfare as we know it and made it a centerpiece of the campaign—he was a new Democrat, someone who understood that big Government policies of the Great Society were, in fact, hurting the very people they intended to help, and that we had to do something different. We had to do something dramatically different. As a Governor from Arkansas, he saw the need for decentralizing welfare back to the States, into the communities, where anti-poverty programs have been more effective and more tailored to the needs of the people in those communities.

So he said he wanted to end welfare as we know it. I think that was a very significant component of putting together the Clinton majority that earned him the electoral votes necessary to win the Presidency. Mr. President, 18 months later, he introduced in that interim period of time massive health reform, tax increases, further spending increases, new entitlement programs, a whole lot of other things were introduced in the first 18 months. He tried to do the gays in the military and other things that were obviously higher in priority because they certainly came before any initiative on welfare. He took no initiative.

The 103d Congress, from 1993 and 1994, introduced no legislation, the Democratic majority in both Houses introduced no legislation to move the welfare debate forward. In June 1994, it was introduced. It was a pathetic bill by everyone's estimate. It was panned by both sides as being no significant reform at all. In fact, they had trouble finding Democratic cosponsors of the bill. Someone even introduced the legislation for the President because it was considered such a minimal, incremental, insignificant reform of a system that was in terrible need of reform.

This is the plan—I assume this is the plan—that the President now is going around the country suggesting ends to welfare as we know it. No one from the left or the right, whether you are for

welfare as it is or would like to see substantial changes, would indicate that the President's plan of 1994 ended welfare as we know it. Yet, we have the President of the United States out on television, out in speeches, suggesting that he is trying to end welfare as we know it.

He had an opportunity to end welfare as we know it. Last year, we worked on a bipartisan basis here in the U.S. Senate and passed, I think, a very strong bill, one that attacked the significant problems in the welfare system, began to attack them. I do not see this as the final solution, by any stretch. But, in fact, it began to take us into a new course, where we focus more on allowing individual communities and States to fashion their own welfare programs with more flexibility. We put some work requirements in there, because we believe that is absolutely essential to transition people off of welfare. If you are going to transition people off of welfare, you have to give them work experience and teach them the skills necessary to work, and you have to put in time limits. If you do not put time limits in, you have a system that perpetuates nonwork, perpetuates a whole lot of values which I do not believe make for successful Americans.

We worked together on a bipartisan basis here in the Senate and came up with a bill that got 87 votes on the floor of the U.S. Senate—87 out of 99 votes; there were 12 who voted against it. That is an enormous bipartisan effort. In a year or two, now, where you have seen claims and disgust from the public about the intense partisanship, about the serious issues that face the country, here in the U.S. Senate, the issue that I think is one of the most pressing and important issues to this country and to our culture, to helping those who are in need, we were able to get 87 votes for a bipartisan bill.

The President of the United States, who originally said, ''This is a great bill and I like it,'' as time went by, as we were working on this bill in conference, the President said he would veto, in fact, the Senate bill, that he would not support the Senate bill, even though it got 87 votes here in the U.S. Senate. So the President again very clearly signaled to the other side that he was not for anything that looked like the Senate bill or certainly not the House bill, and sent the signal to block whatever came out of conference as unacceptable welfare reform, even though there were 87 votes here.

Now, this is the President who is running ads saying he wants to end welfare as we know it, having torpedoed a bill that got 87 votes here in the U.S. Senate, having not offered any substantive proposal in this session of Congress, having offered a weak proposal in 1994 that, again, was panned by both left and right as insignificant.

This is the President who now wants you to believe that he is for us; he is for the same things that we are for and that you are for in welfare reform. The fact is on this ''me, too'' he is not ''me.'' He is not ''us.'' He is ''them.'' He is the status quo. He is for perpetuating a system that while well meaning in its inception—and certainly the people who put these programs together did not put these programs together because they thought they were going to hurt the poor, or because they thought they were going to hurt the children, or they thought were going to destroy communities, or thought they were going to create a culture of despair, or thought that they were going to really begin to tear apart families, or thought they were going to see fathers becoming less and less responsible for their children. None of those things were intended consequences of the Great Society programs and the other welfare programs we passed. But they surely have contributed to all of those things.

What we are saying is that it is time to do things differently that we know work in rebuilding those institutions. The institutions of family, of parental responsibility to children, of community organization that builds values in the communities like churches and nonprofit organizations, and civic associations that build a sense of community and set standards and values for this community so people can relate to—in fact, not only do they relate to but they participate in establishing.

We believe that sending welfare back down is not just substituting a State bureaucrat for a Federal bureaucrat, but substituting the neighbor down the street who works at the local community center, or the pastor of the church, or the social worker at the nonprofit mission helping the poor. That is what we are talking about in the welfare reform that is envisioned in the bills. I am hopeful that we can see that kind of progress in this area.

I am also hopeful that the President will own up to the fact that he is not for welfare reform as that envisioned that I have just given you. That is not his vision of welfare reform. His vision of welfare reform is ensuring Federal control over these programs, guaranteeing that you will hear very much, ''Well the Republican plan didn't guarantee this; it cannot guarantee that.'' I can tell you what all of these Federal guarantees have gotten us over the past 30 years: Guaranteed failure, Federal guarantees failures of families and communities and culture. We want to get rid of the Federal guarantees. Yes, because we believe it is much more important that instead of having the bureaucrat guarantee that someone gets a check passed out by someone who sits behind bulletproof glass and you receive the check because the number that you have on your card is the number that matches that computer. Who you are does not matter. What your concerns are, does not matter. What your needs are, does not matter. You are a number in a computer and you get processed like it. That is not the kind of guarantee that I think the poor want in this country. What they want is the guarantee that someone loves them, cares for them, who sees them as a neighbor, who sees them as part of what they are in a community, and has the resources available to them to help them. That is the guarantee that we want to provide. That is the kind of program envisioned that we see for helping the poor in this country, and it is not about the Federal Government taking care of people. It is about neighbors taking care of each other which is about the goodness of America and the culture that we so much want to rebuild in this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I just wanted to add a few words to what my colleagues have been talking about here this afternoon—about leadership that I believe the American people have been calling for, leadership in areas such as a balanced budget, leadership of Federal spending reforming our welfare system, and, yet, leadership in providing tax relief to America's hard working families. That is what people think about leadership on these type of issues. They usually first think of the President because he naturally, after all, is our chief executive officer of the country; the person who delivers the State of the Union Address every year; the one required by law to begin the budget process by submitting that proposal to Congress. The President is elected to lead. But that is not what President Clinton has done over the last 3½ years. Instead of leading the Nation he has been more of one that is following in the footsteps of Congress. Whatever we do the President now especially in this campaign year is saying ''me, too'' as we have noted in other things. But his proposals in comparison with ours are really just pale examples of what needs to be done.

We talk about welfare reform. He says ''me, too.'' But he does not provide adequate reform that we need to save and provide for that system of Medicare. We say we need to save Medicare. He says ''me, too'' but does not provide the basic reform and changes in the Medicare system to ensure that it is going to be here for the seniors who rely on it today and for the generations to come.

Few issues symbolize the me-too response better than what has happened to tax relief. This President in 1992 as candidate Bill Clinton for President campaigned on the issue of tax relief for American families. In fact, then even called for tax relief as high as $1,000 per child tax credit. He said American families need tax relief. But what did the President do after the election? Did he come to Congress? Did he come with a budget that said, ''Now I am going to do what I promised to do, and that is to provide tax relief in some form to America's families?'' No.

He did not. In fact, in 1993 the President proposed and this Congress passed—again without one Republican vote because we did not want to add to the tax burden of the American families—a $265 billion tax increase; not tax relief for families, but tax increases. Of course, we are going to hear the rhetoric all the time that it was targeted for the rich so they can pay their fair share. If that is true, why is the average tax burden on Americans today at all levels higher than it was just 3 years ago? Why is tax freedom day now on May 7 and not May 1 as it was 3 years ago? It is because the average American in this country is paying more taxes today than at any time in history.

Our tax levels are higher today than at any time in history for average Americans—not just for a few but for all Americans. This flies in the face of what President Clinton said just 3½ years ago in 1992 that he was going to provide tax relief.

In 1993 while a Member of the House I introduced a budget called families first, and among the budget proposals included was tax relief, and specifically $500 per child in that tax relief package, half of what the President had talked about but as much as we can get a consensus on. We thought that was important. But when it reached the White House as part of our budget plan last year what did the President do? The President vetoed that. The President did not carry through on his promise of providing tax relief as I said, in fact he added more taxes to the average American family's debt.

In doing so, I was hoping that we could win the President back over by providing for and including this tax cut in our budget. For nearly 3 years we have been fighting that. As I said, the President has vetoed every attempt that we have made.

So the President keeps saying—and we will hear it on the floor here as well, again as I mentioned—that this is just tax relief for the rich. I do not know where that comes from. When average American families in this country—in my State of Minnesota alone $500 million a year for average families could stay in their pockets rather than being sent to Washington. You will hear a lot of those—''Well, Washington speaks, and we can't afford here in Washington to give this type of tax relief.'' Well, the question is: Whose money is it? It is not Washington being able to afford to give tax relief. The question should be: Should American families be able to keep more of the money that they worked hard for every day? How much can we allow them to keep? That should be the question rather than saying, ''How much is this going to cost Washington?''

The President though in his me-too efforts says, ''Well, I do want to give tax relief now.'' This is an election year. But now he is saying in his latest budget, ''Yes. I want to give tax relief. Me, too. I want to give a family tax credit, $500 per child. Me, too.'' But what is the President's proposal? It is not $500, and it is not for all children. It starts out as a $300 tax break for children, and it is phased in over 5 years. But at the end of 5 years it dies again. So he gives it and takes it away.

Is it for all children? No. It is for children up to the age of and including the age of 12. So it is not for the same type of a tax relief that we have offered across the board of $500 per child tax credit.

So, in other words, when it comes to $500 and the tax credit, the President has said ''me, too'' but only for a few years, not for children over the age of 13, and I guess not for real.

So today, still 4 years after that promise was made, 3 years after we began the fight of offering tax credit and tax relief for American families, taxpayers still find themselves now caught between the rhetoric and reality. We have tried. We have included tax relief in our budgets. The President has vetoed it.

So when Bill Clinton took office in 1993 we said then the taxes were too high, we believed Government was too big, and that spending was out of control. Nearly 3½ half years into the Clinton Presidency, and despite all the efforts that we have made, taxes are still higher than they were 3 years ago, Government is bigger than it was 3 years ago, and spending. Well, I think you get the message. Spending has increased over the last 3 years.

The bottom line is this cannot continue. We cannot give up on our efforts to return to the American people their hard-earned tax dollars. If the President is not willing to exercise the responsibilities of leadership handed to him by the voters, then we must. We are going to continue our efforts when it comes to carrying out the taxpayers' agenda. Their demand for a balanced budget, less Government spending, and tax relief is what we are going to continue to work for. We cannot afford to simply sit back and say, ''Me, too,'' like the President has done. We have to say we can and we will do this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I want to continue this same theme of discussing ideas that have been put forth by Republicans in the Congress and which the President has claimed he also supports, though in some cases the record would suggest otherwise.

Former Congressman and HUD Secretary Jack Kemp has said something that I always thought was very wise. He said that campaigns are not so much about defeating an opponent as they are about providing leadership and new ideas.

The Republican Congress, particularly under the leadership of then Majority Leader Bob Dole and Speaker NEWT GINGRICH, have provided the leadership and the new ideas that have animated the agenda here in Washington for the last year and a half. It began with the Contract With America, and it followed through with many of the ideas that have just been discussed by the Senator from Pennsylvania and the Senator from Minnesota.

One of those was the idea of tax cuts that the Senator from Minnesota was just talking about. These were proposed, of course, by Republicans. The President said, ''Me, too, but not as much.''

With regard to welfare reform, the Senator from Pennsylvania talked about that. I remember when President Clinton said, ''Me, too'' on that, and tried to steal the thunder, apparently, from Majority Leader Bob Dole, who was prepared to talk about welfare reform, when President Clinton said, ''I like that Wisconsin State plan. That is the kind of real welfare reform we need,'' in a Saturday morning radio address. Then, when it came time for following through and signing the waiver that would allow Wisconsin to follow through with its welfare reform, the White House said, ''Well, we are not quite ready to do that, yet. We want to think about it a while.'' So one is not even certain whether, when the President says, ''Me, too,'' he really means it.

In any event, taxes and welfare have been discussed. Let me mention quickly three other subjects that fall into the same category. One is the subject of defense and, in particular, ballistic missile defense. This is something that has concerned Republicans in the Congress, and some Democrats, for a long time. It was a particular challenge when, during the cold war, the Soviet Union had the capability of raining on the United States the ultimate in weapons of mass destruction, the ability to destroy, literally, the United States and, if we retaliated, eventually the world.

President Reagan decided that the best way to deal with this was through the development of a defense, so that no longer would the world be threatened with annihilation as a result of two superpowers killing each other and every other living thing on the face of the Earth; that we would provide a defense for ourselves so no nation would want to attack us because they would know they could not succeed and they would simply be wasting their money to try.

That work on star wars, as opponents called it—it was really called the Strategic Defense Initiative [SDI]—is credited by many Russians as being one of the things which finally caused the Soviet Union to throw in the towel in the cold war, to acknowledge they could never compete with us, not only economically but also militarily in these sophisticated high-tech areas, and, therefore, they may as well decide to be our friend rather than our enemy.

Today's ballistic missile threat is a little different. It does not come from a country like Russia. It comes from a lot of so-called rogue nations around

the world who are acquiring the technology to deliver weapons of mass destruction by ballistic missiles, perhaps a little shorter range than the Russian missiles, but still with the capacity to rain harm on their neighbors, on neighboring states, on the capitals of our allies, capital cities, on troops deployed abroad.

The administration said, ''We are for that, too. But we do not really want to spend as much money as it would take to develop the systems, at least as soon as you would like to see them developed.'' So it has been distressing to those of us who tried to support these programs to see the administration delay them and delay them and delay them, while all the time suggesting that nevertheless they do support them. Specifically, I have in mind two very important theater ballistic missile programs, the so-called THAAD Program and the Navy Upper Tier Program.

Both of these are designed to, when they are deployed, intercept missiles that would be delivered by an enemy in some theater around the world. One reason for the Navy program is that you could send the Aegis cruisers all over the world, literally, and defend against such a situation. For example, if the North Koreans decided to launch one of their new missiles against Japan or against South Korea, or even, as they will have the capability of doing after the turn of the century, against the United States—say Alaska or Hawaii—positioning those Aegis cruisers somewhere in the western Pacific would permit us to intercept such a missile.

The administration, however, has refused to comply with the law of the land in spending the money necessary to develop those programs within the timeframe called for by the legislation that was adopted by the Congress and signed by the President last year. Therefore, it is another example of an idea where the President has said, ''I am for that, too,'' but he is not willing to back up the words with actions.

Quickly, Mr. President, two other examples I wanted to mention. One is one where I really hope we can have a bipartisan effort, because this should know no partisanship. It deals with the question of victims' rights. People who have been victimized by violent crime ought to have some constitutional rights in our criminal justice system. I say criminal justice system because that is what it has come to be called. But in a perverse way, it also expresses what has really happened to our system, where justice is provided to criminals—and we would have it no other way—but it is not provided to the victims of crime. We need to right that imbalance right now.

Our society believes in the rights of innocent people so strongly that we even say we would rather have nine guilty people go free than have one innocent person convicted of a crime. So we protect the rights of defendants, people who are accused of crimes. But we do not provide similar protections to those people who are innocent and have already been victimized. Senator FEINSTEIN, a Democrat, and myself have introduced a constitutional amendment to protect victims of crime. We hope this will be a bipartisan effort.

Recently, we find that sounds coming from the White House suggest, again, the President is for this. I am hoping this time he will not only be for it in his expressions, but that he will support us in our effort to get this constitutional amendment adopted. The former majority leader, Bob Dole, is a cosponsor of our legislation. I would be very, very pleased if President Bill Clinton would join with us in supporting this constitutional amendment so Republicans and Democrats alike could provide real protection for the victims of crime. This should be a real test for the President. Will he not just say, ''Me, too,'' but come aboard and achieve the goal.

Finally, I just wanted to mention the fifth item, and that is the balanced budget. The President has been very, very willing to say he, too, is for a balanced budget. The problem is that every effort that we have undertaken to try to achieve that balanced budget he has thwarted.

We tried to do it first through a balanced budget amendment to the Constitution, because we knew it would be difficult to get the Congress to actually pass a balanced budget. He lobbied several Senators on the Democratic side who had previously supported the balanced budget amendment, urged them to oppose it, and it failed by one vote, as we all know. So we did not get a balanced budget amendment to the Constitution, even though the President said he was for a balanced budget.

He said that ought to be the job of the House and Senate, so we took him up on his word. On November 17 of last year, the Senate of the United States passed a balanced budget, the first one in 20-some years, I think it is 28 years. The House did the same thing. We sent that balanced budget to the President. On December 6 last year, he vetoed it.

He is for a balanced budget, but when it came time to actually sign it, he was not ready to do that. So, once again, we have an example—this is the fifth one, as I said—where the President is very quick to say, ''Me, too,'' but when it comes time to follow through, he is not there.

I will return to the beginning of my remarks. As Jack Kemp said, campaigns are about providing leadership and new ideas. The Republicans have provided this leadership. We have provided the new ideas. We have really won this campaign of ideas because it seems to me that the President and many of our Democratic friends are now agreeing with us that welfare reform, Medicaid reform, tax relief for American families, a strong national defense, a balanced budget, regulatory reform—which I have not even talked about—all of these things are good ideas and they should be implemented.

The President says, ''I agree.'' The problem is that we cannot get him to follow through with this. That is what this next election probably is going to be all about. Will we follow our leadership? Do you agree with our ideas? If you do, Mr. President, what we will be saying is elect the kind of people who will follow through on those ideas. If you do not agree with those ideas, of course, then you are going to want to support someone else. But I think politics is about providing leadership and new ideas. These are the right ideas, and it is time for us to get support, not just in the House and in the Senate of the United States, but from the President of the United States.

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.

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

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

BUDGET RESOLUTION CONFERENCE REPORT

Mr. LEVIN. Mr. President, I cannot support the budget resolution which the majority has presented to us. First, it reduces funding for Medicare and Medicaid more than is necessary in order to provide dollars for tax cuts which are likely to benefit most of the wealthiest among us.

The budget also reduces discretionary funding for education from current levels—and I emphasize that—the funding for education is being reduced in this budget from current levels for 5 of the next 6 years. It does that at the same time that it increases the funding for defense each and every year during that period, including $11 billion more for next year than the Pentagon requested.

Those are not the right priorities. Last year we fought long and hard before succeeding in restoring funding for education, such as Head Start, vocational education, the title I reading, writing and math skills program, Perkins loans and the State student incentive grants for college students. I believe it would be shortsighted to now retreat from a firm commitment to the best investment in our future, and that is education.

We have now reduced the deficit for three straight years, and we are on the verge of a fourth. We are doing that—reducing the deficit for three straight years—for the first time since World War II. During those same years, the deficit has been cut by more than half, from $290 billion in 1992 to less than $145 billion in 1996.

We should build on that progress, and we should continue that progress. That

is why I supported two alternative budget resolutions, each of which would have balanced the Federal budget within 7 years.

Those budgets would do so, however, without providing large tax cuts to the wealthiest among us at the expense of children, seniors and students. We can balance the budget without damaging cuts to health care for the elderly, education funding and environmental protection, and those are among the top priorities of American working families.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the proceedings under the quorum call be dispensed with.

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

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

(The remarks of Ms. MOSELEY-BRAUN and Mrs. MURRAY pertaining to the submission of Senate Resolution 263 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

Mrs. MURRAY. Mr. President, I ask unanimous consent to proceed as in morning business.

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

THE POWER OF RELEVANT EDUCATION

Mrs. MURRAY. Mr. President, yesterday, I was privileged to see and hear a dramatic presentation by four high school sophomores from my home State of Washington. They performed a short dramatic work, with choral music, in my office for me and my staff. They had no fancy stage lights or microphones or curtains. They had simple costumes, and no stage makeup. Yet, they created true magic. It was emotional, powerful, and indicative of what young people can do if given half a chance.

These four young women, Dallas Milholland, Cynthia Ward, Kristin Allen-Zito, and Malissa Kobbevik, came to Washington, DC, from their home 3,000 miles away in Bellingham, WA, to compete in the National History Day Finals. The presentation they created was entitled ''Focus of Concern: Breaking the Silence Surrounding Battered Women.''

They researched the plight of battered women throughout history. They examined the accounts of women's ill-treatment, and the silence, ignorance, and approval of such treatment. They also looked at the rise of concern about domestic violence and passage and enforcement of laws to protect women against it.

These four young women wrote the script, adapted the accompanying music for beautiful three-part harmony, chose the subdued black costumes, and did the understated blocking and choreography. They performed before national judges, and other students from around the country.

This morning, they called and told me that they have been chosen as the National Champions of the National History Day Competition. I know the Presiding Officer is as proud of these four young women from Washington State as I am.

The teachers and students of Bellingham High School, and those on Vashon Island, in Port Angeles, and Richland, who also brought their terrific History Day projects to the competition, should all be proud. The people of Bellingham, of Washington State, and all Americans should be very proud of these four young women from Bellingham, and all those who made their great victory possible.

What their performance teaches every person who sees it is that domestic violence is an overpowering presence in the lives of too many women and children, almost as hard to outlive as his to live through. As these young women point out in their presentation, ''During the 10 minutes of (our) presentation, 66 women have been beaten. Sometime during the next 3 hours, one of these women will die.''

To quote further: ''During the 13 years of the Vietnam war, 58,000 American service personnel died on the battlefield. During the same time period, 54,000 American women were killed by their domestic partners.''

Their performance teaches that with brutality against women, as with all brutality in the human experience, there are times of concern, when actions happen, and there are times of silence, or worse, times when brutality is condoned. Each of us needs to be responsible to call 911 when we hear the sounds of domestic violence in our neighborhoods. Each of us needs to be responsible to value women and their young children. Each of us needs to tell young girls that they deserve and should expect better.

We must become aware that every day women are beaten, pushed, and threatened by those they love: and they are too afraid to admit ''someone I love is hurting me.''

This performance also teaches something about the power of a relevant education. Young people learn best when they see relevance to their own lives outside the classroom, relevance to their current interests, and relevance to their future careers.

These young women are talented, interested, and powerful. They are not, however, alone, and they are not unique. Behind these four young women are four families, and at least one great teacher who gave them a chance. A chance to do something adults these days don't seem to expect from American students—strive for excellence.

Every student can benefit from seeing this performance. Every student can also benefit from being given a chance to work hard for something that they truly care about. Whether it's a book, a social cause, a business idea, a sport or hobby—we must encourage young people to see the connections.

These young people from my State are incredible. They can help us solve the problems facing this country, so can all the other children in this country today.

Mr. President, I ask unanimous consent the text of the script from the students at Bellingham High School be printed in the RECORD.

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

''BATTERED WOMEN''—SCRIPT

4 girls standing in darkness with backs to audience.

C/D/K: Open with song: ''Can You Hear the Prayer of the Women.''

[single spotlight on.]

M: My heart is in anguish within me. The terrors of death have fallen on me. Fear and trembling come upon me and horror overwhelms me. It is not enemies who taunt me. I could bear that: It is not adversaries who deal insolently with me. I could hide from them, but it is you, my equal. My companion, my familiar friend with whom I kept pleasant company—Psalm 55.

[spot off.]

C/D/K: Song: ''Crying Jesus Help me to see the morning light of one more day. But if I should die before I wake, I pray my soul to take.''

M: I was charged with first degree murder. I have 15 to life: I killed my husband.

K: I was charged with murder in the first. I have life without: I killed my husband.

D: I was charged with second degree murder. I'm serving 15 to life: I killed my husband.

C: I was charged with first degree murder. I'm doing life without. I killed my husband.

[4 spots on.]

All: I killed my abuser.

C: During the 13 years of the Vietnam war 58,000 American service personnel died on the battlefield.

D: During the same time period 54,000 American women were killed by their domestic partners.

All: Beaten to death.

K: Stomped.

C: Kicked.

M: Choked.

D: Their head bashed repeatedly against solid stationary objects.

All: Battered.

C: Every fourth woman who enters a hospital is there because of injuries sustained during an attack by her domestic partner.

D: Every 9 seconds in America a woman is beaten by her husband: The flash of the red light is indicative of this time of violence.

M: Seven women die each day as a result of these beatings.

K: For 1,000's of years society has not only allowed, but has tacitly encouraged the battering of women.

D: The Old Testament.

C: ''The Levite picks up his battered wife and cutting her into 12 pieces he sends her remains throughout the land.'' Judges 19:30

D: 300 A.D.

M: In Rome the Emperor has his young wife boiled to death when she is no longer of any political use to him. Constantine 1st Christian Emperor.

D: 1517.

K: ''When my wife gets saucy, she gets nothing but a box on the ear.'' German reformer, Martin Luther.

D: 1804.

M: ''Women are like walnut trees, they should be beaten daily.'' Napoleon Bonapart.

C: Throughout history a man's right to beat his wife was clearly acknowledged in the law.

M: 1395.

D: It is the husband's right to inflict extreme punishment on his wife because it is reasonable and solely for the purpose of reducing her from her errors.

C: Supported by the Church as his spiritual duty.

M: 1850.

K: ''Woman was created after man, therefore she is a byproduct of him. She was created in response to his needs. She was the agent of his downfall and the cause of his banishment from paradise. All of these things are proof of her inferiority.''

C: And implicitly condoned by society.

M: 1791: French citizen. Lavacher batters his wife during a meal with two male guests. Their response.

D/K: It is not appropriate to ill-treat your wife in front of your friends.

K: Because society believes.

M: It is his right.

K: It is his duty.

D: It is God's will.

C: It is her fault.

M: It is her cross.

All: She must bear it.

K: Perpetrators and victims also believe.

D: 1963: the Perpetrator.

M: ''I'm sorry I hit you, but it was your fault, you provoked me. You'll just have to learn that I'm the boss.'' Mickey/Michigan.

D: 1996: The victim.

C: ''All the time he was beating me I believed his mind games and thought this is my fault maybe if I try harder to be what he wants.'' Heather/Bellingham.

M: For 100's of years wife abuse has cycled through the public awareness.

C: A focus of concern.

K: The early 1600's.

D: Puritan leaders take a stand against family violence because they believe that it weakens the community and offends God. Citizens are encouraged to watch neighbors. To stop domestic violence as it occurs and report these cases to the authorities.

K: The church strongly supports this stand. Puritan Preacher Cotton Mather.

M: ''For a man to beat his wife is as bad as any sacrilege. Any such rascal were better buried alive than to show his face among his neighbors.

D: This stand by community and church eventually impacts the law.

K: 1641.

C: The Massachusetts Body of Liberties. A Civil and Criminal Code, becomes the first American reform making domestic violence illegal.

M: ''Every married woman shall be free from bodily correction or stripes by her husband.''

C: Over time this defense of women becomes clouded in a confusion of perspective.

K: From the late 1600's to the mid 1800's

D: A time of silence.

C: ''What goes on behind closed doors should stay behind closed doors.''

K: This social attitude weaves a fabric of silence surrounding the issue of wife abuse.

M: I do not see it.

D: I do not hear it.

K: I do not know it.

C: I do not feel it.

All: I cannot help it.

C/D/K: Song: ''Can You Hear the Voice of the Women Softly Pleading. No More Silence in Their Shattered World.''

M: A focus of concern.

C: The mid-1800's to the turn of the century.

M: Taking a stand, women begin campaigning for radical social change, one of their issues.

D: Relief for battered women.

K: 1871: The court rules:

M: ''The privilege, ancient though it may be, to beat her with a stick, to pull out her hair, to choke her, to spit in her face, to kick her about the floor, is not acknowledged by law.''

D: Suffragists realize that although this law clearly forbids wife abuse, society does not consider wife abuse a crime and so it goes unpunished and unabated.

K: 1876.

C: Lucy Stone, editor of the Women's Journal takes a stand against the ineffectiveness of these laws by demanding that they be backed by appropriate penalties.

D: ''The law for the use of the whipping post should exist in every State. An abusive husband will not fear a month in jail nor a fine, but he will dread the pain and disgrace of a whipping.''

M: Laws specifying punishments for wife beaters are passed.

D: But over time, public interest wanes. Although laws exist to protect women, public apathy renders these mandates useless and for the next 70 years a silence of indifference drowns out the prayers of women.

CDK: Song: ''Empty Eyes With No More Tears To Cry.''

M: A time of silence.

D: 1967. A desperate woman calls the police.

C: ''My boyfriend is mad at me, he's going to beat me up.''

D: The dispatcher replies:

K: ''Call us again when he does.''

M: The Civil Rights movement of the 1960's focuses public attention on the rights of minorities including the rights of women. The feminists movement of the 1970's continues this struggle. One of it's issues, public and judicial support for battered women.

D: Time and time again the terror of abuse pushes women to desperation. Without support from neighbors, police, or the judicial system. Women are pushed into violent acts of their own.

K: A focus of concern: 1977.

C: Francine Hughes, battered wife of 15 years takes the only stand she can. She douses her husband's bed with gas while he sleeps. Francine lights a match and is finally freed from his abuse.

K: Jennifer Patri. Evelyn Ware. Sharon McNearny.

M: Patricia Ross, Marlene Roan-Eagle, Barbara Jean Gilbert.

D: Idelia Meija, Hazel Morris, Bernestine Taylor.

C: Elsie Monic, Shirley Martin, Martha Hutchinson.

All: Shot and killed her husband.

K: It is tragic that these women are left alone to take such drastic measures. However the stands which they take shatter the silence surrounding wife abuse and screams for society's intervention.

D: Eventually society does intervene and significant changes occur.

K: Public awareness, concern and support for battered women.

M: The issuance of ex parte protection orders.

C: Mandatory arrest laws and criminal penalties for perpetrators.

M: Shelters and legal services for women in crisis.

K: We are told that history repeats itself and we have seen how the issue of wife abuse has cycled through the public's conscience. The time to stop that cycle is now while battered women are still a focus of concern.

M: During the 10 minutes of this presentation, 66 women have been beaten.

K: Sometime during the next 3 hours one of these women will die.

D: Will we again allow the silence to fall?

[All spots off.]

CDK: Song: ''Crying Jesus Help Me.''

[single spot on.]

M: ''Today in my small natural body I sit and learn, my woman's body, like yours, target on any street taken from me at the age of 12. I watch a woman dare, I dare to watch a woman, we dare to raise our voices.'' Victim 1975.

C: Song: ''Can You Hear * * *''

K: Can you hear the prayers of the women?

D: or is the silence too loud?

[spot off/close.]

Mrs. MURRAY. I encourage all Members to read these young women's powerful work, and I encourage you all to help all our students strive to be the best.

Mr. LIEBERMAN addressed the Chair.

(The remarks of Mr. LIEBERMAN pertaining to the submission of Senate Resolution. 263 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to set aside the pending business so that I may speak as if in morning business.

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

STANLEY R. BROWNE

Mr. GRASSLEY. Mr. President, I rise today to mourn the untimely passing of a former Senate staff member, great Iowan, and personal friend. Stanley Browne started from very humble roots, one of six children born to a school administrator and housewife in Sioux Falls, SD, in 1923. His father Walter died suddenly when Stan was just 6 years old. From that day on, he watched the determination and selfless dedication of not only his mother Ida, as she cared for the family all day, then scrubbed floors and cleaned homes evenings, but also his oldest brothers as they dropped out of school, and sacrificed their futures—all to enable their family to stay together. He grew up rather quickly, acutely aware of both the value of hard work and money, for then there was no such thing as welfare. He became an Eagle Scout and served in various leadership roles in Scouting as an adult. He served our country in World War II, as a Paratrooper with the 13th Airborne Division, 326th Glider Infantry in central Europe, European African Middle East theater. After the war, he rekindled an acquaintance with a wonderful lady named Coral Jane Freeman. They

would have celebrated their 48th wedding anniversary this Thursday, June 13. Stan Browne, both with the help of this great country's GI bill and the hard work ethic installed upon him and embedded in his mind as a young child, went on to graduate from Drake University Law School in Des Moines, IA, while simultaneously juggling several part-time jobs to make ends meet. While at Drake he was president of the Delta Theta Phi law fraternity. Upon graduation, he practiced in the law firm of Wilson and Browne. He was active in Republican politics as both a candidate and campaign manager. After a victorious Senate campaign, Stan Browne became Senator Jack Miller's administrative assistant for 12 years. He served as president of the Administrative Assistants Association and was a member of St. Marks Presbyterian Church in Bethesda, MD. As current member and past chairman of the 116 Club, he was especially proud to have been responsible for admitting the very first woman to this formerly male dominated organization during his tenure. After his departure from the Hill, Stan Browne entered the private sector, joining the DuPont Corp., serving as its Washington counsel until his retirement in 1986. He served on the board of directors for the PUBCO and Bobbie Brooks Corp., based in Cleveland, OH. He was also a former member of the Iowa State Bar Association, Polk County Bar Association and the Jr. Bar Association, Worshipful Master of New Century Masonic Lodge, past president of the Central Iowa Multiple Sclerosis Society, and a member of the Landings Club in Savannah, GA. Both on and off ''the Hill,'' Stan Browne was known for his modesty, humbleness, honesty and integrity. With his calm and cool demeanor, he was highly respected and well known for his effective low-key and behind-the-scene accomplishments. In addition to his wife of nearly 48 years, Coral, he leaves behind two children; Laurel Bigelow and Neal Browne—currently in the Senate Document Room—14 years service—daughter-in-law Lisa Browne, three surviving siblings; Norma Egland, Barbara Fonder, and Miles Browne, seven grandchildren; Daniel Bigelow, Thomas, Scott, and Joshua Trickett, Adam and Rachel Browne, Skylar Hattrich; and one great grandson, Christopher Bigelow.

''IOWA SPIRIT'' SALUTE TO EDUCATION

Mr. GRASSLEY. Mr. President, for those awaiting the floor, I will only be here for another 3 or 4 minutes. I started a week ago to speak about the 150th anniversary of the State of Iowa, which we are celebrating with a congressional reception on June 26 on The Mall outside the Smithsonian Institution. I hope all of my colleagues will come to that and see some of the exhibits over the next 2 weeks honoring our 150th anniversary of our State.

I had a chance earlier this week to speak about the only Iowan to become President, Herbert Hoover. I want to speak today about something that is really great about Iowa, our educational system.

Our country's Founding Fathers, of course, had a very clear vision about America's public schools and firmly believed that excellence in education is paramount to the growth and prosperity of America. Iowa benefited from a pattern that was set by the central government, even before we had a U.S. Constitution, when the Northwest Compact was adopted in 1786, when land was set aside for public education in the new territories. That tradition continued west of the Northwest Compact area to be included in the traditions of education throughout the upper Midwest.

Today, in honor of Iowa's sesquicentennial celebration, I am proud to be able to tell you that Iowa's educational system is a working example of what our Founders had in mind. Iowa's high standard of excellence in education began in one-room rural school houses on the prairie. That same standard can now be seen in advanced academic settings across our State, both in the urban areas as well as the rural areas and small towns of Iowa.

The one-room rural school environment ended in the 1950's, but there is still the foundation in today's educational system of the personal interest of teacher and student in each other that comes from that one-room rural tradition.

Today, though, I am proud to share with you accomplishments of Iowa's increasingly diverse student population. I commend the continued dedication to education not only of students and teachers, as I have already said, but of parents and the volunteer school board members as well as school administrators across the State. Their combined daily efforts are a key part in the continued success of the Iowa public school system and the Iowa private school system.

Iowans are proud of our commitment to quality education for all children. It is a commitment that has earned national and international respect. Iowa's excellence in education is a direct result of its local control of schools and community-level responsibility. For decades, Iowa students have received the highest quality education and performed well above national averages in academic assessment.

It is estimated that 88 percent of Iowa students graduate from high school. What's more, each year Iowa's rate of students pursuing post-secondary education and other post-high school training continues to grow.

Iowa's high literacy rate is a key component of the success of Iowa's students. We rank as No. 1 of the 50 States in literacy. And, individuals in Iowa read more books than those in any other State on a per capita basis. The active involvement of some 525 public libraries, 7 regional libraries, and 62 academic libraries is testimony to Iowa's commitment to the advancement of knowledge.

Iowa's young scholars have ranked at the highest level in the Nation for a number of years in college testing assessments. In fact, for 6 of the last 7 years, Iowa has ranked first of all the 50 States in the SAT tests—and either first or second vis-a-vis Minnesota or Wisconsin, depending upon what year you are looking at, as tops in the ACT test.

In addition to Iowa's 390 public school districts and 235 non-public school districts, educators across the Nation rely on the Iowa Tests of Basic Skills and Iowa Tests of Educational Development to assess student achievement in grades 3 through 12. These two standardized achievement tests, developed by the Iowa Testing Program in Iowa City, where our university is located, provide teachers nationwide with unique supplementary information of the students that are in their organizations. This information bears on decisions about academic objectives, instructional materials, and learning environments for students in elementary and secondary schools.

I also want to acknowledge the proud tradition, although it is a relatively new tradition of about 30 years, of Iowa's 15 community colleges. Prior to the community college we had a student system of junior colleges throughout Iowa. But it was not statewide. The community college system developed 30 years ago is a statewide system of community colleges so that all students throughout the entire State of Iowa have access to a community college.

Each year, thousands of students in Iowa have successful academic experiences through one of Iowa's 15 community college districts. Last year, over 50 percent of the new freshmen in Iowa colleges and universities were enrolled at public community colleges. Year after year, these community colleges award thousands of high school equivalency GED diplomas for that 12 percent of our students who do not graduate from high school. Iowa's community colleges provide a myriad of curricula options for students whether they are seeking a degree or whether they want just a few courses. Our State's community colleges promote the concept that is a fact of life in our technological age—that education does not begin at kindergarten and stop with a college degree. Today, for people of all ages, education is a continuing process throughout life, including the formalized aspect of education that comes through an institution.

So access, quality, and responsiveness, are the three fundamental concepts upon which the community colleges' mission was developed and the principles which guide their growth and development that began 30 years

ago and is an expanding and more influential aspect of education in Iowa all the time.

Iowa's long history of academic excellence meets the high standards that our Founding Fathers set over 150 years ago when our State was established. With ongoing dedication from students, parents, teachers and school officials, I am confident that Iowa's education system will continue its path of growth and success as we continue our history and development as a leading State in the Nation.

I look forward to these new developments in education for today's leaders and future generations of American students.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I preface my comment by joining with my friend and colleague from Iowa, congratulating his great State on the sesquicentennial of admission to the Union. As he and I discussed before, I have a good many relatives who live in his State. I have had the privilege of spending a good bit of time over the years in Iowa. I enjoy the State, the people, and, again, I express my congratulations to them on the occasion of their celebration.

LEGAL GAMING ENTERTAINMENT INDUSTRY

Mr. BRYAN. Mr. President, I rise to discuss the issue about which much has been said recently, the so-called need for a Federal gaming study.

The PRESIDING OFFICER. The Senator from Nevada is advised that some time ago we were to have gone to certain Federal Reserve Board nominations.

Mr. BRYAN. Mr. President, I ask unanimous consent that we set aside the pending business and that I be able to speak as in morning business.

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

Mr. BRYAN. I thank the Chair for advising me of the parliamentary situation.

Mr. President, I was commenting, we have had much discussion in the media, on the floor and as part of the national dialog of the need for a so-called Federal study of gaming. The integrity of the legal, legitimate entertainment industry, one which is of primary importance to the economy of my State, has been repeatedly impugned.

One Member of the other body took the House floor to call those who work in the gaming entertainment industry a group of ''roaches.''

I want to cut through some of this rhetoric and set the record straight. Excessive rhetoric has been used to drown out a constructive dialog and a careful deliberation about a legitimate issue: the rapid growth of gaming across America.

Opponents of legalized gaming have resorted to character assassination, guilt by association, and distortion of the views of those with whom they disagree.

The time, Mr. President, has come to say, ''Enough is enough.''

At the outset, it is imperative to step back from this emotional rhetoric by gaming critics and to observe that gaming entertainment in all forms would not be expanding without demand for this form of entertainment. Simply stated, the American consumer, not the Government, has decided to spend his or her precious recreational dollar in this fashion. For example, 30 percent, or 32 million households, made a total of 125 million visits to casinos across America in 1994. The total number of casino visits rose to 150 million in the following year of 1995. In many respects, this growth in casino visits is not surprising, given the changing nature of gaming entertainment in general and casino gaming in particular.

Since the late 1980's, casinos have become what the experts characterize as ''destination resorts'' which offer more than the various games of chance normally associated with the casino. These destination resorts now offer a range of additional entertainment experiences, including a variety of sporting events and recreational activities, theme dining experiences, unique shopping, Broadway-quality shows, and many other attractions.

If casino entertainment was not providing solid value for the dollar spent, consumers would not be patronizing these establishments. It is somewhat puzzling that those who are defenders of the free market and proponents of State regulation are quick to second-guess consumers and States on this policy question.

Advocates of legislation to create a Federal gaming study commission have stressed in their public statements and in testimony before various congressional committees that the limited purpose of this commission was to study the socioeconomic effects of all forms of gambling and to give policymakers at the local, State, and Federal level the data they need to make educated decisions.

I might just say parenthetically that there has been no request generated by local or State government, that I am aware of, of calling upon the Federal Government to conduct such a study. But that is ostensibly what they claim.

They have consistently emphasized that no one, least of all the legal gaming industry, should fear anything that is just a study.

Mr. President, the gaming entertainment industry in my own State has absolutely nothing to fear from a fair and unbiased study. Nevada's tough regulation has made this industry a model for other States, which have adopted gaming, to follow and, indeed, is an international or global model.

However, what is going on here is a crusade by those who want to destroy an activity that they do not like, and that, Mr. President, is dangerous. The principal premise for the proposed commission advanced by its antigaming opponents is that States and local governments lack the ability to acquire and act on objective information in the face of well-financed attempts to put casinos in. This simply does not square with reality.

No State—and I repeat, Mr. President, no State—has approved new casino gaming for several years. For example, 7 of 10 gaming initiatives were defeated in 1994, and no new casino gaming was approved by a new jurisdiction in 1995.

Let me just comment parenthetically. From a parochial perspective, representing my State, I am not an advocate for the expansion of casino gaming in other jurisdictions. But the point needs to be made that that is a decision which States, local governments, free from Federal interference, ought to be able to make on its own.

Those who have an established agenda decided to elevate this commission from one to study the impact of gaming to one that is designed to investigate the operation of a legalized gaming industry.

While many of those who support a study have good intentions and prefer a reasonable approach, they are being drowned out by those extremists whose goal is the destruction of this industry. The loudest voices calling for a gaming study are those who want to shut down a legal industry in a State which has chosen to allow gaming. They believe they possess a superior moral barometer and should tell us what is right and what is wrong.

They feel the same way on other aspects of our society, and we know not what will be their next target. What I want to do today is to give you a more fair picture of the legal and highly regulated gaming industry in my own State.

In Nevada, the gaming entertainment industry provides 43 percent of the $1.2 billion annual State general revenue. This is the source that finances the essential operations of State government; first and foremost, education.

The gaming entertainment industry accounts for more than 50 percent of Nevada's employment, either directly or indirectly. The gaming industry in Nevada has today extensive regulation and oversight, involving day-to-day on-site supervision by State gaming control authorities, the Internal Revenue Service, and the Treasury Department unit which handles currency transaction issues.

In fact, when the Treasury Department testified before the U.S. Senate Banking, Housing, and Urban Affairs Committee recently, they had high praise for the regulation of currency transactions in the State of Nevada.

The regulation of gaming is not perfect. We have worked long and hard in Nevada to establish a tough regulatory system that is a model for how such a system should be run.

The State of Nevada employs 372 regulators and charges the gaming industry $19 million on an annual basis to see that only legitimate interests are involved in gaming and that the games of chance are conducted honestly and fairly.

Despite Nevada's success with gaming, I would be the first to admit that legalized gaming may not be the best choice for every community, and I have repeatedly expressed my concern that Indian gaming regulation in some States is far too lax.

Some States have unrealistically looked at gaming to solve all of their financial problems; a panacea, if you will. And some States have rushed into gaming without the proper regulatory controls, and the results have been disastrous. Any State or community that chooses to legalize gaming should do so with its eyes open and with a strong commitment to strict regulation and control.

I am confident, however, that States are more than qualified to make these type of decisions on their own without the intrusion of the Federal Government.

I am proud of what I did in Nevada in my 6 years as Governor at a time when the industry worked with me to improve the industry's operation. The chairman of the Nevada Gaming Control Board is Bill Bible, the son of a highly respected colleague of ours, U.S. Senator Alan Bible. Bill Bible is tough, he is honest, and he is effective. Nevada's gaming regulations reflect his commitment to making sure that our industry is regulated completely and thoroughly.

The fact is that today the legalized gaming industry is a legitimate business, as legitimate as any business on the Fortune 500 list. More than 50 publicly traded companies, all regulated by the Securities and Exchange Commission, own gaming interests. The financial operations of these concerns are carefully scrutinized by market analysts, market regulators and investors of all kinds. All these companies file 10K's, or similar forms, with the SEC.

The stocks of these companies are widely traded on major public stock exchanges, including the New York Stock Exchange and overseas markets. Stocks of gaming and gaming-related companies are broadly held by major institutional investors, such as pension funds and other retirement-related funds, including the California Public Employees Retirement System, the Colorado Public Employees Retirement System, the New York State Teachers Retirement Fund, the Wisconsin Investment Board and Harvard University.

The gaming entertainment industry employs over 1 million people throughout the United States, paying $6.8 billion in salaries in 1994. The industry paid more than $1.4 billion in taxes to State and local governments in 1995, along with an estimated $6 billion to $7 billion more paid by other forms of gaming entertainment, such as State lotteries, sports betting, horse and dog racing.

While Las Vegas is proud to be the gaming entertainment capital of the world, Nevada is far from alone as a gaming industry base. Jobs, entertainment, taxes and positive economic effects are felt in States as economically and politically diverse—New Jersey, Mississippi, Illinois, Connecticut, Minnesota and Iowa. Indeed, some forms of gaming entertainment are legal in 48 of the 50 States.

The industry will spend an estimated $3 billion on new construction in 1996, with billions more slated to be spent on construction projects over the next several years. This construction creates demands for goods and services sold by companies around the country for everything from construction materials to architectural services.

The true agenda of the industry's critics is an agenda of ending legalized gaming, as the title of the group ''National Coalition Against Legalized Gaming'' states in bold letters.

My response is simple: in this country, adults are free to make their own decisions about where, when, and how to spend their entertainment dollars.

It is indeed ironic, at a time when many decry the power of the Federal Government and seek a return to more State and local control and personal freedom, that some of the very same people who assert this as their philosophy are people who seek to establish a national commission in this case, without requiring involvement of State government officials, to determine how best to oversee a State-regulated industry.

None of this is to suggest that gaming entertainment, like any other major business, particularly one which hosts millions of visitors each year, does not have its share of public issues and challenges. For example, in all of the recent commentary, little if anything has been said about the serious effort made by individual companies and the industry as a whole to address concerns about problem gaming.

The industry recently announced the creation of a multimillion dollar commitment to the new National Center for Responsible Gaming.

The companies involved in gaming entertainment are recognizable names like Hilton, ITT, and Harrah's.

These companies engage in a wide range of community activities.

These companies are run by highly respected business leaders such as Terry Lanni, Bill Bennett, Clyde Turner, Dan Reichartz, Bill Boyd, and many others I could mention who are recognized for the business acumen well beyond gaming circles.

When a Member takes the floor to call a hard-working, law abiding industry a group of ''roaches'', it is time for a return to civility, to disagreeing without being disagreeable or disingenuous, in order to permit a rational debate on matters pertaining to the gaming industry.

I thank the Chair and I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I may proceed as in morning business for 5 minutes.

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

Mr. CHAFEE. Mr. President, I want to thank the Senator from Iowa for permitting me to go on his time.

THE OUTRAGEOUS ABUSE OF POWER BY THE WHITE HOUSE

Mr. CHAFEE. Mr. President, we have learned that an extraordinary number of highly confidential FBI files were improperly obtained by the White House. I do not know what I find more appalling: the fact that the White House requested, received and kept the confidential files of more than 300 Reagan and Bush administration workers—that is appalling enough—but is that more appalling than the fact that the FBI turned them over to the White House these files without an apparent second thought?

This latest White House mishap, or snafu, or outrageous abuse of power raises serious questions about the White House, the FBI, the Secret Service, and the Department of Justice. I cannot help wondering if anyone is in charge.

I have no doubt that if this kind of misadventure occurred on the watch of a Republican President, it would create a tremendous furor. The irony is that it was discovered during an investigation into the Travel Office affair which also involved the admitted misuse of the FBI by the White House. It seems as though this White House views the FBI as its own personal private investigator. This is the kind of arrogant abuse of power that led to the fall of the Nixon White House. Mr. President, this is what Watergate was all about.

FBI files on individuals should be the most private and confidential of all documents. They are not compiled for political purposes, and they should never be used for political reasons. They certainly should not be easily provided to partisan political appointees.

What was actually in these files? They were summaries of comprehensive FBI files on Reagan and Bush Administration employees whose last names began with the letters A though G. They include James A. Baker, former White House Chief of Staff and Secretary of State in the Bush administration. They include another former chief of staff of the White House, Ken Duberstein; and the fired Travel Office Director Bill Dale.

These files contained summaries of interviews with neighbors, friends, coworker going way back to the high school years of those upon whom the files were complied. Some of those interviewed might be individuals with

an ax to grind. They can contain any bizarre allegation that such an individual may concoct. This is the type of information that the Clinton White House thought should be trusted to a low-level civilian detailed from the Army who answered to a partisan, political appointee.

This all come up because of the inability of the White House to admit that it fired Billy Dale to make room for the President's Arkansas cousin and his Hollywood friends. For months, the White House has refused to comply with the Clinger committee's subpoena of all documents related to the Travel Office firings. When Billy Dale cried foul upon learning that his FBI file had been turned over to the White House, the White House claimed it received his file as part of a routine investigation of employees. That was the original explanation. Suddenly the Billy Dale file shows up in the White House. How did it get there? As part of a routine investigation of an employee? Then the story changed. The White House tried to claim that it was not its request after all. The GAO had asked for the FBI files. ''No, no, no,'' said the GAO, ''not us!'' Suddenly the whole thing became an innocent mistake that involves trampling on the fundamental right to privacy of 330 loyal public servants.

I applaud Representative CLINGER, chairman of the House Committee on Government Reform and Oversight, for his commitment to untangling this web of misinformation, claims of executive privilege, and rationalizations. I believe that his matter is serious enough to warrant a full congressional investigation. Unfortunately, this White House has dodged the truth for too long.

I remember when an overzealous Bush supporter, Elizabeth Tamposi, who was an Assistant Secretary of State, decide to search the passport records of a young Governor from Arkansas, Bill Clinton. The press was outraged. Bill Clinton was outraged, but, most of all, President Bush was outraged. He fired Elizabeth Tamposi.

What have we heard from this administration about this latest scandal? Mark Fabiani, a White House attorney hired to answer questions about Whitewaster and the Travel Office matter, believing that the best defense is a good offense, said, ''Instead of attacking, CLINGER and Speaker GINGRICH should be apologizing.'' Now that is chutzpa if I ever heard it.

This is a serious matter Mr. President. We cannot have the FBI used as a private research agency for the White House. I think this matter needs immediate attention.

Mr. President, I yield the floor and again want to thank the Senator from Iowa for permitting me to go before him.

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the nomination of Alan Greenspan, to be Chairman of the Federal Reserve System. The clerk will report the nomination.

The bill clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Under the previous order, time is equally divided under the control of Senator D'AMATO and Senator HARKIN. Senator HARKIN is recognized.

Mr. HARKIN. Mr. President, finally we have gotten to the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. I have been waiting for several months for this opportunity, to have the opportunity to debate not just the nomination but what this nomination means for the American people.

I am very pleased that we finally have a reasonable opportunity to debate this nomination, the nomination of the most important Presidential nomination to come before this Congress, the nomination of Alan Greenspan to serve as Chairman of the Federal Reserve System. I have been pushing for this debate for months, and I want to thank the Republican and Democratic leaders for scheduling this 3-day debate.

This debate about Chairman Greenspan's policies and their impact on our economy, about how we can get our economy to grow faster, about how we can create more jobs and raise incomes, zeros in on the most important issues that we face.

Before we get into substance, I want to be clear about one thing. This issue has never been about personalities. It is about policy. It is about making sure that this body gives thorough consideration to the nomination of the Chairman of the Federal Reserve System, the single most important economic decisionmaker in our land.

Over the course of today and tomorrow and next Thursday, I and others on our side hope to cover at least the following areas.

First, we want to talk about a policy of growth versus a policy of no growth that has been prevalent at the Fed for the last several years and that is prevalent today. We wish to talk about the record of Alan Greenspan. I will go into his record at some length. Why? Because he has been Chairman of the Fed now for two terms.

I think it is legitimate for us to ask: Has his stewardship, has his running of the Federal Reserve, been such that we, the Congress and the Senate, should reward him with another 4-year term? We would ask that of any person nominated by the President to fill an important position. We certainly should ask it of Alan Greenspan and look at his record.

Third, we hope to talk about the impact on our budget and what we do here over the next several years and the impact on our economy of decisions made by the Federal Reserve Board, especially the Open Market Committee.

Fourth, a recent GAO study that recently came out in preliminary form—the final version of that, I guess, will be out next Thursday—I believe raises substantial questions about how the Federal Reserve System is operating. Let us also be clear about another thing, Mr. President. The Federal Reserve Board is a creature of Congress.

Yes, it is independent, and I believe it should be independent, but it is not a separate branch of Government enshrined in the Constitution. It is not like the judiciary or like the executive branch or the legislative branch. It is, in whole, a creature of the U.S. Congress. As such, it must be responsive to the Congress, responsive to the American people through Congress. I believe it is our duty to examine closely the policies of the Federal Reserve and to suggest through the legislative process changes that we may wish to make in the Federal Reserve System.

I will be talking about one thing later, for example, the fact that the minutes of the Federal Open Market Committee are held secret for 5 years. Why 5 years? Maybe there is a legitimate reason to keep them withheld for a period of time, but certainly not 5 years. I think that needs to be reexamined. Maybe 1 year, but not 5 years. Having said that, I will say we have gone back in the minutes of 5 years, 8 years, and 10 years ago and looked at the minutes, that quite frankly revealed some pretty interesting comments by the nominee now before the Senate. We will be talking about that at some length later, also. Those are the items we wish to cover in this debate.

Again, I want to thank both the Republican and Democratic leaders for working this out. It is something that is going to take some time because this is a complex subject, but, I believe, a very important subject, one that really ought to command the attention not only of the Senate, but of the American people.

The real point, I believe here, Mr. President, is to start a national dialog and to deliberate and not simply rubberstamp this important nomination, as well as other nominations to the Federal Reserve. The Chairman is the single most important. Again, I think that is our duty and our obligation. Let me say I consider this debate that we begin today a victory for this body and a victory for the American people. So we did not just rubberstamp and put someone through of this importance without raising serious policy questions about the Federal Reserve and how it is operated.

Mr. President, raising the living standards and real wages of ordinary Americans stands as our primary economic challenge. The policy of the Federal Reserve under Chairman Greenspan has stood in the way. Under current law, the Federal Reserve is obligated to conduct a balanced monetary policy, so as to reconcile reasonable price stability with full employment and strong, stable, economic growth, and balance. But under the Greenspan Fed, job growth and the living standards of average Americans have been sacrificed in the blind pursuit of inflation control. The Greenspan Fed has raised interest rates not when inflation was knocking at the door or threatening, but when there was not even any specter of inflation.

In 1994, in the midst of six straight rate increases, Chairman Greenspan himself acknowledged there was no evidence of rising inflation. Mr. President, I raise a lot of eyebrows at a lot of meetings when I talk about the Fed and why I wanted to have this debate. When I tell people, Mr. President, in 1 year, from February 1994 to February 1995, that Alan Greenspan raised interest rates 100 percent, people look at me like I arrived from another planet. They say, ''That is impossible.'' It is true. Look at the record. The Federal funds rate went from 3 percent in February 1994 to 6 percent in 1995, a 100-percent increase in 1 year, with no inflation threatening. I will have more to say about that later. Since that time, it has only come down three-quarters of a point. Again, no inflation threatening. I believe that is leading this country to an economy where we see more and more millionaires every month, but average working families are stuck in a rut. They are working harder, spouses are working, and yet they are not getting ahead. I will have more data on that as we go through the debate in terms of what wage increases have been in the last few months, several months, last couple of years, what prices have done, to show the average working family is not only not getting ahead, they are falling behind in this great economy. Our stores are chock full of goods, and yet for some reason, the American family is not getting ahead.

One of the reasons they are not getting ahead is because their debt load is too great. We hear a lot of talk around here about cutting taxes, because the American people feel they are overburdened with taxes. They do and they are. I submit there is another burden that they are carrying that is weighing them down, and that is the burden of debt and the high interest rates that they are paying. There is no reason for those high interest rates now. Again, I intend to go into this in great depth over the next few days. Mr. President, 100-percent increase in interest rates in 1 year, and they are still there.

Mr. President, the decisions of a Fed Chairman touch every pocketbook and every family budget in America. The decisions of this Chairman have cost American families in lost wages and lost opportunities. The Greenspan Fed has stifled economic growth and the incomes of average Americans. Interest rates have been kept artificially high, and middle-class families and businesses have been forced to pay the price. It is time for the Federal Reserve to pursue a more balanced policy based on raising economic growth and increasing jobs alongside continued vigilance against inflation.

America at this point in our history ought to have a forward-looking Fed Chairman who recognizes the importance of expanding opportunities for our economy and our people in today's global market. We do not live in the 1970's. We have changed considerably since that time. We need strong leadership, committed to higher growth and incomes, fuller employment, and lower, more stable interest rates to improve the quality of life for average Americans. We have not gotten that with Alan Greenspan. There is what I call a common thread, Mr. President, in the thinking and the actions, and the policies of Mr. Greenspan over the years. It did not start yesterday. It will not end tomorrow or next week.

Ripe from his days as Chairman of the Counsel of Economic Advisers under President Ford, until today, Mr. Greenspan has consistently shown the same two tendencies, as evidenced by the public record. First, he often misjudges the signs of an oncoming recession. Second, he does not act decisively enough to pull the economy out of recession because of an inordinate fear of inflation.

Again, I will discuss both of these issues in greater detail throughout my remarks. Let me ask unanimous consent to have printed in the RECORD at this point, Mr. President, a guest editorial that was in the Investor's Business Daily, May 1, 1996. It is headlined ''Greenspan's Rotten Record,'' by Mr. Don Hays. I do not know Mr. Hays.

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

[From the Investor's Business Daily, May 1, 1996]

GREENSPAN'S ROTTEN RECORD

(By Don Hays)

We may have an exciting new contrary indicator: Alan Greenspan's predictions. Our search of the record has never found him to be right about what the economy, inflation or interest rates were going to do.

We could go back further, but let's begin with a much-noted 1981 speech. As a private and well-connected economist, Greenspan declared that inflation would not decline anytime soon. Whoops—inflation was about to drop from 12% a year down to 4%.

In 1982, he wrote a letter of commendation for Charles Keating. He also made an impassioned plea to Congress, asking for more freedom for the savings and loan industry. Years later, the S&Ls went bust at great cost to the taxpayers. Keating wound up in jail.

The same year, Greenspan's published economic forecast said bond yields would fall ¼% from the previous year-end level. In fact, they fell 3½%.

But the drop in inflation was only temporary, he argued in May 1983. The extraordinary Volcker-induced inflation calm, he insisted, was about to end. In fact, inflation stayed quite steady at 4% through 1987 and the end of the Volcker regime.

Also in 1983, Greenspan said long-term interest rates would increase 20 basis points. This proved to be his best forecast ever: Rates did rise—but by 1%, not the meager 0.2% he predicted.

At the start of 1984, he forecast that for the next three years, bond yields would rise from 5 to 55 basis points. They actually dropped each year, from 123 to 199 basis points.

Perhaps because he spent more time schmoozing the halls of the White House and Congress than he did in his office, in 1987 Greenspan was chosen to be chairman of the Federal Reserve Board. He promptly got in a contest with the Bundesbank to see who could raise interest rates faster, and also squabbled flagrantly with Treasury Secretary James Baker. Some would argue that the conditions fostered by these conflicts ultimately let to the October 1987 stock market crash.

Greenspan answered the crash with a flood of monetary easing. But by mid-88, he was right back to the battle, raising the fed funds level from 6% to 9⅜% by mid 1980.

He seemed to think this famine-feast-famine was just the thing for the economy. In February 1990, he told Congress the economic weakness had stopped. In fact, it continued to weaken, and a recession began in August.

On top of his chaotic monetary reversals, he launched a regulatory war. In 1990–91, he bought the claim that banks held too many real estate loans. In concert with Treasury, he sent swat teams of auditors through the banking system, totally wrecking banks sentiment to loan.

As a result, when Greenspan tried to drive the economy away from the ditch he had steered it into in 1992 and 1993, he found the vehicle extremely sluggish, unresponsive to the lower fed funds rate. He had to ratchet them down until he'd achieved the steepest yield curve in history. With short-term rates at 3% and the long bond up close to 8%, Orange County and many corporations and hedge funds leveraged their bond positions to the hilt.

Let's jump ahead to a more recent example. In 1995, a sales slump moved auto dealers to offer the biggest rebates in history to tempt consumers. In September, Greenspan saw the temporary hike in auto sales in his rear-view mirror—and declared that his monetary policy and the economy were right on track. So he refused to lower interest rates. That Christmas was the weakest in at least four years. Judging by the bellwether Wal-Mart earnings, it could be argued that it was the weakest in 25 years.

Greenspan's rear-view mirror finally cleared up in late December, with the economy about to drive once again into the ditch. He reversed course, cutting interest rates by ¼% in December and again in January.

It looks like we can go in a direction always opposite to Greenspan's current message and look like an economic genius.

So why did Republicans leave President Clinton no choice but to reappoint Greenspan? Maybe they thought Clinton should have to suffer the same election-year treatment the Fed chief had dished out to GOP presidents. More likely, they are just more proof of his amazing ability to mesmerize the herd—despite a record that has virtually never been right.

Mr. HARKIN. I wanted to read a few of the lines from this editorial.

We may have an exciting new contrary indicator: Alan Greenspan's predictions. Our

search of the record has never found him to be right about what the economy, inflation or interest rates were going to do.

We could go back further back, but let's begin with a much noted-1981 speech. As a private and well-connected economist, Greenspan declared that inflation would not decline any time soon. Whoops, inflation was about to drop from 12 percent a year down to 4 percent.

In 1982 he wrote a letter of commendation for Charles Keating. He also made an impassioned plea to Congress, asking for more freedom for the savings and loan industry. Years later, the S&L's went bust at great cost to the taxpayers. Keating wound up in jail.

The same year, Mr. Greenspan's published economic forecasts said bond yields would fall one-quarter of a percent from the previous year-end level. In fact, they fell 3½ percent.

But the drop in inflation was only temporary, he argued in May of 1983. The extraordinary Volcker-induced inflation calm, he insisted, was about to end. In fact, inflation stayed quite steady at 4 percent through 1987 and the end of the Volcker regime.

Also in 1983, Mr. Greenspan said long-term interest rates would increase 20 basis points. This proved to be his best forecast ever: Rates did rise—but by 1 percent, not the meager .2 percent that he predicted.

At the start of 1984, he forecast that for the next 3 years bond yields would rise from 5 to 55 basis points.

Listen to this. At the start of 1984, he forecast that for the next 3 years bond yields would rise from 5 to 55 basis points. They actually dropped each year from 123 to 199 basis points.

Well, the article goes on. I will have more to say about this article. I do not know the author of the article, but he correctly, I think, captured the record of Mr. Greenspan.

Again, I want to talk about this because the bottom line is that Chairman Greenspan has this long history of focusing solely on inflation to such an extent that all focus on expanding our economy has been lost.

So what do we have today? We have a mindset at the Fed that 2-percent growth is acceptable—2 percent—that the economy cannot grow any faster; maybe 2.5, but that is getting close to the limits, but that we cannot have the 3-percent growth of the 1970's or the 4 percent growth of the 1960's. That is the mindset at the Fed.

Mr. President, I believe we ought to do more to promote stronger economic growth, and at the very least we should not put our economy in a harness when there is such a tremendous potential for growth in America today. Saying that America can grow at 2 or 2.5 percent is like saying that we are going to accept a C average when we know we can do a B-plus or an A. I would not let my kids get by with that, and neither would you, and neither would anyone else. We should not let America get harnessed in these shackles when all of the indications are out there that, with a better monetary policy at the Fed, our manufacturing sector will expand, we will get new plant and new equipment, we will have some wage growth for average working families that will not be inflationary, and our farmers will be able to have a better deal, because they borrow a lot of money, and especially our small main street businesses. They are the ones in our main streets of our small towns that have to borrow money at higher rates of interest. They need a break, too. It is small businesses that employ most of the people, the ones that are getting the new jobs out there. They should not be shackled by this low-growth mentality that we see evidenced by the Chairman of the Fed.

I urged President Clinton to appoint someone with a greater orientation toward economic growth, someone with a greater concern for the need to increase the incomes of average Americans, and someone who would strive toward keeping the unemployment low.

There is a constant flow of articles written about relatively minor changes in tax policy or in the amount of spending for a number of relatively trivial Federal programs. Yet, the questions of our monetary policy and what we do about the supply of money and interest rates are just not being written about or discussed. That is one of the reasons I took the position which I did when this nomination came to the Senate back in March—that we needed articles written about him, that we needed voices heard around the country to start talking about the monetary policy of the Fed, to bring it out of the shadows and into the sunlight. We have seen more and more articles and more and more economists speaking out and business people speaking out saying that we ought to have a better growth policy at the Fed.

Because of the huge deficits run up in the 1980's to the present, fiscal policy changes in the amount of Government spending and taxes have become pretty ineffective in our efforts to stimulate the economy during poor economic times. We cannot afford to increase the deficit even when we are entering a recession. One of the reasons, I feel, for reaching a balanced budget and then to perhaps run a small surplus is so that we can restore this capability—this capability of the Federal Government to be able to respond to recessions in a meaningful manner. So with such a huge deficit and high debt load, we cannot do that. We need to get to that balanced budget and reduce the debt load of the United States so that we can begin to invest more in our infrastructure. I do not mean just our physical infrastructure; I mean our human infrastructure such as education.

This dependence that we have today on monetary policy and the extent that we have any control over it whatsoever is set by the Federal Reserve System. There is little doubt that the Chairman of the Federal Reserve and the policies he espouses are crucial to our economy.

What will be the balance between our concerns for inflation and our concern about economic growth and unemployment? Rising interest rates mean a tremendous downward pressure causing the economy to slow. Higher interest rates mean higher costs of doing business, or running a farm. It means smaller profits. It means buying a home or a car is more difficult for working families. If you have an adjustable rate mortgage, as more and more people do these days, it means a bigger chunk of money will be going to the mortgage and less money will be available to your family for other needs like education. It also means we have rising interest rates; high interest rates. It means more unemployed people and the social unrest and harm that this causes.

When we talk about family values, few things are as destructive to a family as unemployment. It strains marriages, causes divorces, and our children suffer. This stricture on our monetary policy also means fewer pay increases and a lower standard of living even for those who do not lose their jobs. People ask a lot of times, and I read articles, about why in America today with our seemingly wonderful economy that the stores are full of goods, and prices in most cases are pretty decent, why is it that there seems to be this unrest among the American people? Mr. President, it was there in 1992. It was there in 1994, and it is still there in 1996. It can all be summed up by saying that the average working families are stagnant in their incomes. Their wages are not increasing as fast as prices. They are incurring more and more of a debt load and paying higher and higher interest rates for the money they borrow. I believe this is leading to great social unrest and will continue to lead to great social unrest unless we have a change in monetary policy at the Fed.

Federal Reserve policy has a considerable impact on the health of the economy, the level of unemployment, and the ability of average Americans to improve their incomes.

So I am happy to say that I have seen some increase in the number of substantive articles in this area over the past few months. I believe that is one of the benefits of the delay that we have had. I hope that we see more articles in the future.

Mr. President, Mr. Greenspan has had a long history in key economic positions; as chairman of the Council of Economic Advisers under President Ford, and as Chairman of the Federal Reserve since 1987. He is a known quantity. He is, I believe, proud of his reputation as a so-called inflation hawk. By that I mean he consistently emphasizes the need to fight inflation. Unfortunately, his policies seem cold to the needs of families to see a little more income come in and to not lose their job. I am not saying he does not care. I am just saying that his orientation toward fighting inflation is, in my view, almost obsessive. It seems to blind him to the need to react to signs of recession or to the societal inequities that his policies lead to.

Mr. President, the current law of the land is that the Federal Reserve is to

balance concerns about inflation on the one side and full employment and production on the other. These goals are in law, placed in law by the Full Employment and Balanced Growth Act of 1978. It is still the law of the land.

Prior to the 1978 act, I understand there was no specific mention of inflation in the law at all. It was not in the Employment Act of 1946 or laws prior to that, going all the way to the founding law of the Federal Reserve in 1913.

Now Mr. Greenspan wants to overturn that balance. He actually supports the concept of eliminating the requirement that the Federal Reserve consider the need for full employment and production. He wants to focus solely on the goal of very low inflation. That is not a balanced policy, in my view, and I think we need, at this point in our history, a Federal Reserve Chairman with more balance.

Mr. President, I now want to get back to looking at the results of some of Mr. Greenspan's policies at the Federal Reserve and what have been the results of his policies during his tenure at the Federal Reserve System. I have a series of charts and some other things I would like to refer to here at this point in time.

Let us take a look, first, at this chart. This is, ''Economic Performance Under Greenspan.'' We have compared the years 1959 through 1987, in aggregate, versus his tenure at the Fed from 1987 to the present. We have different indices here. We have: GDP, real GDP, income per capita, payroll jobs, and productivity. The green bar represents the pre-Greenspan years. The orange bar depicts the Greenspan years.

Let us look at real GDP. During the years, cumulative years—and there were some that were pretty bad in there, too. There were some good and some bad. But during the years prior to Mr. Greenspan, real GDP averaged 3.4 percent per year. That is from 1959. The only reason we picked 1959 is because we changed the way we calculate the GDP. Those figures only go back to 1959. GDP averaged 3.4 percent. Under Mr. Greenspan, it has only averaged 2.2 percent growth, in real GDP.

Let us look at per capita income. The average prior to Mr. Greenspan's tenure, 2.5 percent growth in per capita income; under Mr. Greenspan, 1.2 percent average growth in per capita income.

Let us look at payroll jobs, growth of jobs, new jobs. Prior to Mr. Greenspan, an annual average of 2.4 percent growth in new jobs; with Mr. Greenspan, 1.7 percent growth in real jobs.

But this is one of the most telling of all, and that is the last bar on this graph. It has to do with productivity. Productivity prior to Mr. Greenspan averaged 2.3 percent. Under him, it has averaged 1.1 percent. That is crucial. It is through productivity growth that we get our ability to increase incomes of people with little inflation risk.

I suppose there are some who say there are other reasons for this. That may be true that there are other factors that influence this, but I believe that in each one of these, the key, let us say the one domino that you push that knocks over all the rest, is the actions taken by the Federal Reserve in each one of these areas, because it has to do with the monetary policy and what our monetary policy is.

I would like to turn to another chart, which was in an article written by Rosanne Cahn. I will read parts of that article. This article was in a publication, issued by CS First Boston. This is an economic treatise put out by CS First Boston, May 31, 1996, by Ms. Rosanne Cahn. Again, I do not know Ms. Cahn. Let me read some of this before I turn to the chart, because it will tell you what this chart shows. Ms. Kahn writes, in the May 31, 1996, CS First Boston report on the economy, ''Grow Is Not a Four-Letter Word.''

The Federal Reserve acts like it's wrong for the economy to grow at a reasonable rate. The bond market, conditioned by a stern parent, deteriorates so rapidly in response to strong growth that it may not even be necessary for the Fed to raise short-term rates anymore. Like a child catching itself in a naughty deed, it punishes itself by sitting in the corner in advance of a parent's reprimand.

Between 1950 and 1989, U.S. annual growth averaged 3.6 percent, with one-third of the years above 4 percent. The 1990's, at a 1.8 percent average annual rate, have been the slowest 6-year period since 1950.

We wonder why there is unrest around America?

The immediate post-war recession and the beginning of the Great Depression were the only 6-year periods with worse records since 1929. The rate that rocked the bond market this year was first published at 2.8 percent. . . .

That was first quarter. I remember when it came out, oh, my gosh, a huge surge in growth, 2.8 percent. Later on we found out that it had to be revised down to 2.3 percent. Ms. Cahn asked, ''Can't we grow faster without jacking up bond yields by a percentage point?'' These are not this Senator's words. These are words written by Rosanne Cahn in this article.

Chairman Alan Greenspan's record on growth is the worst of all post-war Fed Chairmen, with no meaningful progress on inflation.

Maybe, Mr. Greenspan argued, we have not had growth because we have had great progress on inflation. Well, that is not so. As shown, growth during his leadership has been, as I pointed out on the earlier chart, a paltry 2.2 percent—right down here, real GDP growth, 2.2 percent, with inflation in the year before he took over at 4.1 percent and inflation averaging 3.2 percent.

Paul Volcker, right before him, real GDP growth, 2.5 percent, kind of paltry but a little bit better than Greenspan's. But look what Mr. Volcker did with inflation. You can say, ''Yeah, he didn't have much growth,'' but look at inflation. The year before he came in, inflation was 13.2 percent. He brought it down to 6.2 percent during his term. He cut it in half.

If you go back through, you can see the same thing. What has happened is in each of these cases—then you see here the real higher GDP growth rates during the other terms—what happened is that Mr. Greenspan really has not cut inflation by that much, but he has stifled the economy with low growth.

So, if we are going to be suffering with low growth, well, inflation 4.1, we should probably be down to zero inflation. We are not. So, again, we are suffering low growth without any real attack on inflation and no real headway made there at all.

Ms. Cahn goes on to say:

Some would assert that the U.S. economy's rate of expansion is constrained by its maturity. That argument has been made throughout history.

I particularly like this part.

For example, after the invention of the wheel, cavepeople presumably thought that there was nothing more they needed. Today, penetration of cellular phones and home computers is low, so buying them should keep consumers busy until the next new products/services are invented.

By some measure, there's not much wrong with the U.S. economy. For example, full employment has been achieved according to some experts. Why quibble over one percent? Anyone who is willing to give up a percentage point per year of income growth for the next six years can stop reading now. Multiply that by 100 million households and it adds up to real money.

Other wonderful things happen with a strong economy. The Federal budget deficit shrinks . . . For example, if growth were 1 percentage point per year faster for the next 6 years, that would reduce the deficit by $120 billion, according to Congressional Budget Office (CBO) estimates, or bring it close to balance.

Households' debt problems evaporate if incomes grow without new debt being added. Income distribution disparities might or might not narrow, depending on structural factors behind the higher growth. However, the poor would certainly become less poor as the economy expanded rapidly.

So what is the problem? Why not go for growth?

Ms. Cahn goes on to say:

Prices are determined by the intersection of supply and demand. As demand gets closer to supply, inflation heats up. Inflation is bad because it allegedly causes distortions in the economy, and eventually accelerates enough to destabilize the economy. Most problems caused by inflation are infeasible to quantify; many are subtle or hidden. Therefore, no one has taken a stab at measuring the costs of inflation. However, adults who lived through the 1970s and early-1980s recognize double-digit inflation imposes serious burdens on the U.S. economy.

Without quantifying the cost of inflation, it is impossible to determine the rational policy choice between inflation and growth.

Besides, no one knows what number to put on full resource utilization, though many will argue vigorously for or against a specific one. In 1993 most analysts contend that NAIRU (non-accelerating inflation rate of unemployment) was above 6 percent; now some say 6 percent and many say 5½ percent. In mid-1960s, debate focused on 5 percent, 4½ percent and 4 percent.

The policy dilemma is compounded by the long lag between when the economy reaches full employment and when wage inflation picks up.

Under such uncertainty, what is a wise monetary policymaker to do? We'll never know, because the Feds' anti-inflationary fervor is more religious than intellectual.

Even if the above difficulties are serious, perhaps there is a more favorable inflation/employment trade-off than the Fed will allow, without taking too much risk in the area of uncertainty.

I think what Ms. Cahn basically has said here is that you have to have a balance, you have to have a balance between caution on inflation and making sure that we have adequate growth, and to just have this almost religious fervor against inflation can send us into a tailspin in terms of real GDP growth per capita income and the well-being of working Americans.

Mr. President, I want to talk just a minute more about NAIRU, the non-accelerating inflation rate of unemployment, and what that means. A lot of people say, ''Well, we can't have lower unemployment because that will push wages up and that will cause inflation.'' Maybe that might have been true in the sixties, and it may have been true in the seventies, but we live in a different global economy today that a lesser unemployment rate and concurrently some wage increases for hard-working Americans can be offset.

We are in a global market. If they push too high, obviously businesses will tend to take their jobs offshore. Likewise, if the price of goods gets too high because the supply and demand is getting too close, well, then, because of the global economy, more goods can come in from overseas. So we do not have the kind of economic mix that we had in the sixties and seventies.

I might add one other thing. We did not have in those years either the kind of mass marketing and mass wholesaling that we have today, like the Wal-Mart syndrome that we have in America today. That, too, acts as a buffer, as a damper on the push on inflation if, in fact, supply and demand gets too close.

I now want to turn to a couple of articles by Mr. Felix Rohatyn. The first appeared in Time magazine in May, May 20, 1996. Mr. Rohatyn is a well-respected investment banker, perhaps the best kind of an economist, not one who lives in an ivory tower but one who is out there in the real world and has been very successful in what he does.

I first met Mr. Rohatyn over 20 years ago. Actually it has been 21 years ago, I think, when I was a Member of the House of Representatives. I represented a very rural district in Iowa, and that was about the time when New York City needed some help from the Federal Government in order to avoid defaulting in its financial obligations. I did not have much interest in that. In fact, I was predisposed to vote against the so-called bailout of New York City.

Then Mr. Rohatyn—I do not know what his position was at the time—came down to speak to us on behalf of the city government of New York City at the time. For a very then-young freshman Member of the House of Representatives who was very much predisposed to vote against a bailout of New York City, I listened with great attention to what Mr. Rohatyn had to say about New York, why it was in the position it was in, how it was going to get out, why it was in the best interest of our country to pass the New York City bailout bill and how New York would pay back every dime on the dollar and how it would lead to greater growth in the future for that city.

I voted for the New York City bailout. It probably was not the smartest thing for a Congressman from a rural district in Iowa to do, but I did, and I defended it.

It turns out he was right and we were right to do what we did at that time. So I have had a great deal of respect for Mr. Rohatyn over all those years, because I felt he had a commonsense, hands-on judgment of really what was happening in the marketplace. I believe he understands economics very well, but he understands it both in the theoretical aspect and in the actual aspect.

The one thing I have always admired about Mr. Rohatyn is that he has always believed that America can do better, that we can grow better and not be just obsessed with the fear of inflation.

Anyway on May 20, in Time magazine Mr. Rohatyn wrote the following—I will not read it all, but I think there are some passages in here I want to read for the RECORD. The title is ''Fear of Inflation Is Stifling the Nation. An outdated obsession is depriving us of greater wealth.''

Mr. Rohatyn writes, on May 20, not even a month ago—

As recently as March, most observers were concerned that the economy might be headed for recession. Many expected the Federal Reserve to lower interest rates. Suddenly the great concern is that the economy may be growing too fast. Earlier this month, the Commerce Department reported that the economy grew at a rate of 2.8% during the first quarter of the year. The bond and stock markets treated this very good news as if it were an unwelcome visitor, and declined sharply. Fickle behavior in financial markets is nothing new, but this latest episode illustrates a deeper problem.

It has become an article of faith among policymakers and on Wall Street that if the economy grows at an annual rate above 2% or 2½%, inflation will rise, perhaps uncontrollably. As illustrated by recent events, such conventional wisdom has become almost a self-fulfilling limitation. When growth rises above this level, investors, spooked by a belief that the Federal Reserve will soon be ''forced'' to raise short-term interest rates in order to prevent an outbreak of inflation, rush to sell bonds. This pushes long-term interest rates up. The result is that prospects for future growth are dampened.

And he points out parenthetically—''(And should the Fed do nothing, bondholders sell because they fear the central bank is no longer vigilant against inflation.)''

The irony is that these economic statistics, which so frightened the markets, actually tell us that higher growth is possible without inflation. The real rate of inflation for the first quarter was 2.1%, with no sign of any upward pressure; actual growth was understated because of the General Motors strike and the winter blizzard. And remember, inflation statistics are generally believed to be overstated at least 0.5%.

So perhaps the real rate of inflation was not 2.1 percent. It could have been closer to about 1.5 or 1.6 percent.

What the first-quarter results make clearer is that the economy can grow more than 3% while holding real inflation below 2%. The same can be said about unemployment. The latest unemployment figures came in at 5.4%; that's well below the 6% unemployment figure that is supposed to trigger inflation through demands for higher wages, according to the standard view.

That is the NAIRU view.

. . . This view fails to take into account the forces of global competition. American workers no longer compete for jobs only with one another, but with workers worldwide, and that tends to dampen wage demands at home. Wage inflation is not a real threat, but we keep treating it as such.

Sure, one quarter isn't a trend, but there is nothing in these numbers to provoke fear of inflation; on the contrary, they should have been the basis for satisfaction and the determination to do better.

I guess that is what I like about Mr. Rohatyn. He believes we can do better, that a C average is not good enough for America.

The conventional wisdom, however, is so embedded in the financial community that the National Economic Council chairman, Laura D'Andrea Tyson, felt understandably compelled to reassure the markets by announcing that the Administration's growth forecast for the year was unchanged from its original 2.2%. It should not be necessary to tell Wall Street that the economy isn't as good as it looks.

Perhaps this is an argument I have with the Clinton administration. If they are accepting a 2.2-percent growth forecast, and if that is acceptable to the Clinton administration, all I can say is it is unacceptable to me, and it ought to be unacceptable to this country. We need a higher growth rate than that.

Mr. Rohatyn goes on to say:

There was a time when 2.8% would have been considered a modest rate of growth; today it is considered dangerously robust. The sad reality is that it is still below our real needs. Many corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has the wind behind it. They understand how we can sustain high growth based on the muscular productivity improvements they are generating in their own businesses. In today's environment of rapid technological innovation and international integration, we should be willing to be bolder, both in fiscal and monetary policy.

Our excessive fear of inflation has a huge price: stagnating wages for the vast majority of American workers, the decline of our cities and the deepening of our social and economic ills. Although there is no single answer to these problems, increasing wealth and incomes hardly seems like a bad way to start. As President Kennedy said, ''A rising tide lifts all boats.'' The difference between then and now is that the tide is not rising as fast—and it certainly is not raising all boats equally. Without more growth we are simply

setting the stage for a battle over the same pie.

We need higher growth if we are to balance the budget without unacceptable cuts to social programs, or without letting our infrastructure crumble. Only a growing economy lets us generate the revenues needed by the public sector while reducing the tax burden on the private sector.

The Clinton Administration is entitled to a great deal of credit for cutting the federal deficit in half, while putting the economy on a path of stable, moderate growth. But it's time for Administration and congressional leaders to take advantage of the current momentum to reach for a higher level. It's also time for Wall Street and the Federal Reserve to stop kicking up interest rates reflexively every time the economy shows signs of momentum. The notion that we must choose between growth and inflation is a false choice. Global competition as well as new technologies has set new parameters on every aspect of the economy. A 3%-to-3½% growth rate is not only an achievable national objective; it is an economic and social necessity.

Mr. President, I ask unanimous consent that that article be printed in its entirety in the RECORD.

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

[From Time Magazine, May 20, 1996]

(By Felix G. Rohatyn)

FEAR OF INFLATION IS STIFLING THE NATION—AN OUTDATED OBSESSION IS DEPRIVING US OF GREATER WEALTH

As recently as March, most observers were concerned that the economy might be headed for recession. Many expected the Federal Reserve to lower interest rates. Suddenly the great concern is that the economy may be growing too fast. Earlier this month, the Commerce Department reported that the economy grew at a rate of 2.8% during the first quarter of the year. The bond and stock markets treated this very good news as if it were an unwelcome visitor, and declined sharply. Fickle behavior in financial markets is nothing new, but this latest episode illustrates a deeper problem.

It has become an article of faith among policymakers and on Wall Street that if the economy grows at an annual rate above 2% or 2½%, inflation will rise, perhaps uncontrollably. As illustrated by recent events, such conventional wisdom has become almost a self-fulfilling limitation. When growth rises above this level, investors, spooked by a belief that the Federal Reserve will soon be ''forced'' to raise short-term interest rates in order to prevent an outbreak of inflation, rush to sell bonds. This pushes long-term interest rates up. The result is that prospects for future growth are dampened. (And should the Fed do nothing, bondholders sell because they fear the central bank is no longer vigilant against inflation.)

The irony is that these economic statistics, which so frightened the markets, actually tell us that higher growth is possible without inflation. The real rate of inflation for the first quarter was 2.1%, with no sign of any upward pressure; actual growth was understated because of the General Motors strike and the winter blizzard. And remember, inflation statistics are generally believed to be overstated at least 0.5%.

What the first-quarter results make clearer is that the economy can grow more than 3% while holding real inflation below 2%. The same can be said about unemployment. The latest unemployment figures came in at 5.4%; that's well below the 6% unemployment figure that is supposed to trigger inflation through demands for higher wages, according to the standard view. This view fails to take into account the forces of global competition. American workers no longer compete for jobs only with one another, but with workers worldwide, and that tends to dampen wage demands at home. Wage inflation is not a real threat, but we keep treating it as such.

Sure, one quarter isn't a trend, but there is nothing in these numbers to provoke fear of inflation; on the contrary, they should have been the basis for satisfaction and the determination to do better. The conventional wisdom, however, is so embedded in the financial community that the National Economic Council chairman, Laura D'Andrea Tyson, felt understandably compelled to reassure the markets by announcing that the Administration's growth forecast for the year was unchanged from its original 2.2%. It should not be necessary to tell Wall Street that the economy isn't as good as it looks.

There was a time when 2.8% would have been considered a modest rate of growth; today it is considered dangerously robust. The sad reality is that it is still below our real needs. Many corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has the wind behind it. They understand how we can sustain high growth based on the muscular productivity improvements they are generating in their own businesses. In today's environment of rapid technological innovation and international integration, we should be willing to be bolder, both in fiscal and monetary policy.

Our excessive fear of inflation has a huge price: stagnating wages for the vast majority of American workers, the decline of our cities and the deepening of our social and economic ills. Although there is no single answer to these problems, increasing wealth and incomes hardly seems like a bad way to start. As President Kennedy said, ''A rising tide lifts all boats.'' The difference between then and now is that the tide is not rising as fast—and it certainly is not raising all boats equally. Without more growth we are simply setting the stage for a battle over the same pie.

We need higher growth if we are to balance the budget without unacceptable cuts to social programs, or without letting our infrastructure crumble. Only a growing economy lets us generate the revenues needed by the public sector while reducing the tax burden on the private sector.

The Clinton Administration is entitled to a great deal of credit for cutting the federal deficit in half, while putting the economy on a path of stable, moderate growth. But it's time for Administration and congressional leaders to take advantage of the current momentum to reach for a higher level. It's also time for Wall Street and the Federal Reserve to stop kicking up interest rates reflexively every time the economy shows signs of momentum. The notion that we must choose between growth and inflation is a false choice. Global competition as well as new technologies has set new parameters on every aspect of the economy. A 3%-to-3½% growth rate is not only an achievable national objective; it is an economic and social necessity.

Mr. HARKIN. There was another article by Mr. Rohatyn. This one was in the Wall Street Journal, last December. In this article he talks about the growth assumptions that we have made and the affect it has on policy. I just want to read a couple of parts of it. I will not read the whole article, but I ask unanimous consent that it be printed in the RECORD.

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

[From the Asian Wall Street Journal, Dec. 7, 1995]

CUT AND BE PROSPEROUS

(By Felix G. Rohatyn)

The current budget debate in the U.S. between the Clinton administration and Congress has an air of unreality about it. First, the debate is dominated by economic numbers to which all sides cling with theological devotion, despite the lack of any evidence that they correspond to events in the real world. Second, the debate focuses on only one part of the budget-balancing equation—controlling expenditures. Nobody is talking about growing revenues by growing the economy, yet this is certainly more important than any other part of the budget equation.

Start with the numbers. Both the President and Congress have signed off on a seven-year goal to balance the budget. But there is nothing magical about the number seven. Whether the budget is balanced in seven years or six or eight has no economic, financial or intellectual relevance; the financial markets will react no differently if, ultimately, there is an eight-year or even nine-year agreement. What is critical to the markets is the certainty of the outcome. In the present seven-year plan there is no certainty whatsoever; the only certainty is that things will undoubtedly turn out differently than the budget forecast.

That's because the economic assumptions made by both sides are faulty. The Congressional Budget Office forecast is for 2.3% annual growth for the seven-year period; the administration's is for 2.5% annual growth. Both forecasts are undoubtedly wrong. That is not their greatest sin, however, because all forecasts are wrong, especially when they go beyond next year. Their greatest sin is to accept, and implicitly condemn, the U.S. to our present growth rate. Despite Wall Street's love affair with slow growth, the vast majority of the business community believes this to be far short of the economy's real capacity for noninflationary growth, as well as being inadequate to meet the nation's private and public investment needs.

What's pushing us toward accepting lower growth? Part of the problem is faulty economic measurements. Both Federal Reserve Chairman Alan Greenspan and a distinguished panel of economists have said that U.S. actual inflation rate may be more than 50% below the official measurement of the consumer price index. This means inflation may be a less immediate danger. Furthermore, the Bureau of Labor Statistics has decided that the methodology of growth rate measurements is faulty and needs to be revised downward. Once this is adjusted, it may ease fears that we're growing ''too fast.''

Another factor pushing the U.S. toward lower growth is its foreign trade partners. In Western Europe, the goal of a single European currency, requiring lower budget deficits and lower debt, is given priority over growth and employment in every country except Britian. Both Germany and France, with inflation rates around 2% and unemployment rates of 9% and 12% respectively, are running deflationary policies of high interest rates together with budgetary contraction. Japan is effectively in a no-growth, asset-deflation mode.

I would be a tragic mistake for the U.S. to join the rest of the developed world in a set of economic policies combining low growth, high real interest rates and fiscal contraction—the prescription seemingly favored by both Congress and the White House. The net result of these policies will not be balanced budgets but higher deficits and serious social strains, because they will lead to less growth and hence lower government revenues.

Every major American social and economic problem requires stronger economic growth for its solution. This includes improvements in public education as well as increasing private capital investment and savings; balancing the budget and maintaining a social safety net; improving the economic conditions in the big cities and reducing racial tensions as a result. The economic and social pressures of global capitalism can be offset only by higher rates of economic growth. Even when global competition was less severe and social problems less daunting, the U.S. did not generate sufficient jobs and government revenues at less than 3% to 3½% annual growth in gross domestic product.

There is only one explanation for the U.S. government's reluctance to adopt a higher growth objective: The inordinate fear of inflation resulting from higher growth. The view that the economy's capacity for noninflationary growth in limited to 2½% is strongly supported by the financial community, the Treasury and the Federal Reserve, all rightly anxious to protect the securities and currency markets. But business leaders strongly believe that we can achieve higher growth with little risk of higher inflation. The latest economic statistics seem to confirm this: The last quarter saw 4.2% growth and less than 2% inflation. It is totally appropriate to fight inflation; it is counterproductive to limit economic growth unnecessarily.

It is obviously not possible, overnight, to try to raise the growth rate without raising the fear of renewed inflation; global capital markets are very nervous, and maintaining a strong dollar is fundamental to U.S. prosperity. But a number of policy changes should be considered—but aren't at the moment.

First, the U.S.'s European and Japanese partners should be persuaded to set a parallel course and coordinate lower interest rates while promoting domestic growth policies of their own. At home, the U.S. should consider tax reform to promote investment and savings. It should make appropriate increases in public investment, even as it reduces the cost of social programs and defense spending. It should make improvements in public education an integral component of a strategy of higher growth and higher productivity. Hard money, higher rates of growth, low interest rates and low inflation should be the economic platform.

There will be obviously be vigorous differences between Republicans and the administration about the tax and spending policies needed to achieve these goals. However, since there is no real argument any more about the goal of a balanced budget let us, at least, agree that balance must be achieved by higher growth and retrenchment. There is an excellent precedent for this strategy: New York City's experience in 1975, when it teetered on the edge of bankruptcy. How did the city balance its budget in five years and regain access to the credit markets? Through a combination of rapid and sustained economic growth, on the one hand, and, on the other, year-by-year compliance with tough budget targets enforced by an Emergency Financial Control Board.

At the federal level, no new agency is needed—but a new mechanism is required to keep the budget plan on track year to year: First, the Congressional Budget Office would determine the actual deficit, as opposed to the projected one. Second, the President and the congressional leadership would agree on measures to resolve differences between the predicted deficit and the real one; this could include additional spending cuts or new taxes, or a combination of the two. This agreement would be subject to ratification by Congress. Third, if no agreements was reached, automatic across-the-board cuts in the budget (interest payments on the debt alone would be exempt) would come into effect to comply with the forecast. Of course, provisions would have to be made to defer cuts in case of a serious recession or a national emergency, but this plan would reassure financial markets far more than any seven-year budget goal.

As a final step, both the administrative and the congressional Republicans should agree on an objective of at least 3% annual growth to be reached in the next two or three years. The difference between 2.3% and 2.5% growth over the seven-year period is $475 billion of added revenues; the difference between 2.5% and 3% is more than $1 trillion. There are stakes worth fighting for. The national debate should now focus on the most important issue facing America: not whether, but how, to generate the growth that is adequate to the country's needs.

Mr. HARKIN. This was in the December 7, Asian Wall Street Journal.

Mr. Rohatyn is talking about budget forecasts. Let me just start where he says:

That's because the economic assumptions made by both sides are faulty. The Congressional Budget Office forecast is for 2.3 percent annual growth for the seven-year period; the administration's is for 2.5 percent annual growth. Both forecasts are undoubtedly wrong. That is not their greatest sin, however, because all forecasts are wrong, especially when they go beyond next year. Their greatest sin is to accept, and implicitly condemn, the United States to our present growth rate.

Let me repeat that. What Mr. Rohatyn said is that to forecast and to set our policies based upon 2.3 percent or 2.5 percent growth for several years, that is not the greatest sin, he says, he stated the greatest sin is to accept and implicitly condemn the United States to our present growth rate.

Despite Wall Street's love affair with slow growth, the vast majority of the business community believes this to be far short of the economy's real capacity for noninflationary growth, as well as being inadequate to meet the Nation's private and public investment needs.

Mr. Rohatyn goes on, he says:

What is pushing us toward accepting lower growth? Part of the problem is faulty economic measurements. Both Federal Reserve Chairman Alan Greenspan and a distinguished panel of economists have said that U.S. actual inflation rate may be more than 50 percent below the official measurement of the Consumer Price Index. This means inflation may be a less immediate danger. Furthermore, the Bureau of Labor Statistics has decided that the methodology of growth rate measurements is faulty and needs to be revised downward. Once this is adjusted it may ease fears that we're growing ''too fast.''

Mr. Rohatyn goes on to say:

It would be a tragic mistake for the U.S. to join the rest of the developed world in a set of economic policies combining low growth, high real interest rates, and fiscal contraction—the prescription seemingly favored by both Congress and the White House. The net result of these policies will not be balanced budgets, but higher deficits and serious social strains, because they will lead to less growth, and hence lower Government revenues.

Every major American social and economic problem requires stronger economic growth for its solution. This includes improvements in public education as well as increasing private capital investment and savings; balancing the budget and maintaining a social safety net; improving the economic conditions in the big cities and reducing racial tensions as a result. The economic and social pressures of global capitalism can be offset only by higher rates of economic growth. Even when global competition was less severe, and social problems less daunting, the U.S. did not generate sufficient jobs in Government revenues at less than 3 percent to 3½ percent annual growth in gross domestic product.

There is only one explanation, for the U.S. government's reluctance to adopt a higher growth objective: the inordinate fear of inflation resulting from higher growth. The view that the economy's capacity for noninflationary growth is limited to 2½ percent is strongly supported by the financial community and the treasury and the Federal Reserve, all rightly anxious to protect the securities and currency markets. But business leaders strongly believe we can achieve higher growth with little risk of higher inflation.

It is totally appropriate to fight inflation. It is counterproductive to limit economic growth unnecessarily.

(Mr. THOMPSON assumed the chair.)

Mr. HARKIN. Mr. President, I think Mr. Rohatyn, really in both those articles, has really outlined what our policy ought to be at the Federal Reserve. That is, a policy of balance. That is what he is arguing for. He is not saying, forget about inflation. He is saying, when there is no inflation, when the fear of inflation is low and inflation is way down, below 2 percent, we can take some risks for more growth.

Like the story about the turtle that only makes progress when he sticks his head out from underneath the shell. Of course, he is most vulnerable at that point. The turtle could live his entire life closed up in a shell. He would not get very far, but he would be safe. Like the turtle, we have to stick our necks out once in a while for growth. If we see inflation coming, yes, then we can retreat. But to retreat before inflation is threatened is to condemn America to slow growth, is to condemn American families to low wages and high unemployment. It means that we will have a tougher time balancing our budget, or it means if we do want to balance the budget, we are going to cut very deeply into social safety net programs. We will cut into education, we will cut into health, we will cut into Medicare, and we will start cutting to balance the budget. That will exacerbate and make worse social unrest that we already see starting out there.

We must have a policy of growth. The Federal Government cannot do it by itself. We have no magic here to do that. Yes, we can cut budgets, and we are. We can cut the deficit, and we are. We can streamline Government.

I commend the Clinton administration for what it has done to streamline Government. It was the Clinton administration that started the reorganization of the Federal Government. It was President Clinton who suggested we trim the size of the Federal bureaucracy to its lowest point since John Kennedy was President.

Yes, we can take those steps, and we are taking those steps, but unless we have growth in our economy, those cuts are going to get harder and harder in the future. It will be harder to make politically, but it will be harder on people with real needs, whether it is an elderly person who is ill or maybe an elderly person that needs heating oil in the wintertime and we do not have enough money to pay and to help them buy that heating oil to keep warm in the winter. It is a family that has a child that needs a Head Start Program and cannot get it because we do not have the money for it. We simply do not. Or maybe it is a young couple starting out, both of them are working, and they would like to save to buy a new home. They cannot to it because the interest rates are too high. That is what is ahead for us if we do not have growth in our economy.

As I said, we have limited resources at our fingertips here in the Congress to do that. We cut the deficit, we cut the size of the Federal Government, we can streamline, but in the end it has to be the Federal Reserve and its monetary policy to reduce the interest rates that will allow the private sector to expand. By allowing the private sector to expand and grow with new plants and new equipment and, yes, wage growth for hard-working families, that will create the kind of revenues that the Federal Government takes in to help meet our obligations to those less fortunate.

Mr. President, Rohatyn points out the increasing social unrest that will happen if we continue on with the tight money policy under Mr. Greenspan. Mr. President, I do think we should have monetary goals that allow for 3 percent, maybe 3½ percent growth, a percent higher than what we have. Of course, as I said, if it was achieved, we would see our revenues climb as profits and income increase, and many program costs would fall. Again, I commend President Clinton for the approaches he has taken to reduce the budget deficit and to reduce the size of the Government.

Next, I want to discuss some of the recent news impacting on interest rates, how the perceptions of the Federal Reserve and its actions have shaped the market's reaction to the news, and why I believe Alan Greenspan's historic pattern of actions is not helpful for our economy to grow. I would like to know how approving his renomination and his hair-trigger reaction toward raising interest rates makes talk of a growing economy from a supply side tax cut totally impossible.

There are those who say we need to have this big tax cut now, as if somehow this tax cut is going to lend itself to a supply side growth in our economy. But if you have high interest rates, unreasonably high interest rates, tight money policy, then that will not happen. Tax cuts will just simply go for higher interest payments. That is all they will go for. If you want to really get the economy moving, yes, you should get our rate of interest down, and then have targeted tax cuts to working families. That would really spur the economy. To do it without lowering interest rates is counterproductive.

If the Federal Reserve is going to look at a reduction of revenue without immediate offsetting reductions in spending as inflationary, then interest rates are likely to increase and higher interest rates will send the economy into a dive, further exacerbating the deficit. In that environment, the ability to promote any kind of a supply side tax reduction that benefited the economy becomes highly suspect.

One of the very strange things to most people who read the newspapers is how the bond and stock markets now tend to go down when there is significant good news about the economy as a whole, as I just read from a couple of articles. The reason is because they believe as soon as the economy gets better, interest rates will rise.

Will they rise because of fear of inflation, or do they think they will rise because of a hair-trigger orientation toward raising interest rates at the Federal Reserve? I believe a very large component is the fear of the Federal Reserve increases in its interest rates and not the fear of inflation.

I suppose Mr. Greenspan's supporters would say the answer is if the economy overheats, there will be a bottleneck in the economy, shortages of goods, the inability to deliver them on time, shortages in employees. This, of course, will result in higher prices for wages paid, and thus inflation. Inflation will increase and erode the value of long-term bonds. The bond market will therefore demand higher interest rates to slow the economy and reduce inflation, and clearly higher interest rates reduce consumer demands, increase business costs and lower profits.

Under Mr. Greenspan's Federal Reserve, I believe there is a perception, cultivated by him, that he does have a hair trigger and if there is ever any early sign at all of any inflation, they will raise interest rates. Unfortunately, it is more than true. He may claim it calms the markets, but I think he is leading the charge to higher rates in a slower economy.

Sometimes we have seen this hair trigger operate when signs of inflation are ephemeral, at best. The bonds and stock markets both initially hit the skids when the Bureau of Labor Statistics issued its report on May unemployment last Friday. What did the report say? Mr. President, 348,000 jobs were added to the payroll. In addition, there was an upward revision in the April employment figures by 163,000; about 500,000 additional jobs in America over a 2-month period. There was about 40,000 less than that because statistics counted higher for election day in many States, so we are talking about 460,000.

There was a huge 549,000 increase in the work force in May. Half a million people wanted to get into the job market. They wanted to work in April. Only two-thirds found jobs.

I hear people say, ''My gosh, look at all the new jobs we have created. We are up to 500,000 in a couple of months.'' But what they point out is that in May, there was a 549,000 increase in the work force, and what we found is that over that period of time, about 460,000 new jobs.

So only about two-thirds of the people looking for work found work. So, in actuality, the unemployment rate increased from 3.6 to 5.6 percent in May. Again when you tell people that, they say, ''Wait a minute. I have been reading about all of these new jobs created.'' That is true. That is only one side of the ledger. You must look at the other side of the ledger and how many people are looking for work. This is about a third more looking for work than actually found jobs. So unemployment actually increased. With a fear that increased jobs will yield to bottlenecks, this news says there are a lot more people looking, providing competition for the growing number of job positions that become available.

What about the direct measure of inflation—rising wages? We talked about unemployment; let us talk about wages. In the March figures released in April, wages increased by 7 cents. On Friday, the new figure said, after adjustments after the past 2 months, wages only increased by a penny an hour. The economy, they said, did very well in April. Generally, economists felt it was a pretty good month and a pretty good quarter of the year. There is a widely held view that the economy will not do as well in the second half.

What is the problem with rising bond prices? It is the Federal Reserve. Everyone in the market understands Mr. Greenspan's character. So the 30-year Federal bond interest rate increased by 13 basis points last Friday largely on the bet that the Federal Reserve rate increase was on the way. We keep hearing that, at the next meeting of the Federal Open Market Committee, there is going to probably be an increase.

First of all, unemployment actually went up. Rising wages is only about a penny an hour. Why? Yet, bond interest rates increased by 13 basis points. Why is all of this important? It is important because, in the short term, the fear and the expectation of Federal Reserve rate hikes mean higher mortgage rates and other interest costs even before possible Federal Reserve action. If the Federal Reserve increases the interest rates, which in recent years is almost automatically followed by increases in the prime rates of banks, then the cost of doing business or operating a farm will increase. The cost to consumers who want to buy things increases.

But the most important effect of Mr. Greenspan's Federal Reserve policy is it blocks faster economic growth. As I said, Mr. Greenspan talked about the

desirable growth at a bit over 2 percent a year. Many economists say that our economy could grow well over 3 percent, as Mr. Rohatyn does, without triggering higher inflation. Many say we could sustain that rate for a longer period of time.

But I think it can be said with certainty, a 1-percent increase in growth for 1 year means an extra $75 billion added to the economy and the following year and each year thereafter. If we sustain that higher growth for 2 years, then we are talking about an extra $150 billion in the size of the economy per year; 3 years, $225 billion a year added; 4 years—you get my point. What this would mean in cumulative effects to the economy is nothing short of startling.

A larger economy means more in wages and a better quality of life for Americans. I believe it is worth a try. Mr. Rohatyn believes it is worth a try, and so do many, many economists. Especially business people think it is worth a try. I think we should allow the economy to grow at the strongest rate possible. Of course, this means we must lower interest rates.

Again, is there a risk of inflation? Yes; not as great as the risk would have been 20 years ago in the 1970's. As I pointed out, we have a world market in goods, we have a world market in labor, and we have new, more massive retailing and discounting in America that we never had 20 years ago. Plus we have a large pool not only of unemployed but underemployed.

That is another point that I am going to be talking about later. We can look at the unemployed figures. They say, ''Well, it is 5.6-percent unemployment. But there are a lot of people—and we all know it because we talked to our constituents—there are a lot of people out there who are underemployed. They have a job, but it is not the job they want, and it is not the job paying them the wage that their education and their abilities might otherwise argue for. But they are taking it because there is nothing else. It is not uncommon for a family with the husband working one or two jobs, the spouse, the wife, working one or two jobs, and one or more of the children working. Many of those second jobs are lower wage, many times minimum-wage, jobs. So there is, I think, a great deal of underemployment.

So, if we were able to spur economic growth to buy new plants and equipment, new opportunities, I believe that a lot of the underutilized jobs would move to other sectors and a lot of the underemployed people would take those jobs. So again, it argues against any kind of tightness in the labor market that would argue for inflation. So, yes, there is a chance, there is a risk.

As I said, it is like the turtle. The turtle never makes progress until it sticks its neck out. Of course, that is when it is most vulnerable. A turtle can spend its whole life clammed up in its shell, but it would never get anywhere. We can spend the rest of this century and a good portion of the early part of the next century clammed up in our shell, too, while other nations outstrip us, while other nations' growth rates exceed ours, and while we condemn our people to a lower standard of living. That is really what this is about.

Some people say, ''Well, you mean to tell me it is all wrapped up in one person, Mr. Greenspan?'' My answer is, yes, a lot of it; not all of it, but a lot of it because of the power of the Federal Reserve Chairman and because of the monetary policy of the Federal Reserve.

Some would say that cannot be true. Alan Greenspan does not want the economy to grow more quickly? Is that a fair statement? Mr. Greenspan does not believe that the risk of inflation is worth what could be substantial job growth and higher income. He has spent his entire professional life fighting for that view. I believe he is so oriented toward that view, blinded by that view, that he failed to act decisively to bring the U.S. economy out of two of the most serious recessions in the post-World War II era.

In 1974, while chairman of President Ford's Council of Economic Advisers, and in 1990, as Chairman of the Federal Reserve, both times he failed to act decisively to bring the U.S. economy out of serious recessions. In February 1994, he started a series of seven interest-rate increases with no real sense of inflation. Perhaps on the horizon there may have been a mirage of inflation sometime in the future.

Last Thursday's Washington Post had an interesting article written by John Berry. It said the Federal Reserve officials did not intend to orchestrate a signal on the prior Wednesday, on May 29, that the Fed wanted to raise interest rates at their July 3 meeting. But we have seen a number of statements last week on exactly that point, a few days before the article. Some of those statements said that the Federal Reserve was not intending to raise rates, and inflation looks like it is under control; the economy is not going out of hand. But I note that the bond and stock markets did take some of the remarks made by Fed officials made on May 29 very seriously.

Susan Phillips, a member of the board, and Al Brodous a member of a Richmond bank, indicated that they were seeing inflationary pressures in the economy. When the news came out that the 30-year bond moved up, stocks quickly dipped when the economists were heard on Wall Street. Speaking in Washington, according to the Wall Street Journal, Phillips was concerned about rising commodity prices and Brodous was concerned about the tightness in the labor market. On Friday, 2 days later, the 30-year bond was still 13 basis points higher, affecting real people. Mortgage rates were also up sharply. The beginning of last week saw lots of statements of denial, and the culmination was John Berry's piece in the Washington Post, and the 30-year bond returned to near its prior level.

My point in telling this is not to say that Fed officials purposely organized an effort to send a signal or not. That is not the point. It is to say that everyone in the market knows about Mr. Greenspan's hair trigger. If you are going to have large sums that will be invested in the bond market, that view is highly to your advantage. It keeps the chances of inflation way down. Unfortunately, it keeps the economy hobbling along and wages close to stagnant. What is good for bondholders is not necessarily always good for America, and not necessarily always good for the average American.

At the end of last week the 30-year bond was about 15 basis points higher than it was a few days before. Mortgage rates went up. And, unfortunately, there is now a reasonable chance that the Federal Reserve might increase rates on July 3. That is all being bandied about. Again, why? What is there out there that would even cause someone to think that the Federal Reserve might raise interest rates? The labor market is not tight. There is no inflation inherently threatening at all. Yet they are talking about it.

What was the truth, anyway—commodity prices? They have been stable for months. On the day Ms. Phillips made her comments, the IPC stood at 253. A month before, at the end of April, it was around 256. This is the Index of Prices for Commodities. So how could that statement be made that there is a tightening in commodities when, in fact, the index came down three points, from 1 month to the other?

Oil came down to about $20 a barrel from its peak of about $25 a couple of months ago. Oil prices are coming down, to the refinery. Unfortunately we have not seen much at the gas pump yet.

So where is the climb in commodity prices? They are generally going down more than up.

Let us look at the labor markets. Again, what do we see? Unemployment was up. Unemployment was up 5.4 percent for April, but unemployment has been in a range of 5.4 to 5.8 percent since October, 1994. And in 1994 many at the Fed were saying that anything below 6-percent unemployment would likely cause higher inflation. Wrong. Perhaps, if we would not send interest rates skyrocketing, we might discover we could sustain strong growth without accelerating inflation, bringing unemployment down actually to 5 percent.

In recent months the Help Wanted Index has also been low. This is a clear indication that employers are not having difficulty finding employees. A weak Help Wanted Index is something that might be expected in a slumping economy. More important, a weak Help Wanted Index is also one more indication that inflation is not threatening

because employers will not have to increase wages and benefits to attract employees. And we all know that employee wages and compensation are one of the greatest causes of inflation. So why the hair trigger? There is little reason, in my view, that fair-minded, balanced experts should want to raise interest rates at this time.

Just over the last couple of days we have received some good news about inflation. The CPI went up by .3 percent, core CPI went up only .2 percent, producer prices went down .1 percent. Yet the airwaves have been all filled with talk that the Fed may raise rates. Why? Because of Mr. Greenspan's hair trigger.

I would like to now go through some of Alan Greenspan's actions in the past concerning interest rates, that might explain the perceptions of the bond and stock markets.

First I want to talk briefly about a constant called NAIRU. I referred to it earlier, the nonaccelerating inflation rate of unemployment. Under this concept, as unemployment falls below a certain point, bottlenecks occur because the country runs out of skilled employees. As a result, employers must begin to offer increased pay and greater benefits to attract employees. As a result of this, producers must raise their prices to keep pace with the increased costs of doing business. Thus, this leads to inflation.

This model argues that if monetary policy is structured in such a way as to keep unemployment below its natural level, runaway inflation will result at an accelerating rate that could be reversed by only painfully high levels of unemployment. The conventional wisdom held by Mr. Greenspan is that the current natural rate of unemployment is around 6 percent. I want to be as fair as I can. Mr. Greenspan said he has no specific rate in mind, that he just watches the details. But for a long time the word was that this NAIRU, if I can call it that, was at least 6 percent. Below that rate, we would see escalating inflation. But unemployment went below 6 percent about 20 months ago and there is still no impact. Now the accountants are saying that NAIRU is maybe 5.8 percent, or 5.5 percent.

There was an interesting article by Patrice Hill earlier this month in the June 4 Washington Times on that point. I just wanted to read a little bit from that article. This was in the Washington Times dated June 4, by Patrice Hill.

Is the Federal Reserve keeping unemployment unnecessarily high and preventing more than a million workers from finding jobs?

A number of analysts say yes, the Fed may be depriving workers because of a too-cautious belief that if it loosen the money tap and lets the unemployment rate fall below its current level of 5.4 percent, the would trigger wage and price inflation.

''The Fed is probably shortchanging the economy,'' said Maury Harris, chief economist with Paine Webber Inc. in New York pointing to a succession of relatively inflation-free economic reports.

In the 1980's, inflation reared its ugly head when unemployment dropped to between 5.5 and 6 percent, so the Fed and many economists still see that level of unemployment as a ''danger zone'' where inflation lurks. They fear the demand for workers will start outstripping the number of people seeking work, driving up wages, the cost of business, and ultimately, fueling inflation.

But Fed critics in Congress and in economic circles note that unemployment has hovered in the 5.5 percent range for two years now, with little sign of a pickup in wage growth or inflation. In fact, ''wage stagnation'' is frequently singled out as a problem.

Mr. Harris and a growing number of prominent analysts say unemployment could drop still further—to between 4 percent and 5 percent—without triggering inflation. And that would make life better for a lot of people—a one-point drop in unemployment puts a little over a million back to work.

Mr. President, I ask unanimous consent that article be printed at this point in the RECORD.

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

[From the Washington Times, June 4, 1996]

INFLATION-WARY FED COSTS JOBS, CRITICS SAY

(By Patrice Hill)

Is the Federal Reserve keeping unemployment unnecessarily high and preventing more than a million workers from finding jobs?

A number of analysts say yes, the Fed may be depriving workers because of a too-cautious belief that if it loosens the money tap and lets the unemployment rate fall below its current level of 5.4 percent, that would trigger wage and price inflation.

''The Fed is probably shortchanging the economy,'' said Maury Harris, chief economist with Paine Webber Inc. in New York, pointing to a succession of relatively inflation-free economic reports.

In the 1980s, inflation reared its ugly head when unemployment dropped to between 5.5 and 6 percent, so the Fed and many economists still see that level of unemployment as a ''danger zone'' where inflation lurks. They fear the demand for workers will start outstripping the number of people seeking work, driving up wages, the cost of business, and ultimately, fueling inflation.

But Fed critics in Congress and in economic circles note that unemployment has hovered in the 5.5 percent range for two years now, with little sign of a pickup in wage growth or inflation. In fact, ''wage stagnation'' is frequently singled out as a problem.

Mr. Harris and a growing number of prominent analysts say unemployment could drop still further—to between 4 percent and 5 percent—without triggering inflation. And that would make life better for a lot of people—a one-point drop in unemployment puts a little over a million back to work.

Their theory gives fuel to a handful of liberal senators who have been holding up Alan Greenspan's nomination to remain as Fed chairman, arguing that his unnecessarily high interest rate policies have held back growth and employment.

Mr. Harris said the Fed is just being cautious because ''they don't want to take any chances of setting off inflation'' after bringing it down to the lowest levels in decades.

He held out hope that as the Fed sees unemployment go down gradually without igniting price increases, it may be more content to sit on the sidelines and not raise short-term interest rates.

Mr. GREENSPAN, in appearances before Congress, insists that the Fed is open to higher growth and employment and is not targeting any specific unemployment rate such as 5.5 percent. But he defends the Fed's decision to dramatically raise interest rates in 1994 when unemployment fell below 6 percent, saying it was accompanied by a big pickup in commodity prices.

Some Fed members have been more straightforward about tying the central bank's actions to the level of unemployment.

''The unemployment rate is about as low as you can expect it to go without a worry of inflation,'' said Cathy Minehan, the president of the Federal Reserve Bank of Boston, last week, while admitting that inflation, as measured by the Consumer Price Index, remains well-behaved.

San Francisco reserve bank President Robert T. Parry has told reporters that he believes the unemployment rate below which inflation becomes a problem—in technical jargon known as the ''non-accelerating inflation rate of unemployment''—is around 5.75 percent. He says the economy is already operating in the inflation ''danger zone.''

''It would surprise me if '96 and '97 didn't show some pickup'' in inflation, he said last week. ''It would probably be wrong to think that the lack of influence of wage pressures will continue indefinitely.''

While many economists agree with the Fed, some say it has not fully taken into account two factors that have increased the economy's employment potential: the aging of Baby Boom workers and the stiff, worldwide competition in trade that has unfolded since the end of the Cold War.

Mr. Harris and Ed Yardeni, chief economist with C.J. Lawrence Inc. in New York, say the unprecedented trade competition has held down prices and wages, while the aging of the baby boom has brought more experience to the work force and is driving down the unemployment rate.

When the large baby boom generation was young and less skilled in the 1970s and 1980s, they had a harder time finding jobs, causing the unemployment rate to drift higher. But now, the reverse may be happening, the analysts say.

Mr. Harris points to the low, 4.5 percent unemployment rate in the Midwest manufacturing belt—accompanied by low, 2.7 percent wage inflation—as evidence that unemployment nationwide could drop further without setting off a wage-price inflation spiral.

Mr. Yardeni notes that unemployment dropped as low as 4 percent in the 1960s without inflation. The same thing could happen in the 1990s, but for different reasons, he said.

''The world has changed. The end of the Cold War is a major shock'' that has brought with it a flood of trade and cheap imported goods, but along with it the fierce competition that has kept a lid on prices and wages, he said.

David Wyss, economist with DRI/McGraw-Hill Inc. in Boston, defended the Fed and dismissed as ''wishful thinking'' the theory that unemployment could go much lower without inflation.

Some one-time factors have been aiding employers in holding jobs costs down, he said, including a recent dramatic drop in health care inflation, and recessions in Europe and Japan that have held down worldwide demand and prices for raw materials. Those helpful developments could soon subside, he said.

Mr. HARKIN. I just want to read one other part of that article. Ms. Hill said that:

Mr. Greenspan, in appearances before Congress, insists that the Fed is open to higher growth and employment and is not targeting any specific unemployment rate such as 5.5 percent. But he defends the Fed's decision to dramatically raise interest rates in 1994 when unemployment fell below 6 percent, saying it was accompanied by a big pickup in commodity prices.

* * * * *

While many economists agree with the Fed, some say it has not fully taken into account two factors that have increased the economy's employment potential: the aging of Baby Boom workers and the stiff, worldwide competition in trade that has unfolded since the end of the Cold War.

She quotes Mr. Ed Yardeni, chief economist with C.J. Lawrence, Inc., in New York who said:

Mr. Yardeni notes that unemployment dropped as low as 4 percent in the 1960s without inflation. The same thing could happen in the 1990s, but for different reasons, he said.

So, again, I said at the outset of my comments, I think Mr. Greenspan's economic perceptions are locked in the 1960's and 1970's. And the world has changed dramatically since that point in time.

So, let us say—let us assume that the floor on unemployment is not 5.5 percent. Let us just say it is 5 percent, half a percent lower. The National Bureau of Economic Research, a distinguished group that is recognized as the arbiter of when recessions begin and end, recently published a working paper which might explain part of the problem. It is entitled, ''How Precise are Estimates of the Natural Rate of Unemployment,'' NAIRU.

To explain this point I would like to use the hypothetical example of a political poll, which we are kind of all familiar with. For example, if a poll says that 60 percent of the American people believe x, it basically means that 60 percent plus or minus a certain percentage actually believe x. NAIRU, nonaccelerating inflation rate of unemployment, and other economic statistics, work the same way. So I was surprised to learn that the range of NAIRU is plus or minus 2.6 percent of unemployment. That means that when NAIRU is assumed to be 6.2 percent in 1990, the natural rate of unemployment is actually somewhere between 5.1 percent and 7.7 percent.

I would like to point out that each one-tenth of one point of unemployment represents about 132,000 people who do not have a job, many of whom have families. What this means is that a Federal Reserve decision to tighten credit through higher interest rates to slow the economy down does a couple of things that impact Americans. Some become unemployed, more than would otherwise have become unemployed. Every tenth of a percent almost equals more than the entire working age population of the capital city of Iowa, Des Moines.

Second, it keeps the cost of wages down. That is the real goal. Increased unemployment is an indirect goal, although it is not stated that way, but what they are really after is keeping wages from rising to prevent inflation. We must keep in mind, however, that employees' hourly wages have fallen in 1995 dollars from $12.85 in 1978 to $11.46 per hour in 1995, a drop of 11 percent. And while that is happening, our productivity is going up. Not as much as it should. But productivity is, in fact, going up in our country at a time when wages are going down.

So now we are told we have to keep tight reins on the economy or it will overheat and damage the economy. At what point will the economy overheat and damage our economy? Should we really be worried if unemployment comes down to 5 percent, 4.8, 4.6 or maybe even 4.5 percent? Is there really any fear that that will cause inflation?

There are many who do not believe so, and I happen to be one of those. I believe we can reduce the rate of unemployment in this country, provide for more jobs and better wages without increasing inflation.

I guess the concern I have with Mr. Greenspan is he always seems to come down on one side of this debate, stopping inflation at any cost, and will not let the economy grow as it should.

Mr. President, I said when I started my comments that I would at some point go over Mr. Greenspan's history, and I do want to do that, but I see in the Chamber the Senator from North Dakota, who has been a great leader in this effort to get a more reasonable balance at the Fed, who has been an eloquent spokesman for a more balanced policy and for lower rates of interest and for a growth in our economy. I see the Senator is present on the floor.

At the conclusion of his remarks, or perhaps tomorrow, when we are in session tomorrow, I wish to trace for the record and for Senators and for the public Mr. Greenspan's record from the time that he was Chairman—well, I may even go back further when he was one of Ayn Rand's disciples in New York. I may even go back to that. But I want to trace his history from the time he was chairman of the Council of Economic Advisers through his private years, when he was private and he was stating what the economy would do, and to show also through this period of time as Chairman of the Fed how, quite frankly, Mr. Greenspan just simply has been wrong.

I say that with no malice. I just say that is the record. I wish to trace that record in some detail in the hours and days that follow. I, again, see my colleague and again, as I say, one of the great spokesman for a better balance at the Fed and for more growth in our economy and one of the great fighters for small businesses and our farmers present on the floor.

I yield whatever time he might consume.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank very much the Senator from Iowa. I have listened to his comments. I know that he has taken some criticism for his position that there ought to be a debate about monetary policy here on the floor of the Senate. But I admire the fact that he will not back down. There are big economic interests out there who want to say to the Senator from Iowa, ''Back away from this, back down or else.''

The Senator from Iowa has one of those stubborn streaks that says if something is right and it ought to be done, he is going to make sure it is done. I say to him I appreciate the fact he stood strong and said, ''We demand an opportunity to debate on the floor of this Senate,'' something that is as important to every family and to our economy as this subject is.

A century and a half ago, from barbershops to barrooms in this country, people would talk about interest rate policy and monetary policy. It was enormously important. In fact, if you study the two centuries of economic or financial history of this country, you find that there has always been a constant wrestling match between those who produce and those who finance production. Sometimes you go for a decade or two and the financiers have the upper hand. Then it switches and the producers have the upper hand. But always this tension and this wrestling back and forth for economic power.

In 1913, we created something called the Federal Reserve Board. It was promised at the point of its creation not to become a central bank accountable to no one. It was promised that would not happen. Of course, what has happened at the end of this century is it is a strong central bank accountable to no one, serving its interests as it sees its interests in dealing with monetary policy and interest rates with respect to the American economy.

I thought it would be helpful just to begin this discussion to put up on a poster board the Federal Reserve Board. Almost no one ever sees these folks. They are undoubtedly wonderful people. I have only met a few of them.

This is Alan Greenspan, appointed in 1987. He has been in and out of the Federal Reserve System in the field of economics and doing consulting work, and so on, for many years.

Let me say at the start, we are talking about confirming Alan Greenspan, Chairman of the Fed, for another term. I admire him, and I respect him. However, I fundamentally disagree with him about monetary policy and about his stewardship at the Fed. He knows I disagree with him, because we have had these discussions back and forth when I was on the Joint Economic Committee, when I was on the Ways and Means Committee in the House and in other venues. But because I disagree with him on interest rate policy, no one ought to interpret that to mean that I do not admire him. I do. I just think he is wrong.

How? Alan Greenspan is the person who heads the Federal Reserve Board.

He believes that America's unemployment really should not drop below 5½ percent because that would cause us a lot of trouble. He also thinks that economic growth should really not go much above 2 or 2½ percent, because that would cause us trouble. He believes largely in a high-interest-rate, slow-economic-growth policy.

It does not take great creativity to pursue a slow-growth economic policy. My Uncle Joe could do that. If I said, Look, our goal is to slow the American economy down, my Uncle Joe could slow it down, and he does not have a Ph.D. in economics. He has no experience at the Fed, but my uncle Joe could slow the economy down.

My point is, the current Federal Reserve Board strategy, stemming from the Chairman, is a strategy that says, ''Let's keep economic growth rates in this country slow,'' because they believe that that represents the right balance in dealing with the kind of issues they ought to deal with, the twin economic goals of stable prices and full employment.

The goal of price stability now is the overriding goal of the Fed, and the Fed will probably say, ''Well, we have cut inflation 5 years in a row, inflation is down and it continues to come down. Look at what a wonderful job we've done.'' And I say to them, my uncle Joe could have done that as well. Bringing inflation down was not your success. The global economy has reduced the rate of inflation. You don't see wages in America increasing; you see wages coming down.

Why? Because two-thirds of the American work force are now competing with 2 to 3 billion other people halfway around the world, some of whom will work for 10 cents, 20 cents and a half dollar an hour. This global work force has put downward pressure on American wages. And as a result, too many families now are working for fewer wages or fewer dollars than they used to earn in the same job.

So inflation is coming down, wages are coming down, and the Fed will say, ''Gee, look at what a great job we've done.'' I do not know that they ought to claim credit for lowering inflation when the global economy is what has resulted in lower wage rates in America.

But I will say this: While they have been about whatever job it is they are doing, America has sustained a rate of economic growth that is simply anemic. This economy has the capacity of producing economic growth and new jobs and new opportunities at a much greater rate than now exists.

Why does it not? Because, in my judgment, the Chairman and the current Federal Reserve Board see themselves as a set of human brake pads whose job it is to slow down the American economy.

Let me read something from the National Association of Manufacturers. I sometimes agree and sometimes disagree with them. Jerry Jasinowski, who is the president of the NAM and a friend of mine, an awfully good thinker and author, writes the following, along with Dana Mead, who is chairman and chief executive officer of Tenneco. They coauthored a guest editorial in Investors' Business Daily. Let me read what he says:

> Whether it's balancing the budget, raising worker compensation or paying for tax cuts or social and environmental programs, the answer to most of our difficult problems is higher economic growth. Raising economic growth by a mere one-half of a percentage point would generate nearly $200 billion in increased tax revenue over the next 8 years. Personal disposable income would be $180 billion higher in 2003 than 1995, which brings us to one of the great mysteries of the late 20th century: Why is the world's most competitive economy restricting itself to economic growth rates—

Or he says ''anemic growth rates''—of 2 percent to 2.5 percent?

That is the key question posed by the president of the National Association of Manufacturers. ''Why is the world's most competitive economy restricting itself to anemic growth rates of 2 percent to 2.5 percent?''

The answer, he says:

> The Federal Reserve Board. They all seem to buy—not only the Fed, but the CBO, OMB, and the forecasters—the prevailing wisdom that higher growth rates will trigger inflation. That recalls Mark Twain's observation about the cat who once sat on a hot stove. He'll never sit on a hot stove again, but he'll never sit on a cold one either.

This from a producer, the National Association of Manufacturers, and the chief executive officer of Tenneco, asking the question, why should we be content, as the most competitive economy in the world, with 2 to 2½ percent rates of economic growth? We are content with that, or at least some are content with that, because that is what the Federal Reserve Board determines our economic growth rate will be.

That is what the Federal Reserve Board has managed to do. They make interest rate decisions in secret. They do it in a closed room with the door shut, and with no debate that the American public can become a part of. There is no public discussion that represents any form of democratic notion at all. They do it in private.

This is the dinosaur of public policy institutions. It is the only one left that is highly secretive, and does all of its business in secret. In fact, here are the Fed's Board of Governors.

Then you have the presidents of the regional Reserve banks. They participate on a rotating basis, I believe five at a time. They join the Board of Governors in what is called an Open Market Committee. They decide what the interest rates will be. They vote in a closed room with the door closed. You and I are not a part of it. The American people are not a part of it. They vote.

Who do the bank presidents report to? Who are they accountable to? Well, they come from the regional Fed banks, and they are accountable to their boards of directors. They are accountable to the boards of directors. Who are the boards of directors of these regional Fed banks? Bankers. So these folks come to Washington, DC, and in the Open Market Committee vote on interest rate policies. They have neither been appointed nor confirmed by Congress. There is no people's involvement or people's input here. They owe their job to their boards of directors, which are bankers.

Now, what interests are they going to represent when they are in this closed room with the Board of Governors voting on interest rate issues? The interest of the money center banks, I think.

The point I am making here is, this represents the closed system by which monetary policy is dealt with in this country. It is not democratic. It is not open. There are many imperfections in this system today.

Would I suggest we get rid of it? No, I do not suggest that. I suggest we make some substantial changes. Do I believe we should give monetary policy to the Congress? No, I do not believe that either. Should monetary policy be part of the normal politics of this country? No; it is too important for that as well.

But should it be closed off, isolated, insulated, and away from the view or input of the American people? Of course not. This is a dinosaur, one of the last remaining dinosaurs in our country. Change needs to occur with respect to the workings of the Federal Reserve Board. A little fresh air and a few rays of light creeping through the doors of the Federal Reserve Board would be good for this Board and good for this country.

But that is not the issue. The Federal Reserve Board reform issue is not the issue today. Today's issue is the nomination of Chairman Greenspan for another term as Chairman of the Federal Reserve Board.

About 2 weeks ago, there was a story in the Washington Post. They were talking about the political campaign that is now going on in this country—President Clinton and Senator Dole—and they were talking about the proposals for tax cuts that are ricocheting around and the proposition that Senator Dole may or may not propose some across-the-board tax cuts.

I thought it was interesting that the former CBO Director, Robert Reischauer, said something that relates to this discussion today. He said:

> Whether or not the supplysiders think cutting taxes will make the economy grow faster does not really matter, said former CBO Director Robert Reischauer, now of the Brookings Institution. The Fed Chairman, Alan Greenspan, thinks the economy can't grow faster than 2.2 percent a year without triggering inflation. It is not going to happen.

No matter what anyone thinks about monetary policy issues here in the Congress or what they try to do with respect to fiscal policy issues, if Alan Greenspan does not believe the economy should grow faster than 2.2 percent, it is not going to happen, Mr. -

Reischauer alleges. Of course, he is absolutely correct.

I will talk just a bit about what has happened in recent years. I will talk about the high interest rate policies now pursued by the Federal Reserve Board. I have a chart that shows the current Federal funds rate. That is the rate that the Federal Reserve Board sets by itself. It says, ''Here is what our rate is going to be.'' And all other interest rates come off of this rate, with the exception of long-term rates, which are set by the market but are influenced by this.

But the fact is, all other interest rates—credit cards, business loans, the prime rate—all follow the Federal funds rate. Historically, the Federal funds rate has been 1.77 percent above the rate of inflation. In other words, the rent that is incorporated in the Federal funds rate above the rate of inflation is 1.77 percent. These are very short-term funds, as you know. Since Chairman Greenspan came to the Fed, the average has been 2.18 percent, and the current rate is 2.32 percent above inflation.

In other words, all other interest rates in this country that virtually everyone pays—consumers and business men and women and farmers and others—is now higher than it should be because the Federal Reserve Board is keeping the current Federal funds rates much higher than in the past.

Why are they doing that? Well, because I guess they fear, if they would cut the Federal funds rates, someone would believe they have given up their fight against inflation. Despite the fact that the Fed has said that they see no troubling signs of inflation over the horizon. They believe the long-term market in which you have a spikeup of long-term rates, or had a spikeup of long-term rates, the assessment by the market is wrong.

I asked the Fed, ''If you believe that, if you believe there is not a credible long-term threat of inflation or a credible threat of inflation just over the horizon, why, then, are you deliberately keeping the Federal funds rates at a level that is historically a fair amount higher than it has been in the past and, therefore, causing every American to be taxed—yes, taxed—with an interest charge that they did not have any part in being able to debate or talk about or wonder about whether they should be paying?'' It is a tax in the form of an interest charge extracted from every single American family, higher than it should be, because the Federal Reserve, sitting behind their closed doors, decides they want higher interest rates. Presumably they want higher interest rates because they want to continue to dampen the rate of economic growth.

If you said to Mr. Greenspan or many of the other members of the Fed, why can't we have more economic growth, which would produce more jobs at better pay and more expansion and more opportunity in our country? Why cannot we do better than 2 or 2.5 percent? They would probably say to us, well, it is because of inflation. If we have higher economic growth, then we overheat the economy and get more inflation. ''Look what we have done with inflation,'' they would say. ''Look at what has happened in 5 years. Inflation has come down, down, down, down, down, all the way down to 2.5 percent.'' Because Alan Greenspan has said publicly he thinks the CPI overstates the rate of inflation by as much as 1 or 1.5 percent, one would conclude that in his mind inflation is somewhere around 1.5 percent or 1 percent in our country today.

So, they say, we cannot have a healthy rate of economic growth. We cannot have robust expansion of new jobs in our country because they are worried about inflation, despite the fact that inflation has come down for 5 straight years, not because of the Fed but because the global economy has put downward pressure on wages by and large, in my judgment. But that is what the Fed would say: No, we cannot have more robust economic growth because we are worried about inflation.

Well, I am worried about inflation as well. I think we ought to fight inflation. But I think the twin economic goals that we ought to be pursuing in monetary policy are not only stable prices, but also full employment, which means a robust growing economy. To focus on one exclusively, which I think is what is happening at the Fed, I think is unfair to the American people.

Let me provide a record of the economic performance of this country under this monetary policy scheme. I should say that not only monetary policy affects our economic performance; so does our fiscal policy. I am not one who wants to pat Congress on the back for its wonderful fiscal policy. I understand that we have also caused problems. But let us talk a little about what is happening with respect to the economy.

Real gross domestic product. Prior to the Greenspan years—I think it is about a 20-year period—the average was 3.4 percent of economic growth per year; Greenspan years, only 2.2 percent. This difference is substantial. This might look like a bar chart to most people. This looks like unemployment to many people. This looks like families without jobs. This looks like lost opportunity. This looks like lower income. This looks like kids coming out of college that cannot find work to some people. But this difference is substantial. A 3.4-percent average yearly rate of economic growth prior to Mr. Greenspan going to the Federal Reserve Board and 2.2 percent following, and since and during.

Income per capita; 2.5 percent to 1.3 percent. I should note this is not wages. Wages would look different than this. This is aggregate income per capita.

Payroll jobs; 2.4 to 1.7 percent.

Productivity; 2.3 to 1.1 percent.

The record demonstrates a slow-growth economic policy that squeezes our economy and dampens our opportunity to produce the kinds of jobs and the kind of opportunity we should have in this country.

Another chart shows the consequences of this kind of strategy. The consequences of someone saying we should slow the rate of economic growth might not seem like very much today. The difference between 2.2 percent growth and 3.2 percent might not seem like very much next month or next year, but if you take a look in the outyears, what you have, the difference in these rates of growth of 2.3 percent annual rate of growth versus 3.3 percent, you will see that in the outyears, 20 years, you are talking about nearly $3 trillion in additional economic opportunity and output. What is $3 trillion converted to jobs, to hope, to a brighter future?

So while some people may think this is fairly irrelevant whether you have a 2.3 percent rate of economic growth or 3.3 percent, it is an equation that will determine our place in the world as an economic power.

To develop a strategy that says, ''Let's get reasonable rates of economic growth out of our economy so our economy can grow and provide jobs and opportunity,'' that is not going to happen with respect to this Federal Reserve Board and its leadership.

I previously used a chart that showed the real Federal funds rate. I also have a chart that shows the difference in the real prime rate. The prime rate, the rate the very best customers of the lending institutions get their money at, shows pre-Greenspan, 3.09; current, 5.35; the average Greenspan is 4.63. Everyone borrowing at prime rate is paying a higher prime rate than they ought to because the Federal Reserve Board decides they want to slow the economy down by extracting from the economy a higher interest charge and slowing growth rates as a result.

I have spoken some about the Federal Reserve Board's policies, and especially the monetary policies with which I disagree. I expect some will substantially disagree with me. They will say, ''We like the Fed as it is; 2.3 or 3.3 economic growth are irrelevant issues. We want to vote to confirm Mr. Greenspan.'' When this debate is over, I expect Mr. Greenspan will be confirmed and will likely be confirmed with a rather substantial vote. I do not intend to join in the vote in favor of confirmation. I will restate again, lest anyone think differently, it is not personal. I admire Mr. Greenspan and his public record. I disagree substantially with the policies he is pursuing at the Federal Reserve Board, and I believe President Clinton would have done better for this country by offering a candidate with a chairmanship of the Federal Reserve who would pursue more balanced policies, policies that do not so clearly benefit one part of the economy at the expense of the other, policies that do

not so clearly benefit the bigger banks at the expense of this country's productive capability and at the expense of this country's worries.

I will speak for a couple of minutes about a GAO report that Senator REID and I requested be done about the Federal Reserve Board. It is another element that ought to be discussed with respect to a discussion, not only of the confirmation of Chairman Greenspan but the appointment of two other members of the Board of Governors at the Federal Reserve Board. We asked the GAO to do an evaluation of the Federal Reserve System largely because it sits out there apart from other Government institutions. It operates by itself and chooses how much money it wishes to spend, and takes the money from the interest charges it levies and makes its own judgments about how many people it wants to hire and how it wants to spend its money.

We have not really had any indepth audits of the Federal Reserve System. There is very little information about the Federal Reserve Board available to Congress. Senator REID and I asked for information to be made available through the General Accounting Office. We asked the GAO to do the audit. And it took them some 2 years to do it. It was interesting what we discovered.

The first thing we discovered was a cash stash, we call it, actually, a surplus account at the Federal Reserve Board. I suppose some were aware of it. I was not aware of the surplus account that had been accrued at the Federal Reserve Board. This Federal Reserve Board has put away nearly $4 billion in a surplus account. They have done so in order, they say, to have it available to offset any losses they might incur. The Federal Reserve Board has been in existence for 80 years. In 79 years they have not ever had a loss. In 79 consecutive years they have always had a surplus, they have made money, had no loss, and there is no expectation in the next 79 years that the Federal Reserve Board would have a loss.

Yet they have captured some $3.7 billion—not million, billion—and put it into an account called a surplus reserve account. It has grown more recently because they want to offset against any losses they might have. An agency that has never had a loss and is never going to have a loss squirrels away $3.7 billion as a hedge against loss? That seems incredible to me.

We have a big debt with big deficits. We have a lot of needs. We are in a situation in this country where the Federal Reserve Board has counseled, appropriately so, everyone, including the rest of the Government, to tighten their belt, and the Federal Reserve Board, behind closed doors, decided to overeat. We should tighten our belt; they want to expand.

I have a picture of a building that the Fed had built. Here is the outside of the building, a beautiful building. I would not suggest they build an ugly building. It is a beautiful building built in Dallas, TX. Next, I want to show you the lobby of the building, because one of the things the GAO pointed out was that this Dallas Federal Reserve Bank, they purchased more land than they needed for it. The original square footage approved for the lobby area was exceeded by 250 percent. I thought the picture was interesting because they were going to build a bank with a lobby that had 7,800 square feet. If you can see this picture, we ended up with a lobby with 27,000 square feet. This is a giant lobby with all these wonderful windows and shiny marble, and this tiny little desk, two tiny chairs and a coffee table that could fit into a trailer, even if it was not a double wide. They put it in a 27,000 square foot lobby in a building they built suggesting they would have a lobby of 7,000 feet. The GAO says—I guess the taxpayer here ends up paying for a 27,000 square foot lobby. Who is accountable for that? Where does it come from? I do not want to spend a lot of time on the lobby in Dallas. I have never been there. I do not expect to go there. I wish them well. In the meantime, somebody had to pay the bill to build a 27,000 square foot lobby. Some wonder if that is a useful approach to using taxpayers' money.

Perhaps we could talk about the cumulative percentage increase in Federal Reserve expenses that the GAO found. The GAO is fairly critical of the Federal Reserve Board, saying at a time when the rest of the Government is told, ''Tighten your belt,'' the blue line on this chart suggests their operating expenses far exceed the Federal discretionary spending. If you included some entitlement spending here with health care costs that are automatically increasing, you have a different chart. This is a chart the GAO made. They point out in the areas where there is discretionary spending decisions that are made, while the rest of the Government is told to tighten their belt, the Fed is substantially increasing its spending.

The next chart shows again, while the rest of the Government is being asked to tighten its belt, benefits per employee of the Federal Reserve Board in a 6-year period increased 91 percent. Benefits per employee increased 91 percent in a 6-year period, at a time when others are being told, ''You should tighten your belt.''

The GAO report raises a series of questions about the stewardship and the management of the Fed. We intend to address some of those questions through legislation. I think it is useful for the Congress to read it and to evaluate it and have a discussion about it when we are discussing the confirmation of Mr. Greenspan, the other nominees and discussing the Federal Reserve Board generally.

I have more to say, and there is more time to say it at a later time. I will be happy to yield the floor. I will be back on the floor at a later point and finish my statement. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. 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. HARKIN. Mr. President, I thank my colleague from North Dakota for his eloquent remarks a few moments ago in regard to the pending nomination of Mr. Alan Greenspan to continue as Chairman of the Federal Reserve Board, a position he has now held for 8 years. The nomination is for another 4 years.

When I turned over the floor to Mr. DORGAN I had said at the time that I wanted to begin a process of going through Mr. Greenspan's history and I thought I might do it somewhat sequentially and then tomorrow I will pick up on a little bit more of his background regarding his early years. Because, not that I want to go back into ancient history, but I think you can see a pattern here throughout his entire adult lifetime of, quite frankly, being wrong on the economy and misjudging what is taking place.

Again, it is my observation that, when you find people who are consistently wrong in a certain area, more often than not it happens because, I think, that person is more closely linked with an ideology or a certain philosophy, and therefore cannot accept facts as they really are, but they tend to be molded into an ideology, they tend to be molded into a conceptual framework and it impacts their view of the actual or real facts or real world as it might be.

I think Mr. Greenspan's focus on getting as close to zero inflation as possible has molded his economic thinking, forecasting views, observations, prognostications, in such a way that they do not really comport with what is happening. Thus, the seemingly endless string of errors that he has made since the earliest times.

I quoted earlier from the Investors Business Daily about some of those items. I will now go over a few more, before I yield the floor for the day. But let us start here with the time when Mr. Greenspan was the head of the Council of Economic Advisers for President Ford.

President Ford introduced his whip inflation now, plan. I remember the little buttons, the ''WIN'' buttons: whip inflation now. He took a lot of his advice and consultation from Alan Greenspan. Let me say Jerry Ter Horst, Jerry Ford's press secretary, said this about Mr. Greenspan and the WIN plan, whip inflation now, and I am quoting Mr. Ter Horst, who was President Ford's press secretary.

To be blunt about it, the President has lost confidence in their ability, [meaning the economic advisers' ability] to predict the future. He feels he has received inaccurate advice and, having been burned politically and

publicly because of it, Ford has adopted a ''show me'' attitude toward his economic counselors while listening more seriously to the advocates of direct Federal action to overcome the country's economic crisis. This fall, when he fashioned the anti-inflation package he presented Congress following his series of economic summit meetings, Ford relied heavily on the forecasts of his consultants, including economic council chairman Alan Greenspan. They assured him that rising prices and production costs were the prime enemy of a healthy America. He was advised that, while a recession lurked distantly on the horizon, it was not an imminent prospect that would confront him immediately.

Well, what happened is just the opposite of what was happening—what Mr. Greenspan had predicted. Let us look here at the recession of 1974–1975. This is a question in an interview with U.S. News & World Report, November 4, 1974. Keep in mind the President introduced his plan in October.

Question. Are you prepared to say we are in a recession now?

Answer. I would say that as of September, the last month for which we have actual figures—the answer is no.

That is November 4. The fact is that GDP fell at a rate of 4.2 percent in the third quarter of 1974, it fell—not grew—fell 2.8 percent in the fourth quarter of 1974, and it fell 5.8 percent in the first quarter of 1975.

So, here we are, we have a GDP falling at these rates in the third quarter, which he had the figures then, and the fourth quarter in which he was in the middle of at this time. GDP is falling and he says no, we do not have a recession. There is no recession out there.

So, again, I think that is why President Ford lost confidence.

Let us look at unemployment. Mr. Greenspan was completely off in his estimates for the unemployment level for mid-1975. Instead of the 6.5 percent ceiling as he predicted, unemployment reached 9 percent in May 1975. It should be noted that when President Ford introduced his ''Whip Inflation Now'' in October 1974, the unemployment rate was 6 percent.

Here again, the same U.S. News & World Report interview, November 1974.

Question. Do you have a projection for unemployment for mid-1975?

Answer. I have several, and they all show an unemployment rate of more than 6 percent. It could be as high as 6.5 percent.

Reality: For December 1974, the next month, the unemployment rate reached 7.2 percent. For May 1975, the unemployment rate reached 9 percent. Again, Mr. Greenspan was off by more than a considerable amount.

In a March 16, 1975, editorial, the New York Times stated:

But the administration has consistently underestimated the force of the recession and the rise of unemployment. The first version of President Ford's economic program offered, after his time-wasting economic summits last fall, would have deepened the recession by going all out against inflation, just as inflation was starting to slacken and the recession worsen.

Again, who was advising the President to go all out against inflation? Mr. Alan Greenspan. At a time when we were going into a recession—we already had the figures—at a time when unemployment was increasing dramatically, Mr. Greenspan says that we have to whip inflation—forget about unemployment—and we fell into a very bad recession.

This editorial went on to criticize the tight money policies and the lack of focus on unemployment of the Ford administration that lasted into 1975. Again, I will finish the quote from this article. It says:

But why should inflation be a threat to an economy functioning far below its full capacity? The administration's own economic assumptions, stated in his fiscal 1976 budget projections, are that unemployment will continue to hover around 8 percent for the next 3 years.

Mr. Greenspan says it is only going to be 6.5 percent, do not forget.

If the administration were to walk away from its own long-term forecast of unemployment, it cannot walk away from the existing joblessness, the worst in the postwar period, and the high probability that unemployment will increase over the next few months.

In fact, unemployment stayed high and did not get back down to 6 percent until May 1978. So, we had a long recessionary period there.

Summarizing the strategy of Greenspan and Ford, the economist Hobart Rowan noted:

Ford and Greenspan were willing to drag the Nation through a long period of recession and stagnation in which layoffs would mount, profits shrink and business expansion be postponed, all in the hope that austerity would cure the inflationary mess.

That is a quote from the Nation, by Hobart Rowan.

The concern about inflation over employment continued well into 1975 when the Ford administration was beginning its economic plans and predictions for 1976. Now we are past 1974; we are now into 1975.

Walter Heller, who was President Kennedy's chairman of Council of Economic Advisers, said:

The fear of inflation is still so dominant in Washington today that it is evidently destroying policymakers' faith in the recuperative powers of the American economy and blinding their sensitivity to the governing plight of the unemployed.

Transfixed by this fear, the White House and Federal Reserve authorities are greeting the earliest signs of modest recovery from the deepest of all postwar recessions as if prosperity was just around the corner. The hellfires of a new inflation are about to engulf us and let the devil take the hindmost the job beast.

President Ford justifies his veto of the emergency jobs bill last month in good part that economic recovery would be well along by the end of 1975, and much of the bill's impact would not be felt until 1976.

As we know, unemployment did not come back down again until 1978.

Those are a few of the things that Mr. Greenspan said during the recession of 1974–75. Inflation was at a high period and should have been of concern. But, Greenspan's focus was only on that point. It was not balanced.

Let us jump ahead to the recession of 1990–91. This is the transcript from the minutes of the Federal Open Market Committee, August 21, 1990. Earlier in the day, I said they keep these minutes sealed for 5 years. We now have these minutes from that August 21 meeting. Mr. Greenspan says:

I think there are several things we can stipulate with some degree of certainty; namely, that those who argue that we are already in a recession I think are reasonably certain to be wrong.

August 21, 1990.

The reality: The National Bureau of Economic Research, the official arbiter of when recessions begin and end, determined the recession began in July 1990.

In fact, Mr. Greenspan went on after that, later on—and I will get those minutes—when he went clear into November basically stating that there was really no recession at hand.

In his testimony at his confirmation hearings in 1987 before the Senate Banking Committee, Senator Riegle had the following exchange with Mr. Greenspan. This is Mr. Riegle:

Now, in the first place, when you were chairman of the Council of Economic Advisers during the Ford administration, the council had a dismal forecasting record. I have here a study by the Joint Economic Committee which showed in 3 years—1976, 1977, 1978—the forecasts of the agency which you headed, Mr. Greenspan, were wrong by the biggest margin of any in the 11 years 1976 through 1986. They tied the record for being wrong in 1978. They were almost as bad in 1977, and they were way off in 1976. That's on growth.

I am still quoting from Mr. Riegle's question.

When it comes to Treasury bill rate forecasting interest rates, there you broke all records for the entire period . . . when you estimated that you predicted that the Treasury bill rate in 1978 would be 4.4 percent. It actually was 9.8 percent. You were off by a huge margin.

In 1977, you predicted it would be 5.3 percent; it was 8.8 percent. Again, way off. 1976 wasn't quite as bad, but you were off then.

Again, Mr. Riegle, continuing on with his question, says:

Then we come to your forecast on inflation of the Consumer Price Index. There, again, Mr. Greenspan, you broke all records. 1978 was the worst forecasting year that you had. You estimated the rate of increase in the CPI would be 4.5 percent. It was 9.2 percent. And you were way off in 1977 and 1976.

What was Dr. Greenspan's response?

Well, if they're written down, those are the numbers.

As if it just did not matter. The source of this is testimony of Alan Greenspan before the Senate Banking Committee on July 21, 1987.

So, Mr. Greenspan's private record in the early 1980's was just as bad.

After Ford's defeat in 1976, Greenspan returned to his economic consulting firm: Townsend, Greenspan. There he continued to make inaccurate predictions about which direction the economy was heading. In 1982, Mr. Greenspan's published economic forecasts said bond yields would fall one-

quarter of a percent from the previous year-end level. In fact, they fell 3½ percent. But the drop in inflation was only temporary, he argued, in 1983.

The Fed-Volcker-induced inflation calm, he insisted, was about to end. In fact, inflation stayed quite steady at 4 percent to the end of 1987 and the end of the Volcker regime at the Fed.

Also in 1983, Mr. Greenspan said:

Long-term interest rates would increase 20 basis points.

This proved to be his best forecast ever. Rates did rise, but by a full 1 percent, not the meager two-tenths of a percent that he predicted.

At the start of 1984, Mr. Greenspan forecast that for the next 3 years, bond yields would rise from 5 to 55 basis points. They actually dropped from 123 to 199 basis points. So even in his private years, when we look at his forecasts, they were way, way off.

Let us look at the rate increases in 1990. As Chairman of the Federal Reserve, Greenspan's forecasting abilities continued to leave much to be desired. Again, according to the June 9, 1995 Investors' Business Daily:

In February 1989, despite clear evidence of a slowdown, the Greenspan Fed pushed its benchmark interest rate higher, to 9.75 percent. The Federal Open Market Committee based its decision on staff advice that the recession was low, according to the minutes from that period. The Fed did not start easing rates again until June, too late to avoid a recession. In fact, transcripts indicate that the Fed was contemplating interest rate increases for much of the earlier part of 1990.

During the August 21, 1990 Federal Open Market Committee hearing, there was much discussion about the possibility that the U.S. economy had slipped into a recession. Backed up by his economists, Greenspan believed there was significant evidence that showed the economy was not in a recession; it was merely sluggish. And thus his quote here:

I think there are several things we can say with some degree of certainty; namely, that those who argue that we are already in a recession I think are reasonably certain to be wrong.

He goes on to say in the sense that we do have weekly data that suggests, as others have mentioned, that there was no evidence of deterioration in what was a very sluggish pattern. Yet, the recession started in July of 1990. Now, you might say this is a little early.

Two months later, at an October 2, 1990, Federal Open Market Committee hearing, Mr. Greenspan used a meteorological analogy to strengthen his argument that the U.S. economy had not slipped into recession. Mind you, we started the recession in July. We are now in October, about 3 months into the recession. And here is what Mr. Greenspan said:

I still think we're in a situation in which there are forecasts of thunderstorms, and everyone is saying, ''Well, the thunder has occurred and the lightning has occurred and it's raining,'' but nobody has stuck his hand out the window. And the point is, it isn't raining. The point is, as best I can judge, that the third quarter GNP figures in the green book are not phony. I think they are relatively hard numbers. They can get revised. They are being put down more and more, but the economy has not yet slipped into a recession.

The actual words of Mr. Greenspan, October 2, 1990. I will not get into the thunder and lightning and the rain and all that kind of stuff. What he was saying is, oh, there is all this talk about a recession but, he said, I have looked at the numbers and it is not there. We had been in a recession for 3 months. He was very wrong.

The economy actually went into a recession in July 1990, a month before Iraq invaded Kuwait, by the way. Not only did Mr. Greenspan miss the oncoming recession, he missed it when he was in the middle of it. And he did little to reverse its negative effects.

In testimony before the Senate Banking Committee he rejected measures to put Americans back to work by saying proposals by Democrats to stimulate economic growth by pumping more Federal money into public works programs were ''risky'' and ''probably counterproductive.'' Instead, he denied the economy had gone flat and predicted a moderate 2.5 percent growth rate that year rising as high as 3 percent in 1993. The GDP only grew 2.2 percent in 1993.

Even Senator D'AMATO said at a July 1992 hearing:

I believe the Federal Reserve has acted in an almost timid manner. You, (Mr. Greenspan) don't know what's taking place on Main Street.

That is a quote of my colleague from New York, Senator D'AMATO. That was quoted in the Indianapolis Star, July 22, 1992.

I think that brings us to a period of time that I want to dwell on at some length tomorrow, that is, the period of 1994 into 1995. As I said earlier today, when I tell people that Mr. Greenspan raised interest rates 100 percent in one year, February 1994 to February 1995, people cannot believe it. They have never heard of such a thing.

Yet, here is what happened. The Federal funds rate in February 1994 was 3.05 percent. In May they went to 4.25; March they went to 3.5; April, 3.75; in May of 1994 to 4.25. So from February to May, that is one, two, three—that is four increases already. And in August another increase. November another increase. February another increase. By the time February of 1995 came around, the Federal funds rate was 6 percent, up from 3.05 percent 1 year earlier. A 100 percent increase in 1 year.

And again, why? Was there inflation? Even Mr. Greenspan during that period of time said he did not really see inflation. I will have those quotes and I will have those words.

But I just wanted to make the point here before I close—I see I have some other people on the floor who want to speak; probably about other items—that Mr. Greenspan was wrong when he was head of the Council of Economic Advisers. He was wrong when he was in private business. Now as Chairman of the Fed, when we are in the midst of a recession, he says he does not see it happening. Then in 1994, with little threat of increasing inflation, he raises interest rates 100 percent. That hit working families hard. It slowed our economy down. I think it is a large part of some of the problems we have now with the stagnation in our wages.

Mr. Greenspan can have all kinds of reasons why he raised the interest rates. But the fact is, there was absolutely no inflation threatening at all at that period of time. I am going to have more to say tomorrow about 1994 and 1995. I will have the quotes from Mr. Greenspan when he basically said that he did not think there was any inflation threatening. But he went ahead and raised interest rates.

What has happened? You might say, OK, interest rates went up 100 percent. But that was February 1995. Since February 1995, throughout now, we have had not seen inflation increase. So have interest rates come back down? Three-quarters of a point. Three-quarters of a point.

In fact, the last time they came down, in January, I believe a quarter of a point, there was all this talk about how the Fed was now reducing interest rates. But the fact is, as Mort Zuckerman pointed this out in his editorial—I will read that tomorrow also—in U.S. News & World Report, pointing out that actually there was not a decrease in interest rates. It was an increase in interest rates. Why? Because during the previous period of time, inflation had fallen more than a quarter of a point. Inflation fell by more than a quarter of a point and interest rates only came down a quarter point. Real interest rates were still high. It was not a real reduction, a reduction in real interest rates.

We have had this 100 percent increase in interest rates, 1994 to 1995. Since that time Mr. Greenspan has only reduced interest rates three-quarters of a point. So I believe American working families, American workers, the middle class, the real middle class in America, is overburdened by too much debt and too high interest rates. It is sapping our economy and hurting our small businesses. It is hurting our productive sector, and it is hurting farming and manufacturing.

As I said, it is hurting our working families. It is hurting the real middle-class America, not Congressman HEINEMAN's middle class, but the real middle class. The Congressman from North Carolina stated last year that he believed the real middle class were people who made between $300,000 and $700,000 a year. That is not the real middle class.

The real middle class is feeling really pinched these days. They are pinched by high interest rates that do not need to be there. They are only there because Mr. Greenspan, I believe, has an

inordinate, unhealthy fear of the specter of inflation. That has caused the kind of hair-trigger approach that they have at the Fed that any time there is even the specter on the horizon of inflation, they will move to increase interest rates, to the point now, that the bond markets react even before they do it because they think they are going to do it.

So I am going to discuss the 100 percent increase in interest rates, 1994 to 1995, why that happened, why at least I think it happened, and the fact that interest rates should have come back down to that previous level by now and could come down, not in one fell swoop, but could have over a period of time. That could have really strengthened our economy.

As I said, that is nothing personal. I agree with Mr. DORGAN. I have nothing personal against Mr. Greenspan. I assume he is a very bright, intelligent individual. But I believe that his policies, I believe that his mindset, are locked in the past. After all, this is an individual who as late as last year in committee on the record said that he did, indeed, believe in going back to the gold standard, he would support going back to the gold standard.

Well, I do not know how many economists believe that. But I think you get that kind of mindset that says, yes, he would like to be on the gold standard again. Well, that may have been a good thing at one time, but the world has moved, the economy has moved. We are in a little different situation today. I daresay anyone who believes that we ought to go back to the gold standard is the same kind of person who would have this inordinate attitude that we must keep relatively high interest rates no matter what, even if inflation is less than 2 percent.

I believe it does a disservice to our economy, it does a disservice to America, and it does a disservice to our next generation of young people coming along. We need to grow this economy. We can do all we want here in the Congress. Because of budget constraints, there is nothing we are going to do that could in any way affect the growth of our economy as much as lowering interest rates by the Fed could. That probably will not happen as long as we have Mr. Greenspan.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 1876 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

BOSNIA

Mr. INHOFE. Mr. President, I have been very distressed, as many people have, over the recent developments in Bosnia, statements that have been made, attributed to a number of our high-ranking officials, including Secretary of Defense William Perry.

Many of us were quite outspoken in our opposition to sending troops into Bosnia back when the decision was made by the President and his administration. I can remember having the resolution of disapproval that I had with Senator HUTCHISON. We only lost that by four votes. One of the selling points on the floor was this is going to be a mission that will be completed, successfully completed, and the troops will be out in a period of 12 months. None of us believed that at that time.

I can remember so well on October 17 of 1995, the Senator from New Mexico, Senator BINGAMAN, asked the question of Secretary Perry: ''What do we contemplate as far as a remaining presence once the one-year period is up, or once the IFOR troop development is complete? Would we expect to see some residual NATO force remain?''

Secretary Perry responded:

> ''I expect that the security— that the function of external forces maintaining security will be accomplished by then . . . The IFOR, the NATO force which is responsible, an external force for maintaining security—we expect that function to be completed in one year and the forces to be completely removed.''

Later in testimony before the Senate Armed Services Committee, he said: ''The implementation force will complete its mission in a period not to exceed 12 months. We believe this will be more than adequate to accomplish the needed tasks that will allow the peace to be self-sustaining. As we did in Haiti, we anticipate the IFOR will go in heavy and, if successful''—a key phrase—''would begin drawing down significantly far in advance of the final exit date,'' that exit date being 12 months.

We keep hearing how successful the operation is, so we assume, if successful, that condition has been met. He was talking about drawing down the forces far in advance of the 12-month period that he committed to.

I suggest the commitment was much stronger. I asked in that committee meeting: ''Are you saying to this committee on the record that 12 months is it, and after 12 months we are out of there?''

I remember that distinctly because I asked the question of General Shalikashvili: ''Can you tell me any time in military history when you had an exit strategy that is geared to time as opposed to events.'' That was October 17.

General Shalikashvili, the Chairman of the Joint Chiefs of Staff, also responded at that time to a question asked by Senator ROBB of Virginia. The response was: ''From a military perspective,'' this is General Shalikashvili, Chairman of the Joint Chiefs of Staff, the top guy, ''From a military perspective, as I evaluated the tasks we wished this force to accomplish, it was my judgment that in fact can be done in 12 months or less.''

Right after that, Mr. President, I wanted to see for myself, and I spent some time and went over to Bosnia, went alone, and talked to a number of the commanders. Not a single U.S. NATO or U.N. commander thought the peace in Bosnia could be achieved in anything close to 12 months. I thought I would talk to the people in the northeast sector, which is that sector assigned for our troops, our thousands of troops that would go over there and accomplish some mission that is still not real clear to me. I could not get there, only to find out that no American had been up there in the northeast sector.

I remember so well a very attractive British general by the name of Rupert Smith, who we will be hearing a lot from. He is quite a figure. He took pity on me after the second or third day and agreed to help me get up there. So we did, in a driving snowstorm, go up to the northeast sector, where we talked to those individuals up there with the United Nations.

The commander at that time, from Norway, was General Haukland, who said at that time when I said, ''Can you assure us that our participation up in this northeast sector can be done and the mission accomplished and we can be out of here in 12 months,'' and they all started laughing. General Haukland used the analogy, he said, ''Senator, it is like putting your hand in water and then leaving it there 12 months, and you take it out of there and everything is back the way it was, and you cannot tell your hand was there in the first place.'' He started talking about the responsibilities we would have to keep peace up there. At one time, when I said, ''12 months,'' he said, ''You mean 12 years.''

''No, we mean 12 months.''

It was a very distressing experience. When we came back, we had another Senate Armed Services Committee, and we repeated the questions to Secretary of Defense Bill Perry and General John Shalikashvili. Again, they were emphatic that it would be done. Of course, that is when we had the lengthy debate on the resolution.

I will read to you out of the CONGRESSIONAL RECORD from December 13 from this floor, right here, quoting myself:

> But the administration cannot have it both ways. President Clinton cannot say that our vital interests are threatened in Bosnia and at the same time pledge that we will be out of Bosnia in a year. If two vital interests—European security and NATO alliance—are truly threatened in Bosnia, how can there be a one-year statute of limitations on our response? Since when are American vital interests only worth one year's commitment? . . . If there are vital interests at stake, the administration should be honest and tell the American people that we are committed to Bosnia for a longer period of time.

In the last few days, Tuesday's Washington Post: '' * * * A consensus is growing among senior NATO officials that a substantial NATO-led follow-on force will likely patrol Yugoslavia well into 1997, according to alliance officials in and Western diplomats.''

Strong indications are that United States troops will stay in Bosnia for much longer than 1 year.

Finally, yesterday, the other shoe dropped, and Secretary Perry said,

''NATO will not want simply to give up on the investment that we have made in Bosnia.''

This is a kind of a creep that we get into. We make a commitment, and while mission creep is a very realistic thing, this is commitment creep. We are now saying we will be there for a longer period of time.

I wanted to be proven wrong, but I was right when I said on this floor on December 13, 1995, and I have to repeat it now because this will become a major issue:

The simple truth, Mr. President, is that the Republic of Bosnia and Herzegovina is about to become America's pet country. The United States of America is going to own Bosnia and all of her problems just as soon as the 1st armored division sets up in Tuzla. Does anyone really believe that we will leave Bosnia in a year if the threat to her stability remains? Does anyone really believe after arming, training, and equipping the Bosnian army for a year that we will stand by and watch if our pet army is on the verge of defeat? Of course not; if Bosnia is as important as the administration says it is, we will stay in Bosnia as long as we have to . . . I say to my colleagues—

December 13.

We are on the verge of what may be a very long commitment.

I am not saying that to say we were prophetic at that time, Mr. President. I am only saying that we made that statement. I firmly believe there are more than four Senators who would have voted for the resolution of disapproval if the administration had been honest with us and admitted to us that our commitment was going to be longer than 1 year. They were not honest with us. They were not honest with America. That was just a commitment that happens to coincide with the reelection in November of this current year.

I think it is something we have to address. We will have to make a decision. Are we going to stay in until some tragedy takes place? I remember so well—I am not being partisan, I am not just being a Republican on this floor—it was George Bush in December 1992 that sent the first American troops over to another commitment that we had, with the idea they would be coming back in 90 days, and of course Bill Clinton took office in January 1993, and the troops stayed over in Somalia. It was not until 18 of our troops were brutally murdered and their corpses dragged through the streets of Mogadishu that the American people finally put enough pressure on the administration to bring our troops home.

I see the same type of analogy right here, that we could leave them there indefinitely. I can tell you right now if they do not stay with that 1-year commitment, it will not be just another few days, another week or another month; it will be exactly as every U.N. commander, U.N. and NATO force that we dealt with said it was going to be and predicted, as we told the American people.

It is going to be a much longer period of time. This is a very serious thing. We are going to have American troops at risk. It is far more serious than the other one; that is, while we are deploying troops all around the world on missions that are either peacemaking or peacekeeping—and the world is expecting us to do this now all the way from the Near East to the Far East to the Middle East—now they are expecting us to come in on the Golan and come into the Gaza on peacemaking and peacekeeping missions at the same time we are sending our American troops. We are depleting our very scarce resources. As I said earlier on the floor today, we have been cutting our military budgets each year for 12 consecutive years, and we are in the same position we were back in 1980.

So it exacerbates that problem to think we are going to be leaving troops over there longer than this period of time. I am deeply distressed about developments in the Middle East, and about the things we are hearing out of Iraq.

I remember so well when the Saddam Hussein—the guy who murders his own grandchildren—made a statement 5 years ago that if we had waited 5 years to invade Kuwait he would have had the capability of reaching the United States with a missile with a weapon of mass destruction. This is a very serious thing.

So we are making it even worse by leaving troops in place where the President committed to the American people the troops would be out in a period of 12 months. I never believed they would. Most of the people here never believed they would. I suggested there are many people who would have voted in favor of a resolution of disapproval to keep our troops out of it. Now we are in the position where I would lead the charge to support our troops over there, but we have to go back to the original mission, keep our commitment to the American people, and keep our commitment to this Congress and to the Senate Armed Services Committee.

So I serve notice to the administration at this time that it is not going to be easy for them to leave our troops over there past the time that they promised and committed to us the troops would be back.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Senate continued with the consideration of the nomination.

Mr. GRASSLEY. Mr. President, I am very pleased to support the reappointment of Alan Greenspan to the chairmanship of the Federal Reserve Board. If we want to do something about the economy, if we want to do something about creating jobs and keeping the economy moving, it seems to me that the first step we can take is the quick approval of the nomination of Alan Greenspan. It has been on the agenda quite a while. I think that we ought to move forward.

I have had a chance to observe several Chairmen of the Federal Reserve Board. I look at what these Chairmen do not in the way of specific policy but in the way of bringing stability, in the way of bringing confidence, to the system. It seems to me that Alan Greenspan has been very good at bringing confidence to the system. Confidence is very important in a free market economy. Particularly where a Government like ours is so dominate in the economy, with about 23 percent of the gross national product being our Federal budget. The fact that we may make erratic decisions in Government, or unpredictable decisions, or even send the signal that we might be about to make some bad decision, can have a very tremendous impact upon the economy; whether the President makes the decision, or whether the Congress makes it. The public is very suspicious of the Government making irresponsible decisions in an election year. All of this brings a lack of confidence in Government action, having a very detrimental impact upon the economy.

So when you have a steady hand like Chairman Greenspan tends to have, it seems to me that it builds confidence. He has given a very good stewardship to the American financial system. He has had a very consoling influence over the economy. He has had a sound policy.

If we are going to build the economy and create jobs, it means that we need to approve this type of steady person to be Chairman of the Federal Reserve Board. The fact that we are raising some questions about whether he should be confirmed and that we are taking so long to get him confirmed, seems to me to be disconcerting to a lot of people who otherwise, if they had confidence that Congress is going to make responsible decisions, would move forward with those business, economic, and investment decisions that are going to create jobs.

So I think the reappointment of Alan Greenspan is nothing but good news for jobs and for the economy. He has had the confidence of three Presidents of different philosophies. I believe he has proven himself to be an effective inflation fighter. Big Government types might be disappointed in the announcement. But the fact is that Chairman Greenspan has held the line on inflation, and that has been a big part of helping the economy grow.

The economy I believe grows because Greenspan himself is a personality. There is a certain amount of confidence building in what he does. He kind of leadership exudes confidence through his personality. This confidence is so necessary for job creation, or I should say for the investment that brings about job creation.

We have just spent a lot of time talking about balancing the budget. This very day we passed a budget resolution balancing the budget in 6 years. Unfortunately, not 7 years like we were talking about last year, because we lost that opportunity when the President of the United States vetoed the first balanced budget act that a Congress had passed in a generation. He vetoed it on December 5.

If you wonder if Congress can pass a balanced budget, yes. Congress can do it. But we cannot do it over a Presidential veto. So we start out again as we did today to balance the budget.

If we balance the budget, if we create a situation where Government is going to live within its means—and a policy of living within our means is a much more predictable policy and sends a more clear signal about the economy—then people are going to have more confidence in what Congress is going to be doing in the future. Just balancing the budget will reduce interest rates by 2 percent. Chairman Greenspan has said that. That is going to have a very positive impact upon investment and job creation, particularly in small business where 70 percent of the jobs are created in our economy.

But when Congress has not balanced the budget for a generation—27 years to be exact—when Congress is fiscally irresponsible over such a long period of time, the public has to have confidence that there is some nonpolitical entity out there that is going to be a counterbalance to the irresponsible fiscal decisions made by the elected branch of Government—the Congress and the President.

The more Congress acts with fiscal responsibility, the less significant is the job of the Federal Reserve Board to offset the bad decisions made by the Congress.

If the people who raise questions about the impact of the Federal Reserve, and what they would consider negative impacts of the Federal Reserve on the economy, would put their muscle and shoulder behind having a sound fiscal policy passed by the Congress of the United States, then they would not have to be so concerned about the Federal Reserve. There would be less concern of inflation and less for the Federal Reserve to do. The more satisfied the Chairman would be, and the less there would be observation by the financial centers of the world about what he might be saying. We would all be working together to build the confidence that it takes to create jobs and to encourage investment to do it.

So we, in this body, ought to be putting our energy to not so much fighting the appointment of Chairman Greenspan but to being more fiscally responsible. Those particularly on the other side of the aisle should have encouraged their President to sign the first Balanced Budget Act that had been passed in a generation to get us on the road to fiscal responsibility and to build the confidence that encourages investment and creates jobs. Further, they should stop putting on the shoulders of our children and grandchildren our living high on the hog in this generation. The immoral aspect of our being materialistic and not caring about who pays for the bill has, more sadly, deprived our children and grandchildren of the American dream. They deserve a life without being saddled with paying for an out-of-control Government.

Alan Greenspan has been a strong and consistent advocate of our balancing the budget. While we have been spending time debating, Chairman Greenspan has been on the front line fighting the results of big Government spending, the deficit and the potential inflation that that brings about, especially high interest rates. The Federal Government is more and more every day in the line seeking credit—we always tend to be first in the credit line and the Federal Government will pay whatever it takes to borrow what is needed—affecting interest rates. And the private sector borrowers, who are next in line, are going to pay more than what the Federal Government pays to borrow money. There is going to be less investment and less jobs created because of that. Because he is an inflation fighter, because he helps build confidence, he has saved jobs by keeping inflation in check and he has helped to provide a steady climate for business to grow.

There is a recent Journal of Commerce editorial that states, ''the Fed and Mr. Greenspan have done their jobs well. The economy has been growing at a decent rate.''

The editorial goes on to quote the chairman of the Senate Banking Committee, Senator D'AMATO, that Americans have ''benefited from a lengthy period of stable, predictable prices, making purchase and investment decisions much more efficient.''

The big Government types in Washington think that only the Federal Government can spend money efficiently. The Federal Government can spend money very efficiently, but the efficiency with which we spend the money is more related to the rapidity with which we spend money, and not the efficiency with how much we get out of each dollar that is being spent. There is going to be more economic progress made by that dollar being spent in the private sector than being spent in the public sector. More jobs will be created as a result of the private sector, and that is the efficiency that Senator D'AMATO speaks about.

I know there are those who would still like nothing more than to start up the Government printing presses and to push more money into the economy, to reflate, as some people would say. But inflation is the result. And inflation is a sales tax on the consumers of America. It is an expense on interest being borrowed. It is just another tax that is the most regressive tax that you can have. It is a tax applied regardless of ability to pay.

For those people on the other side of the aisle who are always talking about: We have to tax the high incomes, tax the wealthy, tax the corporations, be progressive in the taxation—I wish they were as concerned in the war against inflation as Chairman Greenspan is, of how regressive the tax of inflation is upon the poor people of America.

Those who want to start up the printing presses believe that is the way to make the economy grow, a way to solve economic problems. That was the old way for Government to do business. It is still too much a part of Government, but not as much of a part, as it has been under a lot of other people. All of the previous Chairmen's jobs were more difficult because of an irresponsible Congress for a generation, I might say. I do not tend to blame the Federal Reserve Board. They are always acting after the fact. They are always looking at what is a responsible Congress doing, or, rather is it being irresponsible? The blame ought to rest with us, but it is always easier to push it off onto somebody else.

So, all Americans can be thankful that Chairman Greenspan does not walk down the path of inflation, of inflating our way out of the problem. For all Americans today recognize the wisdom of fiscal responsibility. That is why we have 80 percent of the people of America who expect us to pass a constitutional amendment requiring a balanced budget. It does not matter whether that is fiscal responsibility in the Congress or in the administration, because they know, if we do that, we are going to have a responsible monetary policy.

It is ironic, perhaps, that when he was first nominated to the Federal Reserve by President Reagan, many thought that Mr. Greenspan would not be aggressive enough against inflation. We must remember that he was replacing one of those legendary inflation fighters of all times, former Chairman Paul Volcker. All of us remember how Chairman Volcker tamed sky-high interest rates that were hurting ordinary Americans. Many were fearful of a return to that time. Now, being nominated to a third term, the criticism is being leveled from the opposite direction. ''Alan Greenspan is being too tough on inflation,'' these critics say. ''Alan Greenspan should lower interest rates and free up money,'' they say.

There is one way to lower interest rates effectively to the benefit of the American people and American businesses. That way is to have a sound fiscal policy in the Congress of the United States. It is the best way to build confidence. I suppose somebody could argue you do not always have to have a balanced budget to have a sound fiscal policy because I suppose you could measure it over the long haul, but over the long haul we have been totally irresponsible, year after year, for 27 years.

It might sound idealistic, but at least, if you have a balanced budget and the public can predict you are going to live within a balanced budget, that helps to build confidence. Because the more we can do in Government that lends to predictability, the more confidence we are going to build. So, that way is to balance the Federal budget. Nothing could be more beneficial to the American economy than if we in Congress could get our own spending habits under control.

During the debate on the farm bill last year, and this gets back to interest rates being lower as a result of our balancing the budget, I had an opportunity to ask the Food and Agriculture Policy Research Institute, an institute working in tandem between the University of Missouri and Iowa State University—I asked the Institute what benefit it would be to agriculture if Congress balanced the budget. This institute replied that, if the Federal budget were balanced by the year 2002, the yearly benefit to agricultural economy would be $2.3 billion due to interest rate reductions. On top of that increased cash flow from increased economic activity would be another $300 million yearly into the profitability of agriculture. So this adds up to a total increase of $2.6 billion per year, just for agriculture, if Congress balances the budget.

The Institute's findings are based on the Congressional Budget Office estimate that short-term interest rates would decrease 1.1 percent, and long-term interest rates would decline 1.7 percent. That is still under what Chairman Greenspan said that interest rates would go down to if we were to balance the budget. Everybody knows, whether it is small business or agriculture, interest rates are extremely important to profitability. Farming happens to be a very highly capital intensive industry. Land is expensive and getting more expensive, and farm machinery is expensive. The lower the interest rates the better for our farmers. Small business benefits as well. We all understand the need of lower interest rates.

But, again, it is better to achieve those lower interest rates through congressional action on a balanced budget, not on some inflationary action by the Federal Reserve.

A recent editorial in the Washington Post said it so well—that editorial states:

> There will always be a debate about how fast the economy can safely be allowed to grow and where the balance point exists between the risk of renewed inflation and lingering slack. The more success the Fed has had in combating inflation, lately, the more that risk has seemed to recede. But that hardly means that the board's policies have been wrong.

The editorial continues:

> Our own sense is that the board has both less latitude and less fine control of the economy than some of the rhetoric surrounding its decisions would suggest. Its ability to tilt in the direction of growth is further constrained by Congress itself. The budget deficit they have compiled in recent years has given the board little choice but to lean on the brakes as an offset. Mr. Greenspan seems to have done the job in navigating a narrow channel.

I think that says it better than anything I can say. But it reemphasizes, from the Washington Post editorial, the significant difficulty of Chairman Greenspan's job and the Federal Reserve's job of fighting inflation when Congress is fiscally irresponsible.

If we want the economy to grow, we do that by having a predictable fiscal policy, and that is best done when we are committed to balancing the budget year after year after year. In turn, people then can look at the Federal Reserve and say they do not have a very important job; their job is less significant than our decisionmaking of business investment and the number of jobs that would be created, bringing about a stable economy.

Congress has not been responsible. So in the meantime, we have to have a master who can stabilize the economy. It seems to me that Alan Greenspan serves that purpose. We have seen real growth. We have seen real confidence. We have seen people investing more money in the stock market daily. We have seen new highs achieved in the stock market. If you do not think that is an important indicator, the President is talking about it all the time as a measure of why he should be reelected.

But if we want to encourage growth, we have no further to look than ourselves in this body and the other body. Balancing the Federal budget will promote and ensure economic growth. Confirming Alan Greenspan to a new term as Chairman of the Federal Reserve will keep inflation under control and promote economic stability. The American people need this stability because it is the only way we are going to create the jobs we have to create to keep the American dream alive.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

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

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1878 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I yield the floor.

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.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

SENSELESS BURNING OF CHURCHES

Mrs. HUTCHISON. Mr. President. I have introduced a resolution against the senseless burning of churches that we have witnessed and, really, just become aware of in recent weeks. The latest one, unfortunately, is in my State. So I want to speak out on this issue for a few minutes.

Let me say, I think all of us have been horrified that a place of worship would be a place to be chosen by terrorists to desecrate. We all know in this country, whatever our religious preference is, how important a part of our lives the place of worship is, that it is a part of our communities, part of our families and part of what makes America so wonderful, that we do have the freedom of religion and the ability to come together to worship God in a way that we want to do.

It is because of that very special place that churches hold in our society that it is particularly awful that we see a burning of churches in any way, but especially in what seems to be a pattern. In fact, since 1991, there have been 110 such incidents of church arson that have been reported.

I picked up the phone this week and called Chester Thomas, who is the pastor at the New Light House of Prayer in Greenville, TX. This church was burned to the ground. Mr. President, I never cease to be amazed at how wonderful people can be in a time of crisis. And, truly, Pastor Thomas is a person that inspires me because he is so upbeat about the experience that he has just had. He told me that they have been experiencing burglaries in the church and vandalism. But now, of course, they have lost the church. It was burned to the ground. But he said that he had just come from a service that was put together by another church in Greenville, TX, a church that said, "Come and worship with us. Bring your congregation to our congregation, and we are going to work together to rebuild what you have lost."

You know, that is what America is—reaching out in a time of crisis that helps heal the wounds for something that really is unexplainable such as burning down a place of worship. But Pastor Thomas was very, very upbeat about it. He said, "We are going to come together, and this is going to make us stronger, and I love the people of this community. I even love the person that did this terrible act, because I know whoever it is is a troubled person."

Well, we can learn a lot from Pastor Thomas. I am here today to say to Pastor Thomas and to all of the people

who worship at the New Light House of Prayer in Greenville, TX, as well as the people who worship in the Church of the Living God in Greenville, TX, which was not destroyed but which was burned and is badly damaged, I am here to say to them that all of America cares, that this is not right, and we must condemn the burning, the desecrating and the destruction of religious property.

In fact, I am reading from the resolution that condemns the burning, desecrating, and destruction of religious property. We urge Federal law enforcement authority to expeditiously and vigilantly investigate and appropriately punish the perpetrators of these heinous crimes.

Mr. President, this is something that we can all come together and fight for. We will work with the President. We will work with the entire U.S. Senate and the entire U.S. Congress to say that we want to put teeth in the laws that would keep this from happening, because you are tearing down the very spirit of a community when you desecrate a place of worship. We do not want to do that. We want to speak out against it.

So I say to Pastor Thomas and to his whole congregation, to the people who also worship at the Church of the Living God in Greenville, TX, that we must to stand together against this, and by doing so, we will learn the lesson from Pastor Thomas. We will be stronger. We will be stronger as communities. We will be stronger as a country.

Mr. President, I wanted to read the list of the cosponsors of this resolution. Besides myself, they are Senators GRAMM, FAIRCLOTH, MCCONNELL, COCHRAN, THURMOND, COVERDELL, HELMS, D'AMATO, MURKOWSKI, WARNER, NICKLES, and ABRAHAM.

COMMENDING BECKY CAIN

Mr. BYRD. Mr. President, I would like to take a moment to commend the efforts of a fellow West Virginian, Becky Cain, for her enormous contribution to her State and country. Since Ms. Cain's days as a high school civics and American government teacher, she has worked to reverse the trend of low voter turnout and the lack of citizens' participation in politics.

In the 1970's, Ms. Cain began to volunteer for the League of Women's Voters, a nonprofit organization aimed at increasing the political participation of American women. Constantly on the search for new voters, she did not leave her days of manning voter registration tables behind when she became president of the League in 1992.

Mr. President, as president of the League, a volunteer post, Ms. Cain decided that the organization should undertake projects that would rebuild voters' faith in the political system. She has made it her mission to attack the apathy and distance between citizens and their government, a recurring problem that the League hopes to cure. Becky Cain and the League of Women Voters of the United States have made great strides toward this goal with the passage of the National Voter Registration Act, or the ''motor-voter'' law, in 1995. The ''motor-voter'' law has generated the greatest increase in voter registration since the late 19th century, registering some eleven million voters.

Ms. Cain and the League are now focusing on encouraging registered voters to take the second step and to responsibly vote. They have joined the Ladies' Home Journal in an effort to educate women voters by running political features aimed at women's issues.

Ms. Cain has been active in West Virginia for more than 20 years, working on numerous advisory boards to the government on issues such as environmental protection and health care reform. Her experience in grass roots movements has helped her to keep in touch with the voters as she fulfills the responsibilities of her national position in the League.

Mr. President, Ms. Becky Cain has ably served her fellow West Virginians and the American people through her participation on advisory boards, as well as her volunteer work for the League of Women Voters for the United States. She is a West Virginian who embodies the qualities and character of a leader, and I salute her for her commitment to the American political process. I ask unanimous consent that a recent article in the National Journal, entitled ''She's in a League of Her Own,'' be printed in the RECORD.

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

[From the Natural Journal, May 4, 1996]

SHE'S IN A LEAGUE OF HER OWN

(By Eliza Mewlin Carney)

When Becky Cain started staffing voter registration tables for the League of Women Voters of the U.S. in the 1970s, she frequently ran into people who were embarrassed to admit that they had failed to sign up to vote.

Now that she's president of the league, one of the nation's oldest nonprofit dedicated to citizen political participation, Cain still goes to malls and state fairs in search of new voters. But these days the public reaction is different.

''We get people saying: 'No. No way. I don't want to legitimize that system with my participation.' That's a whole different change in attitude,'' Cain said. ''They are choosing—deliberately choosing—not to participate in a system that they think is broken.

To Cain, a former teacher of high school civics and American government, that change is alarming. Cain's concern has helped prompt the league this year to pursue several projects aimed at rebuilding voters' faith in the political system and at closing the gulf between citizens and their government.

Since 1992, when Cain became president, a volunteer post, the league has scored one of its most important victories: the passage of the National Voter Registration Act, or ''motor-voter'' law, which took effect last year. Some 11 million citizens registered to vote in 1995, and another 9 million are expected to do so by November—the largest increase since the late 19th century, the league maintains.

Now it's time to make sure that those voters take the next stop and actually pull the lever, Cain said. In addition to a full roster of league get-out-the-vote and voter education activities, Cain's group has teamed up with the Ladies' Home Journal on a massive ''Power the Vote!'' campaign to increase women's political participation, which poll show has recently declined. (For more on the drop in women's voting, see NJ 4/13/96, p. 824.)

The league and the New York City-based Journal have set up a toll-free number to help people register and vote, as well as a World Wide Web site that offers how-to tips on rating debates, understanding political polls and interpreting campaign ads. Between now and November, the Journal, which has a circulation of 4.5 million, will also run political features aimed at women.

It's one of dozens of ambitious league partnerships formed under Cain, 48, who has been working her way up the group's ranks since 1975. A citizen activist in West Virginia for more than two decades, her eclectic background includes grass-roots political work and a stint as West Virginia's deputy secretary of state. She's also served on dozens of government advisory boards set up to tackle issues ranging from environmental protection to health care reform.

Her hands-on political savvy has helped Cain win powerful allies and raise the league's profile. The nonprofit, nonpartisan organization enjoys credibility on both ends of the political spectrum, and a healthy budget adds to its clout. The organization and its educational affiliate, the League of Women Voters Education Fund, spent upwards of $5 million last year.

But Cain's down-to-earth, ebullient personality has never allowed her to lose touch with voters and their day-to-day concerns, her colleagues say. Cain still lives in West Virginia, in a town outside the capital called St. Albans, and commutes by plane two or three days a week to the league's Washington headquarters. (The league reimburses her for the propeller plane rides, which officials say are cheaper than if Cain rented an apartment in Washington.) Much of her time is spent on the road visiting the league's 1,200 affiliates.

''She is very much in touch with not only what league members are doing, but with the politics of the country, which I think is an extremely important thing to bring into an organization,'' said Ann McBride, president of Common Cause, which is collaborating with the league and other like-minded groups on a grass-roots lobbying drive to promote campaign finance reform.

The league's education fund is helping to host a series of ''citizen assemblies'' nationwide that explore the relationship between money and politics. Dubbed ''Money + Politics: People Change the Equation,'' the project is a team effort with the Harwood Group, a Bethesda (Md.)-based research firm. The idea is to improve public understanding and to brainstorm new solutions to the campaign reform quandary.

If the league can help fight the malaise that's driving citizens from politics, Cain said, the 76-year-old organization will, in a sense, have come full circle. Originally launched by women who'd recently won the right to vote, the league has long sought to educate voters about citizenship and coax them to the polls. To Cain, that mandate is timelier than ever.

''We're seeing this erosion of people's trust and faith in the democratic process, in the health of our democracy,'' Cain said. ''Right now, Americans are opting out of the system. That's new, and that scares us. Because

we believe in the common good. And you can't get the common good if we're not all at the table.''

HONORING SENATOR MARK HATFIELD

Mr. BYRD. Mr. President, on June 11, 1996, a dinner honoring Senator MARK HATFIELD, who will be retiring from the U.S. Senate in January, was hosted by Senator STEVENS and myself in the National Archives Rotunda. I was privileged to make remarks at this salute to my good friend and colleague, Senator HATFIELD. I ask unanimous consent that my remarks, as delivered, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR BYRD

The great Supreme Court Justice Oliver Wendell Holmes once observed that, ''Life is painting a picture, not doing a sum.''

And, indeed, the transcendent life requires much, much more than a mere balance sheet of wins versus losses. Just as shade, hue and the subtle use of light distinguish great art, delicate nuances of character, honor and intellect provide the defining elements of a sublime human existence.

The man we honor here tonight has painted a life portrait worthy of Rembrandt. A deeply religious man, Mark Hatfield has done one of the hardest things in life for mere mortals to do. He has actually lived, and even more incredibly conducted a political career in near-perfect accordance with the teachings of his personal faith.

Mark Hatfield has been a faithful disciple of his own conscience. He has maintained that fidelity despite intense pressure sometimes from his own party. He has gone against the grain of popular public opinion. He was right about Vietnam when most of the rest of us, including myself, were wrong. He has sailed his boat against the wind time and time again, and only grown stronger from the experience. He has been called a ''maverick;'' yet, the quiet demeanor and ever gentle way of his conversation belie none of the steel in his spine.

The blind poet, Milton, wrote, ''Give me the liberty to know, to utter, and to argue freely, according to conscience above all liberties.'' We celebrate tonight the life and achievements of a man who has always known, and uttered, and argued freely from the dictates of his own keen inner voice. He is an inspiration to anyone who has been fortunate enough to watch him or to serve with him in public life. His kind is rare and growing rarer still in this vast city of towering egos, silly pretensions, and paper-mache values. Senator Hatfield is, in the words of Edwin Markham, ''a man to hold against the world, a man to match the mountains and the sea.''

Mark Hatfield's decision to return to the peaceful Oregon countryside leaves the United States Senate and this great country with a special kind of uneasy void. The political landscape of this nation will be suddenly starker for his leaving. Markham's words come once again to mind:

''. . . He held the ridgepole up, and spiked again
The rafters of the Home. He held his place—
Held the long purpose like a growing tree—
Held on through blame and faltered not at praise.
And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.''

RECOGNIZING THE 25TH ANNIVERSARY OF THE CLOSE UP FOUNDATION

Mr. NICKLES. Mr. President, I want to take this opportunity to congratulate the Close Up Foundation on the celebration of its 25th anniversary.

I would like to start this tribute by recognizing Close Up's Oklahoma roots. A fellow Oklahoman, Harry Janger, encouraged and guided his son, Steve, in the creation of the Close Up Foundation. While we are saddened by Harry's passing earlier this year, his legacy lives on. Steve Janger, the president and founder of Close Up, is a native Oklahoman. He is a graduate of the University of Oklahoma, the former president of the university's alumni association, and a continuing supporter of the university. Steve's family still resides in Oklahoma and he visits home as often as possible.

The strength Oklahoma gives to Close Up does not end with Steve Janger. He has involved many other Oklahomans on the foundation's board of directors. From the beginning, Close Up has benefitted from several distinguished graduates of the University of Oklahoma—Tom Kenan, Max Berry, and Gordon Zuber. Several years later, Joel Jankowsky, another distinguished Oklahoman, joined the Close Up board. These Oklahomans and the other board members serve without compensation and devote many hours of work to ensure the well-being of the foundation.

Their hard work and commitment has paid off. Close Up is the Nation's largest civic education organization, bringing approximately 25,000 participants a year to Washington for its various citizenship education programs. Close Up has participants from all 50 States, the District of Columbia, Puerto Rico, and the Pacific Island territories. Their principal program is the Washington High School Program. In addition, Close Up has developed programs for various special constituencies, in keeping with their mission of trying to reach at-risk or underserved students. This commitment has resulted in the creation of the program for new Americans, the program for Older Americans, a program for American Indians and Alaska Natives, and a program for Pacific Islanders.

Close Up's participants include all kinds of kids, from the academically gifted to those who struggle to stay in school. There are students with disabilities, students from inner cities, rural areas and suburban areas. There are students from all ethnic backgrounds and from all economic situations that are served by Close Up's efforts. Congress has appropriately recognized the importance of Close Up Foundation's work with students from virtually every background imaginable.

The uniqueness of Close Up is that it takes all of these students and puts them together for a week of learning. What results are strangers becoming best friends, young people breaking down stereotypes, and all of them learning the important lesson that as different as we all are, we all share the common bond of American citizenship and the responsibility for ensuring its continued greatness.

Mr. President, I want to congratulate Steve Janger, all of the other Oklahomans, and the thousands of people who have been associated with Close Up for the past 25 years. I wish them great success as they begin their work for another 25 years.

FOREIGN OIL CONSUMED BY THE UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending June 7, the United States imported 8,000,000 barrels of oil each day, 1,100,000 barrels more than the 6,900,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 56 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? U.S. producers provide jobs for American workers. Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 8,000,000 barrels a day.

INDIANAPOLIS 500 WINNER BUDDY LAZIER

Mr. CAMPBELL. Mr. President, as a sports enthusiast, I take great pride on coming to the floor today to acknowledge the extraordinary accomplishments of members of the sports community from my home State of Colorado.

To begin, I would like to pay tribute to Buddy Lazier, winner of the 80th annual Indianapolis 500 which took place this past Memorial Day. Buddy, a resident of Vail, CO, comes from a family with a history in race car driving, his father also being an Indy car competitor and finisher.

Winning this event would be a tremendous achievement for any race car driver. What makes Buddy's victory so special is the personal courage and strength that it took for him to even compete in the race, for it was only this past March that Buddy suffered a broken back as the result of a crash that occurred in Phoenix, AZ.

Barely 9 weeks prior to the Indy 500, Buddy was still in the hospital recovering, feeling no sensation in either his hands or feet. And, yet, Buddy arrived at the Indy 500 prepared to compete with every other driver, and in the end, was victorious in race car driving's most prestigious race. It takes an enormous amount of strength, both emotional and physical, for someone to overcome obstacles such as these. However, the recovery period for Buddy is far from over. He still experiences pain from his back injury. In fact, he had to be assisted out of the cockpit of his car when he reached the winner's circle that day.

As a motor sports enthusiast, I would like to commend Buddy on his skill and courage, and I'm certain all Coloradans will join with me in congratulating Buddy and wishing him well for a full and speedy recovery.

COLORADO AVALANCHE VICTORY

Mr. CAMPBELL. Mr. President, I would like to recognize the recent success of Colorado's national hockey league, the Colorado Avalanche. As many in this Chamber already know, the Colorado Avalanche won the Stanley Cup during the early morning hours of Wednesday the 12th, after an incredible triple-overtime 1 to 0 win over the Florida Panthers. This victory marks the first world championship in a major sport for Colorado, the Centennial State.

We were fortunate enough to have the Avalanche move to Colorado from Quebec, where they were known as the Nordiques. This last year was their very first season playing in Colorado, and their defeat of the Panthers make the Avalanche only the second expansion team in professional sports history to win a championship in its opening season.

During the course of the playoffs, the Avalanche also set a number of other records. For instance, the final game against the Panthers is now on record as being the longest scoreless game in finals history, with Uwe Krupp's winning goal coming after 104 minutes and 31 seconds of play.

In closing, Mr. President, I would like to commend both the Colorado Avalanche and the Florida Panthers on an exciting Stanley Cup final, and I congratulate the Avalanche on a job well done. I yield the floor.

THE VERY BAD FEDERAL DEBT BOXSCORE

Mr. HELMS. Mr. President, in making these daily reports about the Federal debt, which I began on February 27, 1992, I have tried to avoid partisan comment. But if I were a young American, just beginning my career, or just beginning to set up my family, I would be greatly concerned at the breakdown of the Senate vote on the budget resolution earlier today.

No, I would be more than concerned. I would be angry. The American people have demonstrated a hundred times in countless different ways that they want the tragic finances of the Federal Government cleaned up. They want a balanced Federal budget. They want Federal spending to be brought under control.

But in all fairness, Mr. President, when one looks at the 53 to 46 vote today on the budget resolution, it is apparent that the finances of the Federal Government are not going to be cleaned up, and the Federal budget is not going to be balanced, and Federal spending is not going to be brought under control. Not by the 104th Congress in any event.

Mr. President, the budget resolution approved today by the votes of 53 Republicans is not really going to help the young people of America who are now moving into maturity. The best that can be said of it is that it's better than doing nothing. None of the 46 Senators who today voted against the resolution has made any noticeable effort to cut Federal spending except for occasional efforts to try to downgrade our Nation's national defense.

As a result, the Federal debt, which today exceeds $5 trillion by more than $100 billion, will stand at a minimum of $6.5 trillion shortly after the turn of the century. Even under the resolution approved today, the interest on the Federal debt in 1997 will cost the taxpayers more than $282 billion; and in the year 2002, the American taxpayers will be socked for a minimum of $302 billion just to pay the interest on the debt that the Congress of the United States will have run up by that time.

Where did I get these figures? I got them by calling the Congressional Budget Office which acknowledged that the sad story I've outlined here probably will be even worse on the taxpayers than today's CBO's computations.

Mr. President, 4 years ago when I commenced these daily reports to the Senate it was my purpose to make a matter of daily record the exact Federal debt as of the close of business the previous day.

In that first report on February 27, 1992, the Federal debt at the close of business the previous day stood at $3,825,891,293,066.80. Fast forward to yesterday when, at the close of business, a total of $1,315,395,536,138.33 had been added to the Federal debt since February 26, 1992.

Yesterday, Wednesday, June 12, 1996, the exact Federal debt stood at $5,141,286,829,205.13 at the close of business. On a per capita basis, every man, woman, and child in America owes $19,396.59 as his or her share of the Federal debt. But since the majority of Americans are children, or are unemployed, or pay only a small amount of taxes, the ''per capita'' computation is almost meaningless. You might want to ponder what your share of the debt really is.

And today's young people really have an enormous burden facing them in the 20th century.

LABELCRAFTERS OF SOUTH DAKOTA, INC.

Mr. DASCHLE. Mr. President, I want to share a story of how one South Dakota family turned their vision and entrepreneurial drive into a thriving business. ''We had one press, one employee, and zero customers.'' That statement tells the story of the beginning of Labelcrafters of South Dakota, Inc., the Sioux Falls-based company honored by the Small Business Administration. Del and Janice Buttolph started Labelcrafters in 1987 and 9 years later are being named the South Dakota Small Business Persons of the Year. They manufacture pressure-sensitive labels for a variety of manufacturers in the four-State region.

The Buttolphs met with me here in Washington, DC, during Small Business Week. That statement about their beginning is indicative of the risk-taking, entrepreneurial spirit, and dedication small business owners like Del and Janice Buttolph bring to a business startup. I know from my discussions with them that they brought great talent and experience to this venture.

The Labelcrafter motto is ''Quality and Service—Our Priority.'' Acting on this motto has resulted in growth to 27 employees and three state-of-the-art presses with a fourth on the way. In fact, they plan on expanding into a larger building next year.

We all strive to learn the ingredients of a successful business startup. Besides their commitment to quality and service, I was most impressed by their commitment to treating their employees well. They provide employees with health, life, and disability insurance, a 401(k) plan matched by the company, and well-paying jobs. I hope their experience is an inspiration not only to budding entrepreneurs, but to established companies as well.

The Buttolphs were helped in this venture by the Small Business Administration, which provided timely and technical advice and cost-sensitive capital through the local bank. This public-private collaboration worked exactly as it was designed by Congress. As a result of their initiative and dedication, the Buttolphs produce a quality product, provide excellent service, and run a profitable business that benefits their 27 employees and the Sioux Falls community.

MESSAGES FROM THE HOUSE

At 10:58 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent

resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

The message further announced that the House agrees to the following concurrent resolution, without amendment:

S. Con. Res. 63. Concurrent resolution to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands.

H.R. 3603. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands; to the Committee on Environment and Public Works.

H.R. 3603. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and other purposes; to the Committee on Appropriations.

Pursuant to the order of May 23, 1996, the following bill was referred to the Committee on Indian Affairs for a period not to exceed 10 session days:

H.R. 3286. An act to help families defray adoption costs, and to promote the adoption of minority children.

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–3026. A communication from the Secretary of the Department of Education, transmitting, pursuant to law, the report entitled ''Semiannual Report to Congress on Audit Follow-Up''; to the Committee on Governmental Affairs.

EC–3027. A communication from the Secretary of Education, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3028. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC–3029. A communication from the Secretary of Labor, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3030. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3031. A communication from the Secretary of Energy, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3032. A communication from the Attorney General, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3033. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3034. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3035. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-268 adopted by the Council on May 5, 1996; to the Committee on Governmental Affairs.

EC–3036. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a notice of approval for a personnel management demonstration project for the Department of the Air Force; to the Committee on Governmental Affairs.

EC–3037. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the semiannual report of the Inspector General and the Management Response for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3038. A communication from the Administrator of the U.S. Environmental Protection Agency, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3039. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3040. A communication from the Tennessee Valley Authority, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC–3041. A communication from the Chairman of the Board of Directors of the Panama Canal Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3042. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3043. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 4, 1996; to the Committee on Governmental Affairs.

EC–3044. A communication from the Chief Operating Officer and President of the Resolution Funding Corporation, transmitting, pursuant to law, the report of financial statements and other reports for calendar years 1994 and 1995; to the Committee on Governmental 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–584. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources.

''SENATE JOINT RESOLUTION NO. 13

''Whereas, the Secretary of the Interior has proposed rules concerning R.S. 2477, rights-of-way on public lands, and these proposed rules would create a hardship on the state; and

''Whereas, longstanding and previously accepted public property rights could be legislatively extinguished, because the rule requires all public rights-of-way across lands administered by the Bureau of Land Management, National Park Service, and Fish and Wildlife Service to be reclaimed within two years, and a failure to reclaim these lands would constitute an automatic relinquishment of the rights-of-way; and

''Whereas, the burden of proving the validity of all existing public rights-of-way is placed upon the local government and the proposed rules would require local governments to immediately initiate a labor-intensive and time-consuming validity determination process; and

''Whereas, in view of the fact that most rural governmental agencies would not have sufficient staff or funding to comply with the proposed federal validity requirements, the likely result is a loss of many public rights-of-way; and

''Whereas, where a valid right-of-way is subsequently recognized by the Department of the Interior, maintenance or reconstruction activities associated with the right-of-way, that occurred after October 1976, may be deemed an unauthorized use or trespass; and

''Whereas, the determination of validity will be vested in the ''authorized officer'' which is defined as the Director of the Bureau of Land Management, the Regional Director of the United States Department of Fish and Wildlife, and the Regional Director of the National Parks Service, or a combination of those officials; and

''Whereas, compliance with, and interpretation of, those validity determination requirements will most likely result in a complex bureaucratic process for local governmental agencies; and

''Whereas, during the validity determination process, routine maintenance activities

could be denied because they would be subject to review and approval by the appropriate federal agency; and

''Whereas, in the event of an accident, that delay could result in serious liability issues for the local government previously responsible for maintenance of the right-of-way; and

''Whereas, R.S. 2477, constitutes another significant unfunded federal mandate, and illustrates the problems created by the proliferation of unfunded mandates; and

''Whereas, the costs incurred as a result of the validity determination process would not be reimbursed by the federal government and the process could result in forfeiture of rights-of-way by those local governments unable to bear the costs of the process: Now, therefore, be it

''*Resolved by the Senate and Assembly of the State of California, jointly,* that the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact legislation that would temporarily prevent the Secretary of the Interior from implementing the proposed rule changes regarding R.S. 2477, as published August 1, 1994, in the Federal Register governing rights-of-way access across federal public lands, until such time that Congress can reexamine the issue of public rights-of-way in collaboration with affected states, local governments, landowners, and the general public; and be it further

''*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Secretary of the Interior, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–585. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Energy and Natural Resources.

''HOUSE JOINT RESOLUTION NO. 159

''Whereas, the Federal Surface Mining Act of 1977 has been adopted by the Commonwealth of Virginia; and

''Whereas, the current reclamation laws require complete elimination of all highwalls; and

''Whereas, this requirement discourages the use and economical remining of abandoned strip mine sites in southwest Virginia; and

''Whereas, the remining of such abandoned sites would increase employment and provide usable reclaimed property for housing and industrial development; and

''Whereas, the General Assembly of Virginia appreciates and supports reasonable safeguards to protect watershed, streams, water supplies and citizens; and

''Whereas, the General Assembly of Virginia believes that government funds now being used to reclaim abandoned sites should be substantially used to supply potable water to coalfield residents; and

''Whereas, the General Assembly of Virginia supports the appropriate amendments to all applicable federal and state laws and regulations which would encourage and allow the remining of previously strip-mined sites under the appropriate safeguards to ensure protection of the public safety and welfare: Now, therefore, be it

''*Resolved by the House of Delegates, the Senate concurring,* That the Congress be urged to support appropriate amendments to federal laws to encourage the remining of previously strip-mined sites; and, be it

''*Resolved further,* That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Liaison Office, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia.''

POM–586. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Energy and Natural Resources.

''SENATE JOINT RESOLUTION NO. 64

''Whereas, the Federal Surface Mining Act of 1977 has been adopted by the Commonwealth of Virginia; and

''Whereas, the current reclamation laws require complete elimination of all highwalls; and

''Whereas, this requirement discourages the use and economical re-mining of abandoned strip mine sites in Southwest Virginia; and

''Whereas, the re-mining of such abandoned sites would increase employment and provide usable reclaimed property for housing and industrial development; and

''Whereas, the General Assembly of Virginia appreciates and supports reasonable safeguards to protect watersheds, streams, water supplies and citizens; and

''Whereas, the General Assembly believes that government funds now being used to reclaim abandoned sites should be substantially used to supply potable water to coalfield residents; and

''Whereas, the General Assembly of Virginia supports the appropriate amendments to all applicable federal and state laws and regulations which would encourage and allow the re-mining of previously strip-mined sites under the appropriate safeguards to ensure protection of the public safety and welfare: Now, therefore, be it

''*Resolved by the Senate the House of Delegates concurring,* That the Congress of the United States be urged to support appropriate amendments to federal laws to encourage the re-mining of previously strip-mined sites; and, be it

''*Resolved further,* That the Clerk of the Senate transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia.''

POM–587. A resolution adopted by the Senate of the Legislature of the State of Georgia to the Committee on Energy and Natural Resources.

''SENATE RESOLUTION NO. 433

''Whereas a proposal has been made to the United States Congress to sell facilities used by the Southeastern Power Administration (SEPA) which is headquartered in Elbert County, Georgia; and

''Whereas, these facilities, which include nine hydroelectric dams, provide electric power and reservoirs for Georgia; and

''Whereas, all of these facilities, operated by the United States Army Corps of Engineers, also provide the public with needed fish and wildlife resources, municipal, industrial, and agricultural water supplies, flood control, reservoir and downstream recreational uses, and river water level regulation; and

''Whereas, such proposed sale would give too little assurance that these assets will be administered with due consideration to the purposes of the facilities not related to power production, such as water supply, flood control, navigation, recreation, and environmental protection; and

''Whereas, the revenue from the electricity generated by the hydroelectric dams exceeds the retirement obligations of the construction bonds and costs of operation and maintenance for these facilities; and

''Whereas, many Georgians served by these facilities could likely experience significant rate increases in electricity and water as a result of this sale: Now, therefore, be it.

''*Resolved by the Senate,* That the members of this body urge the United States Congress to reevaluate the negative impacts of this proposal and avoid any transfer of federal dams, resources, turbines, generators, transmission lines, and related power marketing association facilities.

''*Resolved,* That the Secretary of the Senate is authorized and directed to transmit an appropriate copy of this resolution to the Speaker of the United States House of Representatives, and presiding officer of the United States Senate, and members of the Georgia congressional delegation.''

POM–588 A concurrent resolution adopted by the Legislature of the State of Arizona to the Committee on Energy and Natural Resources.

''HOUSE CONCURRENT MEMORIAL 2001

''Whereas, wise and enlightened management is vital to preserving the vital resources of the vast rural areas of the west in general and the state of Arizona in particular, including environmental, scenic, wildlife, habitat, land and water resources; and

''Whereas, most of Arizona's rural lands are characterized by a patchwork of federal, state and private land ownership patterns, resulting in divergent uses and management goals and practices; and

''Whereas, the disunity of management fails the public interest and the public expectation of the optimal use and protection of the land and its resources; and

''Whereas, holistic resource management practices have proven to be a successful method of incorporating the critical environmental and habitat requirements of plant and animal species with the resource requirements of the public; and

''Whereas, holistic practices involve the participation and sponsorship of all parties with an interest in resource management and thus bring together otherwise competing and opposing interests to work cooperatively toward a united goal; and

''Whereas, federal land managers, vital elements in achieving overall consistency, are frequently constrained from participating in comprehensive resource planning because of narrowly focused policies imposed by remote and hierarchical organizational orientation; and

''Whereas, federal resource management needs to be incorporated into a broader, community based approach to reach the best public good.

''Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

''1. That the Congress of the United States enact legislation to allow comprehensive holistic resource management of federal lands along with state and private lands and authorize federal land management agencies to study and determine the management practices that provide a comprehensive overview to benefit all resources, including plant and animal species.

''2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.''

POM–589. A concurrent resolution adopted by the Legislature of the State of Arizona; to

the Committee on Energy and Natural Resources.

HOUSE CONCURRENT MEMORIAL 2002

''Whereas, on July 18, 1995 Governor Fife Symington established the Arizona preserve initiative task force to evaluate and recommend appropriate ownership and management alternatives for environmentally sensitive state trust lands; and

''Whereas, the task force identified over six hundred thousand acres of state trust lands that have unique and significant public values; and

''Whereas, the task force recommended that these lands be conserved and protected from incompatible use so that their value as undeveloped open land can be enjoyed by future generations; and

''Whereas, the task force considered many factors, including the potential threats to the land, potential uses of the land, the open space value of the land, conservation strategies and alternative management options, entities and agencies, in order to arrive at the optimum recommendations with regard to the several study areas; and

''Whereas, several areas of state trust land are adjacent to and within federal management areas and suitable for conveyance to the federal government in order to preserve them from uses that are incompatible with their preservation value; and

''Whereas, the federal government has used a condemnation process in the past to acquire state property and provide payment with federal lands of equal value that are more suitable for lease or sale for revenue purposes for the state trust beneficiaries; and

''Whereas, the condemnation process has had and could have significant environmental benefits for land management and major financial benefits for the trust beneficiaries; and

''Whereas, meetings on this issue have occurred between state and federal land management agencies over several years and a tentative condemnation package has been discussed; and

''Whereas, the condemnation process requires congressional authorization.

''Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

''1. That the Congress of the United States enact legislation to authorize federal acquisition of designated environmentally sensitive state trust lands in the State of Arizona that are best suited for conservation by condemnation and repayment to the state trust with federal lands of equal value that are suitable for future lease or sale for revenue generation for the trust beneficiaries, and which are acceptable to the state, except that state trust land shall not be condemned for expansion of the Buenos Aires national wildlife refuge.

''2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.''

POM–590. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

''HOUSE CONCURRENT MEMORIAL 2007

''Whereas, livestock production and open range grazing have played a major role in the cultural and economic development of the western states and, along with mining, timbering and homesteading, were a principal incentive for western settlement. Today, many western ranchers depend on designated federal lands to graze their livestock, and meat production is an important use of federal lands that benefits the public at large; and

''Whereas, the Taylor Grazing Act of 1934 put grazing resources under federal government supervision and authorized the Secretary of the Interior to charge reasonable fees for grazing on federal lands. Since then, federal legislation such as the Environmental Protection Act of 1969, the Federal Land Policy and Management Act of 1976 and the Public Rangelands Improvement Act of 1978 have maintained restrictions on livestock grazing on federal lands and have reinforced the intent of the federal government to retain ownership of these public lands; and

''Whereas, grazing regulations must strike a fair balance between the concept of compensating the public for use of its lands and ensuring proper protection of these resources while considering the implications of grazing fees or restrictions on individual ranching operations. Recently, however, the Secretary of the Interior implemented new public rangeland regulations that severely restrict livestock grazing on federal lands; and

''Whereas, both houses of the Congress have proposed legislation that would replace these regulations with others that balance both environmental and livestock grazing interests by promoting better management techniques that do not penalize western livestock ranchers. This legislation would, among other things, require the Secretary of the Interior, after consulting with relevant state officials, to set standards and guidelines for rangeland management at a regional, state or county level, allow nongrazing parties from the affected rangeland areas to participate in resource advisory councils that would advise the Secretary of the Interior on federal land use and provide for a modest increase in grazing fees that does not threaten the livelihood of western ranchers; and

''Whereas, many of the issues related to grazing on public lands are of regional and state concern, yet the new regulations implemented by the Secretary of the Interior include minimum national standards, covering all federal grazing areas, that fail to consider the specific, varying rangeland conditions in the individual states. In deference to state and local interests, the Secretary of the Interior should issue grazing guidelines on a state or regional, not national, basis, in consultation with the states' agricultural authorities; and

''Whereas, the members of the Forty-second Legislature of the State of Arizona support this state's ranchers and find that the grazing regulations recently adopted by the current administration impose extreme restrictions that threaten to shut down their ranching operations. If the federal government is unable to maintain equitable and productive multiple uses, including grazing, on federal lands, this state willingly accepts the responsibility to do so.

''Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

''1. That the Congress of the United States provide needed relief to the ranching industry by enacting legislation that protects the use of federal lands for livestock grazing.

''2. That the Congress of the United States encourage federal agencies, including the United States Forest Service and the United States Fish and Wildlife Services, to adopt a cooperative approach, when feasible, in promptly resolving livestock grazing issues.

''3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation.''

POM–591. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

''HOUSE CONCURRENT MEMORIAL 2006

''Whereas, millions of acres of trees and brush are at unnaturally high densities that choke the national forests in Arizona where dead, downed vegetation and foliage provide high hazard conditions for catastrophic wildfires; and

''Whereas, fire suppression capability cannot provide adequate fire protection for the vast expanse of national forest land and tens of thousands of private homes within Arizona; and

''Whereas, with the current situation of Arizona's national forest land, the question is not whether we will have catastrophic fires but rather when and where these fires will occur, threatening not only this state's abundant natural resources, but its citizens and communities as well.

''Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

''1. That the Congress of the United States immediately encourage the United States Forest Service to implement already authorized emergency timber sales to reduce fire hazard in the many communities that interface with national forests, reduce continuous landscape forest fuel loads, widen the highway corridors that pass through Arizona's national forests, prepare emergency access and egress routes through the national forests where local fire fighting agencies deem it necessary and to provide forest fuel breaks around populated areas located adjacent to high risk national forest lands.

''2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation.''

POM–592. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

''HOUSE CONCURRENT MEMORIAL 2005

''Whereas, the government of the United States has recognized the Tohono O'Odham tribe of Indians and has established the Tohono O'Odham Indian reservation on which the tribe may exist and preserve its identity, society and culture; and

''Whereas, the reservation contains many sites that are significant to the tribe's traditional cultural and religious heritage; and

''Whereas, a particular site that is sacred to the Tohono O'Odham Indians, Baboquivari peak, is only partially included in the reservation; and

''Whereas, a portion of Baboquivari peak, adjacent to the reservation, is owned by the federal government, and is thus not currently protected or preserved for the benefit of the Tohono O'Odham people.

''Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

''1. That the Congress of the United States enact legislation to transfer in trust that portion of Baboquivari peak consisting of federal lands for inclusion in the Tohono O'Odham Indian reservation.

''2. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to the President of the United States Senate, the Speaker of the United

States House of Representatives and to each Member of the Arizona Congressional Delegation.''

POM–593. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Energy and Natural Resources.

''SENATE CONCURRENT RESOLUTION NO. 19

''Whereas, Vernon, Beauregard, and the surrounding parishes rely heavily on the continuing economic support of Fort Polk; and

''Whereas, the potential transfer of portions of the Kisatchie National Forest should ensure the stability and permanence of the Fort Polk military base and possibly lead to its future expansion; and

''Whereas, the potential transfer of lands of the Kisatchie National Forest should not result in the expropriation of any privately owned property; and

''Whereas, if Congress transfers these lands, there should be no infringement upon private landowners' rights to their property by the military presence; and

''Whereas, the stewardship of the lands of Kisatchie National Forest should remain with the United States Forest Service in the event of such land transfer; and

''Whereas, if the transfer occurs, Fort Polk should ensure that the forest lands be subject to periodic inspection by the Environmental Protection Agency to address environmental concerns; and

''Whereas, if Congress transfers the lands, Fort Polk should use the land for maneuvering exercises without the use of live artillery or toxins which may endanger the public and indigenous wildlife; and

''Whereas, if the land transfer occurs, Fort Polk will give the public access to the forest at times it deems prudent: therefore, be it

''*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to transfer certain portions of the lands of the Kisatchie National Forest to the Fort Polk military base provided that the viability of the military base is ensured, that there will be no infringement upon property owners' rights to their land, and that environmental concerns will be addressed; be it further

''*Resolved,* That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.''

POW–594. A joint resolution adopted by the Legislature of the State of New Hampshire to the Committee on Energy and Natural Resources.

''HOUSE JOINT RESOLUTION

''Whereas, much of New Hampshire's air pollution results from air pollutants and their precursors transported into the state from upwind sources including electricity generation stations; and

''Whereas, the Energy Policy Act of 1992 requires the Federal Energy Regulatory Commission (FERC) to implement increased competition in the electric utility industry, but does not relieve FERC or other federal agencies of their responsibility and obligation to act in the public interest and to carefully review and mitigate critical environmental and health impacts that may result from open access to transmission services; and

''Whereas, FERC's draft Environmental Impact Statement on its Notice of Proposed Rulemaking Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Service by Public Utilities (the ''Mega-NOPR''), asserts that sizable increases in air pollution could occur due to a shift from cleaner generation sources to cheaper and dirtier generators, but then greatly underestimates FERC's obligation to mitigate the impact of its proposed Mega-NOPR actions, by selecting an inappropriate base case which assumes incremental implementation of the same policy of open transmission access, instead of selecting the more appropriate base case of no action and current air quality trends; and

''Whereas, there is sufficient underutilized electric generating capacity in midwestern states, subject to much lower air emissions standards than competitors in northeastern states, so that implementing open transmission access, without more appropriate, comparable and equitable environmental regulation, could result in increased electricity generation in midwestern states and significant additional air pollution transport to northeastern states; and

''Whereas, federal air pollution regulation of electric generators has too often been inappropriately based almost exclusively on air quality in the vicinity of the generator, without sufficient consideration of the effects of transport of pollutants to downwind areas; and

''Whereas, a considerable burden has been placed on New Hampshire by its designation as part of the Ozone Transport Region delineated by the Clean Air Act Amendments of 1990, despite considerable evidence that New Hampshire's exceedances of federal ambient air quality standards are overwhelmingly due to transported air pollution from upwind states; and

''Whereas, New Hampshire's electric rates have been much higher than the national average for many years, a substantial cause of which has been New Hampshire's pursuit over many years of lesser-polluting electricity sources as alternatives to construction of additional lower-cost, higher polluting coal-fired stations; and

''Whereas, New Hampshire, as a result of its Reasonably Available Control Technology (RACT) requirements for its own electrical generating stations, has shown that state-of-the-art selective catalytic reduction (SCR) RACT equipment installed at New Hampshire's largest coal-fired electrical generating station is a cost-effective method for reducing emissions of oxides of nitrogen (NOx), and would be cost-effective in other states as well; and

''Whereas, the costs for upwind electric generators to make similar source emission reductions, particularly in coal-fired stations, typically appear to be significantly smaller than the costs to northeastern states to compensate for transported air pollution by imposing more expensive mitigation measures on other sources of pollution; and

''Whereas, such source mitigation costs also appear to be only a small fraction of the potential additional revenue from increased generation by low cost coal-fired generators as a result of FERC's Mega-NOPR; and

''Whereas, Governor Stephen Merrill indicated in a July 20, 1995 letter to EPA Administrator Carol Browner that New Hampshire is not willing to subsidize the economy, environment, health and quality of life of upwind states at the expense of those aspects of its own citizens' lives; and

''Whereas, the state of New Hampshire would strongly prefer to avoid suing the federal government and upwind states to take actions to mitigate increased air pollution resulting from FERC's actions, pursuant to the Clean Air Act Amendments of 1990 and the National Environmental Policy Act: Now, therefore, be it

''*Resolved by the Senate and House of Representatives in General Court convened*:

''That the state of New Hampshire petitions the Federal Energy Regulatory Commission to implement open access to transmission services and increased competition in the electric utility industry in a manner that supports and furthers the goals of environmental improvement, such as by stipulating that all electricity generators transmitting power under FERC open access rules comply with equitable and appropriate environmental regulation to reduce interstate transport of air pollutants; and

''That the state of New Hampshire further petitions the United States Environmental Protection Agency, the Council on Environmental Quality, the Federal Energy Regulatory Commission, the Congress, and the President of the United States to work together to ensure that increased competition in electricity markets be truly full, free, and fair, including equitable and appropriate environmental regulation, based on comparable scientific criteria, for all electricity generators and consumers; and to carefully consider as alternatives to existing regulatory controls, innovative market-driven forms of environmental regulation, such as valuing the costs of pollution and using pollution control offsets; and

''That copies of this resolution, signed by the president of the senate, the speaker of the house, and the governor be forwarded by the house clerk to each member of the New Hampshire Congressional delegation, the President of the United States, the President Pro-Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, and the Council on Environmental Quality; and

''That this resolution is intended to be read in conjunction with HB 1392, which establishes principles for restructuring the New Hampshire utility industry, if and when it has been signed into law.''

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with amendments:

H.R. 3286. A bill to help families defray adoption costs, and to promote the adoption of minority children (Rept. No. 104–279).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 419. A bill for the relief of Benchmark Rail Group, Inc..

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 1533. A bill to amend title 18, United States Code, to increase the penalty for escaping from a Federal prison.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. Res. 226. A resolution to proclaim the week of October 13 through October 19, 1996, as ''National Character Counts Week.''

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations. Those identified with a double asterisk (**) are to lie on the

Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORDS of January 22, March 20, April 15, 19, 25, May 6, 14, 17, and 22, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of January 22, March 20, April 15, 19, 25, May 6, 14, 17, and 22, 1996, at the end of the Senate proceedings.)

**In the Army there are 133 promotions to the grade of colonel (list begins with Loren D. Alves). (Reference No. 836.)

**In the Army there are 1,210 promotions to the grade of lieutenant colonel (list begins with Daniel F. Abahazy). (Reference No. 965.)

**in the Army there are 27 promotions to be grade of lieutenant colonel (list begins with Glen L. Bloomstrom). (Reference No. 1019.)

**In the Army there is 1 promotion to the grade of lieutenant colonel (Robert A. Childers). (Reference No. 1037.)

**In the Army Reserve there are 3 appointments to the grade of lieutenant colonel (list begins with Carl E. Dawkins, Jr.). (Reference No. 1038.)

**In the Air Force there are 11 appointments to the grade of colonel and below (list begins with Kathleen S. Bohanon). (Reference No. 1050.)

**In the Air Force Reserve there are 19 promotions to the grade of lieutenant colonel (list begins with James C. Bair). (Reference No. 1051.)

**In the Navy there are 49 appointments to the grade of lieutenant (list begins with James A. Caviness). (Reference No. 1052.)

**In the Army there is 1 promotion to the grade of lieutenant colonel (Wayne E. Anderson). (Reference No. 1072.)

**In the Army Reserve there are 10 appointments to the grade of lieutenant colonel (list begins with Timothy J. Coen). (Reference No. 1073.)

**In the Army there are 174 promotions to the grade of lieutenant colonel (list begins with Garry F. Atkins). (Reference No. 1074.)

**In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with Thomas R. Bird). (Reference No. 1092.)

**In the Air Force Reserve there are 18 promotions to the grade of lieutenant colonel (list begins with Warren J. Andersen). (Reference No. 1093.)

**In the Air Force Reserve there are 79 promotions to the grade of colonel (list begins with Kenneth D. Allen, Jr.). (Reference No. 1094.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (E. D. Elek). (Reference No. 1102.)

**In the Marine Corps there is 1 promotion to the grade of colonel (Wade C. Straw). (Reference No. 1103.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (Thomas J. Felts). (Reference No. 1104.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (Patrick A. Sivigny). (Reference No. 1105.)

**In the Army Reserve there are 72 promotions to the grade of colonel and below (list begins with Charles C. Appleby). (Reference No. 1106.)

**in the Army Reserve there are 90 promotions to the grade of colonel and below (list begins with Mitchell L. Brown). (Reference No. 1107.)

**In the marine Corps there are 41 promotions to the grade of lieutenant colonel and below (list begins with Ronald J. Crabbs). (Reference No. 1112.)

Total: 1,994.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ronald T. Kadish, 000–00–0000; U.S. Air Force

The following-named officer for appointment to the grade of general in the U.S. Air Force while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Walter Kross, 000–00–0000

IN THE ARMY

The following-named officer for reappointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Gen. John H. Tilelli, Jr., 000–00–0000, U.S. Army

The following-named officer for appointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. Wesley K. Clark, 000–00–0000, U.S. Army

The following U.S. Army Reserve officers for promotion in the Reserve of the Army to the grades indicated under title 10, United States Code, sections 3371, 3384, and 12203(a):

To be major general

Brig. Gen. Paul C. Bergson, 000–00–0000
Brig. Gen. Douglas E. Caton, 000–00–0000
Brig. Gen. Anthony R. Kropp, 000–00–0000
Brig. Gen. John M. O'Connell, 000–00–0000

To be brigadier general

Col. Voneree Deloatch, 000–00–0000
Col. Robert M. Diamond, 000–00–0000
Col. Alfonsa Gilley, 000–00–0000
Col. Haywood S. Gilliam, 000–00–0000
Col. Pierce A. Roan, Jr., 000–00–0000
Col. Alfred T. Rossi, 000–00–0000
Col. Richard G. Simmons, 000–00–0000

The following-named officer for appointment to the grade of general in the United States Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. David A. Bramlett, 000–00–0000, U.S. Army

The following-named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Peter J. Schoomaker, 000–00–0000

IN THE MARINE CORPS

The following-named brigadier generals of the U.S. Marine Corps for promotion to the grade of major general, under the provisions of section 624 of title 10, United States Code:

To be major general

Brig. Gen. Thomas A. Braaten, 000–00–0000, USMC
Brig. Gen. Michael P. DeLong, 000–00–0000, USMC
Brig. Gen. Edward Hanlon, Jr., 000–00–0000, USMC
Brig. Gen. Geoffrey B. Higginbotham, 000–00–0000, USMC
Brig. Gen. George M. Karamarkovich, 000–00–0000, USMC
Brig. Gen. Jack W. Klimp, 000–00–0000, USMC

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Carol A. Mutter, 000–00–0000

The following-named officer for appointment as Assistant Commandant of the Marine Corps, Headquarters, U.S. Marine Corps, and appointment to the grade of general while serving in that position under the provisions of section 5044, title 10, United States Code:

To be Assistant Commandant of the Marine Corps

Lt. Gen. Richard I. Neal, 000–00–0000

The following-named officer for appointment to the grade of lieutenant general in the U. S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Terrence R. Dake, 000–00–0000

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Jeffrey W. Oster, 000–00–0000

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. James L. Jones, Jr., 000–00–0000

IN THE NAVY

The following-named officers for promotion in the U.S. Navy to the grade indicated under title 10, United States Code, section 624:

TO BE REAR ADMIRAL

Rear Adm. (lh) Edward R. Chamberlin, 000–00–0000, U.S. Navy

To be rear admiral

Rear Adm. (lh) Noel K. Dysart, Jr., 000–00–0000, U.S. Navy
Rear Adm. (lh) Dennis I. Wright, 000–00–0000, U.S. Navy

The following-named officers for promotion in the staff corps in the U.S. Navy to the grade indicated under title 10, United States Corps, section 624:

To be rear admiral (lower half)

Capt. Alberto Diaz, Jr., 000–00–0000, U.S. Navy

To be rear admiral (lower half)

Capt. David P. Keller, 000–00–0000, U.S. Navy

To be rear admiral (lower half)

Capt. Peter W. Marshall, 000–00–0000, U.S. Navy

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Thomas B. Fargo, 000–00–0000

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code section 601:

To be admiral

Vice Adm. Archie R. Clemins, 000–00–0000

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Robert J. Natter, 000–00–0000

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. James B. Perkins III, 000–00–0000

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. Herbert A. Browne II, 000–00–0000

The following-named officers for promotion in the U.S. Navy Reserve to the grade indicated under title 10 United States Code, section 5912:

To be rear admiral (lower half)

Capt. John Nicholas Costas, 000–00–0000, U.S. Naval Reserve

Capt. Joseph Coleman Hare, 000–00–0000, U.S. Naval Reserve

Capt. Daniel Lawrence Kloeppel, 000–00–0000, U.S. Naval Reserve

Capt. Henry Francis White, Jr., 000–00–0000, U.S. Naval Reserve

To be rear admiral (lower half)

Capt. John Francis Brunelli, 000–00–0000, U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601, and title 42 United States Code section 7158:

To be admiral

Vice Adm. Frank L. Bowman, 000–00–0000

The following-named officer for reappointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code section 601:

To be vice admiral

Vice Adm. Arthur K. Cebrowski, 000–00–0000

The following-named officers for promotion in the U.S. Naval Reserve to the grade indicated under title 10, United States Code, section 5912:

To be rear admiral (lower half)

Capt. Vernon Paul Harrison, 000–00–0000, U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Clifford Joseph Sturek, 000–00–0000, U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Steven Robert Morgan, 000–00–0000, U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Robert Charles Marlay, 000–00–0000, U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. J. Paul Reason, 000–00–0000

The following-named officer for appointment to the grade of vice admiral in the United States Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Patricia A. Tracey, 000–00–0000

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) James O. Ellis, Jr., 000–00–0000

By Mr. ROTH, from the Committee on Finance:

Raymond W. Kelly, of New York, to be Under Secretary of the Treasury for Enforcement.

Marcia E. Miller, of Indiana, to be a member of the U.S. International Trade Commission for the term expiring December 16, 2003.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. McCAIN (for himself, Mrs. KASSEBAUM, Mr. MURKOWSKI, Mr. STEVENS, and Mr. SIMON):

S. 1869. A bill to make certain technical corrections in the Indian Health Care Improvement Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. MOYNIHAN:

S. 1870. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE:

S. 1871. A bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SIMON:

S. 1872. A bill to amend section 922(x)(5) of title 18, United States Code, relating to the prohibition of possession of a handgun by a minor, to change the definition of minor from under 18 years of age to under 21 years of age; to the Committee on the Judiciary.

By Mr. INHOFE (for himself, Mr. CHAFEE, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. MOYNIHAN, Mr. REID, and Mr. LUGAR):

S. 1873. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JOHNSTON:

S. 1874. A bill to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself and Mr. WYDEN):

S. 1875. A bill to designate the United States Courthouse in Medford, Oregon, as the ''James A. Redden Federal Courthouse''; to the Committee on Environment and Public Works.

By Mr. HARKIN (for himself and Mr. BAUCUS):

S. 1876. A bill to amend chapter 89 of title 5, United States Code, to end health insurance portability for Members of Congress and eliminate continued coverage for departing Members of Congress until health insurance portability for other United States citizens is enacted into law, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1877. A bill to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Energy and Natural Resources.

By Mr. AKAKA:

S. 1878. A bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interim nuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. BOXER (for herself and Mr. GREGG):

S. Res. 262. A resolution expressing the sense of the Senate that sanctions should be imposed on the People's Republic of China until the United States Trade Representative certifies that the People's Republic of China is complying with its agreement with the United States regarding the protection of intellectual property rights; to the Committee on Finance.

By Ms. MOSELEY-BRAUN (for herself, Mr. LEVIN, Mr. DASCHLE, Mr. KEMPTHORNE, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KERRY, Mr. WELLSTONE, Mr. LIEBERMAN, Mrs. MURRAY, Mr. PELL, Mr. LAUTENBERG, and Mr. INHOFE):

S. Res. 263. A resolution relating to church burning; ordered held at the desk.

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. CRAIG, and Mr. JEFFORDS):

S. Res. 264. A resolution to designate May 14, 1997, and May 14, 1998, as ''National Speak No Evil Day'', and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. Con. Res. 64. A concurrent resolution to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself and Mr. LEAHY):

S. Con. Res. 65. A concurrent resolution expressing the sense of the Congress that Members should understand and use the Internet to improve the democratic process and to communicate with the Internet community;

to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN (for himself, Mrs. KASSEBAUM, Mr. MURKOWSKI, Mr. STEVENS and Mr. SIMON):

S. 1869. A bill to make certain technical corrections in the Indian Health Care Improvement Act, and for other purposes; to the Committee on Indian Affairs.

THE INDIAN HEALTH CARE IMPROVEMENT TECHNICAL CORRECTIONS ACT OF 1996

Mr. McCAIN. Mr. President, I rise today on behalf of myself and Senators KASSEBAUM, MURKOWSKI, STEVENS, and SIMON to introduce legislation to make various technical amendments to the Indian Health Care Improvement Act.

The bill we are introducing today will simply make technical changes to certain provisions of the act and extend the authorization for several Indian health care demonstration programs.

Mr. President, the Congress passed the Indian Health Care Improvement Act in 1976 to raise the level of health care provided to American Indians and Alaska Native communities. While the health status of Indian people has generally improved since its enactment, it still lags far behind any other segment of our population. Health crises in every possible problem area continue to afflict many reservation communities at alarming rates. The mortality rate for diabetes exceeds the national average by 139 percent. American Indians are four times more likely to die from alcoholism than other Americans. The incidence rates for fetal alcohol syndrome among native Americans is six times the national average.

The Indian Health Care Improvement Act was enacted to meet the fundamental trust obligation of the United States to ensure that comprehensive health care would be provided to American Indians and Alaska Natives as it is provided to all other Americans. The act was amended in 1992 to extend most of the authorized programs through the year 2000, at which time the Indian Health Service is required to report to Congress on the progress of meeting the health objectives outlined in the act. Until such time, we are seeking to make minor changes to certain provisions of the act to allow maximum flexibility in the delivery of health services to American Indians and Alaska Natives and to ensure that several important tribal programs can continue through the year 2000.

First, the bill amends section 4(n), the Indian health scholarship and loan repayment fund, by modifying the definition of the term ''Health Profession.'' This modification will provide greater flexibility to the IHS to determine eligibility for financial assistance to Indians enrolled in health degree programs. Second, the bill amends section 104(b), the Indian health professions scholarship, to maximize opportunities for scholarship recipients to meet their service obligations to the IHS. It also authorizes the Secretary to waive or suspend a service or payment obligation upon death, extreme hardship conditions or bankruptcy. Next, the bill amends section 206 regarding reimbursement from certain third parties of costs of health services to clarify the provisions for individuals in collection actions for services provided by IHS or tribal health facilities. These provisions were previously adopted by the Senate on October 31, 1995 as part of S. 325, the Native American Technical Corrections Act. However, the House has not yet acted upon S. 325 because the bill contained provisions resulting in joint referrals to a number of House committees. The bill I am introducing today has been drafted to permit referral to just one House Committee.

The bill also amends section 405 to continue the Medicare/Medicaid Demonstration Program for direct billing of Medicaid, Medicare and other third party payers. The demonstration program authorizes up to four tribally-operated IHS hospitals or clinics to participate directly in the billing and receipt of Medicare/Medicaid payments rather than through the current system of channeling payments through the IHS. The four participating tribes including Mississippi Choctaw Health Center, Bristol Bay Area Health Corporation, Choctaw Tribe of Oklahoma and South East Alaska Regional Health Consortium, unanimously report successful results and satisfaction with the program. Collections for some of these tribes have since doubled due to the implementation of the program. I have also received a strong interest from other Indian tribes in expanding this program so that other eligible tribal operators may participate in this direct billing process.

The Medicare/Medicaid Demonstration Program is set to expire on September 30, 1996 at which time the Secretary of the Department of Health and Human Services will evaluate the program and provide a recommendation on whether the program should be made a permanent program. However, without this proposed extension, the four tribal participants will be forced to shut down their direct billing/collection departments and return to the old system of IHS-managed collections.

Given the highly favorable reports of the participating tribal programs, we are proposing to continue the program through the year 2000 and expand the number of eligible tribal facilities from four to twelve. The Congress will evaluate the future of the program when the Secretary has submitted the final report on the project.

Finally, the act extends the authorization for several innovative health care demonstration projects that were established as model programs to be replicated on other Indian reservations. Several of these demonstration projects, including the California Contract Health Services Demonstration Program, the Gallup Alcohol and Substance Abuse Demonstration Program, the Substance Abuse Counselor Education Demonstration Program and the Home and Community Based Care Demonstration Program, are due to sunset in this fiscal year.

While the programs expire in fiscal year 1997, the Secretary is not required to provide a report on these programs until 1999. I believe that these programs should be reauthorized through the year 2000 in order to continue the important health care services provided by these programs and to achieve consistency with other portions of the act. The bill will simply extend the authorization for these programs through the year 2000 until such time that the Secretary prepares his report on the entire Indian Health Care Improvement Act.

Mr. President, this legislation is necessary to ensure the continuation of these important health care programs for Indian people. It is my hope that we can move this bill quickly and favorably. I urge my colleagues to support the immediate passage of this legislation.

I ask unanimous consent that the full text of this bill and the section-by-section summary be printed in the RECORD.

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

S. 1869

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

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''Indian Health Care Improvement Technical Corrections Act of 1996''.

(b) REFERENCES.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act.

SEC. 2. TECHNICAL CORRECTIONS IN THE INDIAN HEALTH CARE IMPROVEMENT ACT.

(a) DEFINITION OF HEALTH PROFESSION.—Section 4(n) (25 U.S.C. 1603(n)) is amended—

(1) by inserting ''allopathic medicine,'' before ''family medicine''; and

(2) by striking ''and allied health professions'' and inserting ''an allied health profession, or any other health profession''.

(b) INDIAN HEALTH PROFESSIONS SCHOLARSHIPS.—Section 104(b) of the Indian Health Care Improvement Act (25 U.S.C. 1613a(b)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking the matter preceding clause (i) and inserting the following:

''(3)(A) The active duty service obligation under a written contract with the Secretary under section 338A of the Public Health Service Act (42 U.S.C. 254l) that an individual has entered into under that section shall, if that individual is a recipient of an Indian Health Scholarship, be met in full-time practice, by service—'';

(ii) by striking ''or'' at the end of clause (iii);

(iii) by striking the period at the end of clause (iv) and inserting ''; or''; and

(iv) by adding at the end the following new clause:

''(v) in an academic setting (including a program that receives funding under section 102, 112, or 114, or any other academic setting that the Secretary, acting through the Service, determines to be appropriate for the purposes of this clause) in which the major duties and responsibilities of the recipient are the recruitment and training of Indian health professionals in the discipline of that recipient in a manner consistent with the purpose of this title, as specified in section 101.'';

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A) the following new subparagraph:

''(B) At the request of any individual who has entered into a contract referred to in subparagraph (A) and who receives a degree in medicine (including osteopathic or allopathic medicine), dentistry, optometry, podiatry, or pharmacy, the Secretary shall defer the active duty service obligation of that individual under that contract, in order that such individual may complete any internship, residency, or other advanced clinical training that is required for the practice of that health profession, for an appropriate period (in years, as determined by the Secretary), subject to the following conditions:

''(i) No period of internship, residency, or other advanced clinical training shall be counted as satisfying any period of obligated service that is required under this section.

''(ii) The active duty service obligation of that individual shall commence not later than 90 days after the completion of that advanced clinical training (or by a date specified by the Secretary).

''(iii) The active duty service obligation will be served in the health profession of that individual, in a manner consistent with clauses (i) through (v) of subparagraph (A).'';

(D) in subparagraph (C), as so redesignated, by striking ''prescribed under section 338C of the Public Health Service Act (42 U.S.C. 254m) by service in a program specified in subparagraph (A)'' and inserting ''described in subparagraph (A) by service in a program specified in that subparagraph''; and

(E) in subparagraph (D), as so redesignated—

(i) by striking ''Subject to subparagraph (B),'' and inserting ''Subject to subparagraph (C),''; and

(ii) by striking ''prescribed under section 338C of the Public Health Service Act (42 U.S.C. 254m)'' and inserting ''described in subparagraph (A)'';

(2) in paragraph (4)—

(A) in subparagraph (B), by striking the matter preceding clause (i) and inserting the following:

''(B) the period of obligated service described in paragraph (3)(A) shall be equal to the greater of—''; and

(B) in subparagraph (C), by striking ''(42 U.S.C. 254m(g)(1)(B))'' and inserting ''(42 U.S.C. 254l(g)(1)(B))'';

(3) in paragraph (5), by adding at the end the following new subparagraphs:

''(C) Upon the death of an individual who receives an Indian Health Scholarship, any obligation of that individual for service or payment that relates to that scholarship shall be canceled.

''(D) The Secretary shall provide for the partial or total waiver or suspension of any obligation of service or payment of a recipient of an Indian Health Scholarship if the Secretary determines that—

''(i) it is not possible for the recipient to meet that obligation or make that payment;

''(ii) requiring that recipient to meet that obligation or make that payment would result in extreme hardship to the recipient; or

''(iii) the enforcement of the requirement to meet the obligation or make the payment would be unconscionable.

''(E) Notwithstanding any other provision of law, in any case of extreme hardship or for other good cause shown, the Secretary may waive, in whole or in part, the right of the United States to recover funds made available under this section.

''(F) Notwithstanding any other provision of law, with respect to a recipient of an Indian Health Scholarship, no obligation for payment may be released by a discharge in bankruptcy under title 11, United States Code, unless that discharge is granted after the expiration of the 5-year period beginning on the initial date on which that payment is due, and only if the bankruptcy court finds that the nondischarge of the obligation would be unconscionable.''.

(c) REIMBURSEMENT FROM CERTAIN THIRD PARTIES OF COSTS OF HEALTH SERVICES.—Section 206 (16 U.S.C. 1621e) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Except as provided'' and inserting ''(a) RIGHT OF RECOVERY.—Except as provided'';

(ii) by striking ''the reasonable expenses incurred'' and inserting ''the reasonable charges billed'';

(iii) by striking ''in providing'' and inserting ''for providing''; and

(iv) by striking ''for such expenses'' and inserting ''for such charges''; and

(B) in paragraph (2), by striking ''such expenses'' each place it appears and inserting ''such charges'';

(2) in subsection (b), by striking ''(b) Subsection (a)'' and inserting ''(b) RECOVERY AGAINST STATE WITH WORKERS' COMPENSATION LAWS OR NO-FAULT AUTOMOBILE ACCIDENT INSURANCE PROGRAM.—Subsection (a)'';

(3) in subsection (c), by striking ''(c) No law'' and inserting ''(c) PROHIBITION OF STATE LAW OR CONTRACT PROVISION IMPEDIMENT TO RIGHT OF RECOVERY.—No law'';

(4) in subsection (d), by striking ''(d) No action'' and inserting ''(d) RIGHT TO DAMAGES.—No action'';

(5) in subsection (e)—

(A) in the matter preceding paragraph (1), by striking ''(e) The United States'' and inserting ''(e) INTERVENTION OR SEPARATE CIVIL ACTION.—The United States''; and

(B) by striking paragraph (2) and inserting the following new paragraph:

''(2) while making all reasonable efforts to provide notice of the action to the individual to whom health services are provided prior to the filing of the action, instituting a civil action.'';

(6) in subsection (f), by striking ''(f) The United States'' and inserting ''(f) SERVICES COVERED UNDER A SELF-INSURANCE PLAN.—The United States''; and

(7) by adding at the end the following new subsections:

''(g) COSTS OF ACTION.—In any action brought to enforce this section, the court shall award any prevailing plaintiff costs, including attorneys' fees that were reasonably incurred in that action.

''(h) RIGHT OF RECOVERY FOR FAILURE TO PROVIDE REASONABLE ASSURANCES.—The United States, an Indian tribe, or a tribal organization shall have the right to recover damages against any fiduciary of an insurance company or employee benefit plan that is a provider referred to in subsection (a) who—

''(1) fails to provide reasonable assurances that such insurance company or employee benefit plan has funds that are sufficient to pay all benefits owed by that insurance company or employee benefit plan in its capacity as such a provider; or

''(2) otherwise hinders or prevents recovery under subsection (a), including hindering the pursuit of any claim for a remedy that may be asserted by a beneficiary or participant covered under subsection (a) under any other applicable Federal or State law.''.

(d) CALIFORNIA CONTRACT HEALTH SERVICES DEMONSTRATION PROGRAM.—Section 211(g) (25 U.S.C. 1621j(g)) is amended by striking ''1993, 1994, 1995, 1996, and 1997'' and inserting ''1996 through 2000''.

(e) MEDICARE AND MEDICAID DEMONSTRATION PROGRAM.—Section 405(c) (42 U.S.C. 1395qq note) is amended—

(1) in paragraph (1)(D), by striking ''prior to October 1, 1990'' and inserting ''on or before the date which is 1 year after the date of submission of the plan''; and

(2) in paragraph (2)—

(A) by striking '', prior to October 1, 1989, select no more than 4'' and inserting ''select no more than 12''; and

(B) by striking ''September 30, 1996'' and inserting ''September 30, 2000''.

(f) GALLUP ALCOHOL AND SUBSTANCE ABUSE TREATMENT CENTER.—Section 706(d) (25 U.S.C. 1665e(d)) is amended to read as follows:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, for each of fiscal years 1996 through 2000, such sums as may be necessary to carry out subsection (b).''.

(g) SUBSTANCE ABUSE COUNSELOR EDUCATION DEMONSTRATION PROGRAM.—Section 711(h) (25 U.S.C. 1665j(h)) is amended by striking ''1993, 1994, 1995, 1996, and 1997'' and inserting ''1996 through 2000''.

(h) HOME AND COMMUNITY-BASED CARE DEMONSTRATION PROGRAM.—Section 821(i) (25 U.S.C. 1680k(i)) is amended by striking ''1993, 1994, 1995, 1996, and 1997''and inserting ''1996 through 2000''.

SECTION-BY-SECTION SUMMARY—INDIAN HEALTH CARE IMPROVEMENT TECHNICAL CORRECTIONS ACT OF 1996

Section 1(a) sets forth the short title of the Act.

Section 1(b) provides that wherever a section or other provision is amended or repealed in this Act, such amendment shall be considered made to the referenced section or provision of the Indian Health Care Improvement Act (25 U.S.C. 1601 et. seq.).

Section 2(a) amends Section 4(n) of the Indian Health Care Improvement Act to modify the definition of ''Health Profession'' to specify that ''allopathic medicine'' shall be added as an eligible degree program for individuals to qualify for scholarships and loan repayment programs. This section also modifies the definition by striking the current language of ''and allied health professions'' and inserting ''an allied health profession, or any other health profession'' to allow the IHS additional flexibility to determine eligibility for scholarships and loan repayments for individuals enrolled in health professions not specified under this section.

Section 2(b) amends Section 104(b) of the Indian Health Care Improvement Act to add a new provision that clarifies that an individual serving in an academic setting that is funded under sections 102, 112, or 114 of the Act who is responsible for the recruitment and training of Indian Health Professionals shall be considered to be meeting their service obligations under section 338A of the Public Health Service Act. This provision will allow an individual to meet their service obligation to the IHS by working at a university or other academic setting which is responsible for recruiting and training American Indians in the health professions. This

is also intended to clarify that the Secretary may defer an individual's service obligation during the term of an internship, residency or other advanced clinical program. Section 104(b) is further amended by adding new subsections to address unique circumstances under which the Secretary to authorized to waive or suspend service or payment obligations due to death or the Secretary's determination that it would cause extreme hardship or to enforce such a requirement would be unconscionable. An additional subsection is added to clarify the terms under which an individual's payment obligation may be discharged in a bankruptcy proceeding.

Section 2(c) amends Section 206 of the Indian Health Care Improvement Act to clarify the notice provisions for individuals in collection actions for services provided by IHS or tribal health facilities and recoverable costs in such a collection action and the right of the United States and Indian tribes to recover against an insurance company or employee benefit plan.

Section 2(d) amends Section 211(g) of the Indian Health Care Improvement Act to extend the authorization for the California Contract Health Services Demonstration Program until the year 2000.

Section 2(e) amends Section 405(c) of the Indian Health Care Improvement Act to provide that applicants for the Medicare and Medicaid Demonstration Program must be accredited by the Joint Commission on Accreditation of Hospitals within one year of submission of an application. Section 405(c) is amended to increase the number of eligible tribal health facilities from four to twelve. The authorization for the Medicare and Medicaid Demonstration Program is extended until the year 2000.

Section 2(f) amends Section 706(d) of the Indian Health Care Improvement Act to strike out 706(d) in its entirety and add a new subsection that will extend the authorization for the Gallup Alcohol and Substance Abuse Treatment Center until the year 2000.

Section 2(g) amends Section 711(h) of the Indian Health Care Improvement Act to extend the authorization for the Substance Abuse Counselor Education Demonstration Program until the year 2000.

Section 2(h) amends Section 821(I) of the Indian Health Care Improvement Act to extend the authorization for the Home and Community-Based Care Demonstration Program until the year 2000.

By Mr. MOYNIHAN:

S. 1870. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

THE MEDICAL EDUCATION TRUST FUND ACT OF 1996

Mr. MOYNIHAN. Mr. President, I rise to introduce legislation that would establish a Medical Education Trust Fund to support America's 124 medical schools and 1,250 teaching hospitals. These institutions are national treasures; they are the very best in the world. Yet today they find themselves in a precarious financial situation as market forces reshape the health care delivery system in the United States. Explicit and dedicated funding for these institutions, which this legislation will provide, will ensure that the United States continues to lead the world in the quality of its health care system.

This legislation requires that the public sector, through the Medicare and Medicaid programs, and the private sector, through an assessment on health insurance premiums, will contribute broad-based and fair financial support. Over the 5-year period, 1997 to 2001, the Medical Education Trust Fund established under this legislation would provide average annual payments of about $17 billion, roughly doubling the funding that we currently provide for medical education.

BRIEF HISTORY

My particular interest in this subject began in 1994, when the Finance Committee took up the President's Health Security Act. I was Chairman of the Committee at the time. In January of that year, I asked Paul Marks, M.D., President of Memorial Sloan-Kettering Cancer Center in New York City, if he would arrange a ''seminar'' for me on health care issues. He agreed, and gathered a number of medical school deans together one morning in New York.

Early on in the meeting, one of the seminarians remarked that the University of Minnesota might have to close its medical school. In an instant I realized I had heard something new. Minnesota is a place where they open medical schools, not close them. How, then, could this be? The answer was that Minnesota, being Minnesota, was a leading state in the growth of Health Maintenance Organizations, and HMO's do not send patients to teaching hospitals, absent which you cannot have a medical school.

We are in the midst of a great age of discovery in medical science. It is certainly not a time to close medical schools. This great era of medical discovery is occurring right here in the United States, not in Europe like past ages of scientific discovery. And it is centered in New York City. This heroic age of medical science started in the late 1930's. Before then, the average patient was probably as well off, perhaps better, out of a hospital as in one. Progress from that point 60 years ago has been remarkable. The last few decades have brought us images of the inside of the human body based on the magnetic resonance of bodily tissues; laser surgery; micro surgery for reattaching limbs; and organ transplantation, among other wonders. I can hardly imagine what might be next. Physicians are now working on a gene therapy that might eventually replace bypass surgery.

After months of hearings and debate on the President's Health Security Act, I became convinced that special provisions would have to be made for medical schools, teaching hospitals, and medical research if we were not to see this great moment in medical science suddenly constrained. To that end, when the Committee on Finance voted 12 to 8 on July 2, 1994, to report the Health Security Act, it included a graduate medical education and academic health centers trust fund. The trust fund provided an 80-percent increase in Federal funding for academic medicine; as importantly, it represented stable, long-term funding. While nothing came of the effort to enact universal health care coverage, the medical education trust fund enjoyed widespread support. An amendment by then-Senator Malcolm Wallop of Wyoming to kill the trust fund by striking the source of its revenue—a 1.75-percent assessment on health insurance premiums—failed on a 7 to 13 vote in the Finance Committee.

I continued to press the issue in the first session of the 104th Congress. On September 29, 1995, during Finance Committee consideration of the budget reconciliation legislation, I offered an amendment to establish a similar trust fund. With a new majority in control and the committee in the midst of considering a highly partisan budget reconciliation bill, my amendment failed on a tie vote, 10 to 10. Notably, however, the House version of the reconciliation bill did include a graduate medical education trust fund. That provision ultimately passed both Houses as part of the conference agreement, which was subsequently vetoed by President Clinton.

The conference agreement on the budget resolution, being considered by the Senate and House this week, also apparently assumes that this year's Medicare reconciliation bill will include a similar trust fund.

That is the history of this effort, briefly stated.

NEED FOR LEGISLATION

Medical education is one of America's most precious public resources. It should be explicitly financed with contributions from all sectors of the health care system, not just the Medicare Program as is the case today. The fiscal pressures of a competitive health care market are increasingly closing off traditional implicit revenue sources—such as additional payments from private payers—that have in the past supported medical schools, graduate medical education, and research. This legislation provides alternative funding to prevent the deterioration of these institutions and the invaluable services they provide.

Events in Rochester, NY, a community with a long and proud tradition of quality, cost-effective health care, provide a good example of how market forces are reshaping the health care delivery system. Last year, the only option available to retirees of Kodak at no additional cost was a managed care plan. Unfortunately, that managed care plan excluded Strong Memorial, Rochester's prestigious teaching hospital. Strong Memorial was established in 1920 with the help of George Eastman and was named for Henry Strong, a financier of Eastman. Yet ironically, 75 years later, Eastman Kodak's retirees could not get care at Strong Memorial Hospital.

After much protest, the managed care plan brought Strong Memorial into its provider network, but only after Kodak agreed to make separate payments for 1 year to support the costs of graduate medical education at

Strong. The Rochester community worked out a solution, however temporary, to the problems faced by its primary teaching hospital, but we cannot, and should not, rely on the Kodaks of the world to finance medical education. We must adopt a comprehensive Federal strategy.

Other teaching hospitals are facing similar difficulties. In its June 1995 ''Report to Congress,'' the Prospective Payment Assessment Commission [ProPAC], the Commission which advises Congress on Medicare hospital insurance part A payment, summarized the situation of teaching hospitals as follows:

As competition in the health care system intensifies, the additional costs borne by teaching hospitals will place them at a disadvantage relative to other facilities. The role, scale, function, and number of these institutions increasingly will be challenged. . .. Accelerating price competition in the private sector . . . is reducing the ability of teaching hospitals to obtain the higher patient care rates from other payers that traditionally have contributed to financing the costs associated with graduate medical education.

ProPAC's June 1996 ''Report to Congress,'' issued just last week, confirmed that ''major teaching hospitals have the dual problems of higher overall losses from uncompensated care and less above cost revenue from private insurers.''

It is obvious that teaching hospitals can no longer rely on higher payments from private payers to cover the costs of their teaching programs. Nor should they. The establishment of this trust fund, which reimburses teaching hospitals for the costs of graduate medical education, will ensure that teaching hospitals can pursue their vitally important patient care, training, and research missions in the face of an increasingly competitive health system.

Medical schools also face an uncertain future. There are many policy issues that need to be examined regarding the role of medical schools in our health system, but two threats faced by medical schools now require immediate attention. This legislation addresses both. First, many medical schools are immediately threatened by the dire financial condition of their affiliated teaching hospitals. Medical schools rely on teaching hospitals to provide a place for their faculty to practice and perform research, a place to send third- and fourth-year medical school students for training, and for some direct revenues. By improving the financial condition of teaching hospitals, this legislation significantly improves the outlook for medical schools.

The second immediate threat faced by medical schools stems from their reliance on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are shrinking. This legislation provides payments to medical schools from the trust fund that are designed to partially offset this loss of revenue.

None of the foregoing is meant to suggest that the new competitive forces reshaping health care have brought only negative results. To the contrary, the onset of competition has had many beneficial effects, the dramatic curtailing of growth in health insurance premiums being the most obvious. But as Msgr. Charles J. Fahey of Fordham University warned in testimony before the Finance Committee in 1994, we must be wary of the ''commodification of health care,'' by which he meant that health care is not just another commodity. We can rely on competition to hold down costs in much of the health system, but we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by this country's exceptionally well-trained health professionals and superior medical schools and teaching hospitals. This legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical schools.

DESCRIPTION OF LEGISLATION

The medical education trust fund established in the legislation I have just introduced would receive funding from three sources broadly representing the entire health care system: A 1.5-percent tax on health insurance premiums, the private sector's contribution; Medicare, and Medicaid, the latter two sources comprising the public sector's contribution. The relative contribution from each of these sources will be in rough proportion to the medical education costs attributable to their respective covered populations.

Over the 5-year period 1997 to 2001, the medical education trust fund will provide average annual payments of about $17 billion. The tax on health insurance premiums, including self-insured health plans, raises approximately $4 billion per year for the trust fund. Federal health programs contribute about $13 billion per year to the trust fund: $9 billion in transfers of Medicare graduate medical education payments and $4 billion in Federal Medicaid spending.

This legislation is only a first step. It establishes the principle that, as a public good, medical education should be supported by dedicated, long-term Federal funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a medical education advisory commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following: alternative and additional sources of medical education financing; alternative methodologies for financing medical education; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the appropriate role of medical schools in graduate medical education; and policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals.

Mr. President, the services provided by this Nation's teaching hospitals and medical schools—groundbreaking research, highly skilled medical care, and the training of tomorrow's physicians—are vitally important and must be protected in this time of intense economic competition in the health system. I therefore urge Senators to support the Medical Education Trust Fund Act of 1996.

I ask unanimous consent that a summary and a copy of the bill be printed in the RECORD.

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

S. 1870

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Medical Education Trust Fund Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to medicare program.
Sec. 4. Amendments to medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XX the following new title:

''TITLE XXI—MEDICAL EDUCATION TRUST FUND

''TABLE OF CONTENTS OF TITLE

''Sec. 2101. Establishment of Trust Fund.
''Sec. 2102. Payments to medical schools.
''Sec. 2103. Payments to teaching hospitals.

''SEC. 2101. ESTABLISHMENT OF TRUST FUND.

''(a) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the 'Trust Fund'), consisting of the following accounts:

''(1) The Medical School Account.

''(2) The Medicare Teaching Hospital Indirect Account.

''(3) The Medicare Teaching Hospital Direct Account.

''(4) The Non-Medicare Teaching Hospital Indirect Account.

''(5) The Non-Medicare Teaching Hospital Direct Account.

Each such account shall consist of such amounts as are allocated and transferred to such account under this section, sections 1876(a)(7), 1886(j) and 1931, and section 4503 of the Internal Revenue Code of 1986. Amounts in the accounts of the Trust Fund shall remain available until expended.

''(b) EXPENDITURES FROM TRUST FUND.—Amounts in the accounts of the Trust Fund are available to the Secretary for making payments under sections 2102 and 2103.

''(c) INVESTMENT.—

''(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the accounts of the Trust Fund which the Secretary determines are not required to meet

current withdrawals from the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

''(2) SALE OF OBLIGATIONS.—The Secretary of the Treasury may sell at market price any obligation acquired under paragraph (1).

''(3) AVAILABILITY OF INCOME.—Any interest derived from obligations held in each such account, and proceeds from any sale or redemption of such obligations, are hereby appropriated to such account.

''(d) MONETARY GIFTS TO TRUST FUND.—There are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government as gifts to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the same proportion as the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

''SEC. 2102. PAYMENTS TO MEDICAL SCHOOLS.

''(a) FEDERAL PAYMENTS TO MEDICAL SCHOOLS FOR CERTAIN COSTS.—

''(1) IN GENERAL.—In the case of a medical school that in accordance with paragraph (2) submits to the Secretary an application for fiscal year 1997 or any subsequent fiscal year, the Secretary shall make payments for such year to the medical school for the purpose specified in paragraph (3). The Secretary shall make such payments from the Medical School Account in an amount determined in accordance with subsection (b), and may administer the payments as a contract, grant, or cooperative agreement.

''(2) APPLICATION FOR PAYMENTS.—For purposes of paragraph (1), an application for payments under such paragraph for a fiscal year is in accordance with this paragraph if—

''(A) the medical school involved submits the application not later than the date specified by the Secretary; and

''(B) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(3) PURPOSE OF PAYMENTS.—The purpose of payments under paragraph (1) is to assist medical schools in maintaining and developing quality educational programs in an increasingly competitive health care system.

''(b) AVAILABILITY OF TRUST FUND FOR PAYMENTS; ANNUAL AMOUNT OF PAYMENTS.—

''(1) AVAILABILITY OF TRUST FUND FOR PAYMENTS.—The following amounts shall be available for a fiscal year for making payments under subsection (a) from the amount allocated and transferred to the Medical School Account under sections 1876(a)(7), 1886(j), 1931, 2101(c)(3) and (d), and section 4503 of the Internal Revenue Code of 1986:

''(A) In the case of fiscal year 1997, $200,000,000.

''(B) In the case of fiscal year 1998, $300,000,000.

''(C) In the case of fiscal year 1999, $400,000,000.

''(D) In the case of fiscal year 2000, $500,000,000.

''(E) In the case of fiscal year 2001, $600,000,000.

''(F) In the case of each subsequent fiscal year, the amount specified in this paragraph in the previous fiscal year updated through the midpoint of the year by the estimated percentage change in the general health care inflation factor (as defined in subsection (d)) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this subparagraph in the projected health care inflation factor.

''(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

''(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (a)(2) is an amount equal to an amount determined by the Secretary in accordance with subparagraph (B).

''(B) DEVELOPMENT OF FORMULA.—The Secretary shall develop a formula for allocation of funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

''(c) MEDICAL SCHOOL DEFINED.—For purposes of this section, the term 'medical school' means a school of medicine (as defined in section 799 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

''(d) GENERAL HEALTH CARE INFLATION FACTOR.—The term 'general health care inflation factor' means the consumer price index for medical services as determined by the Bureau of Labor Statistics.

''SEC. 2103. PAYMENTS TO TEACHING HOSPITALS.

''(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 1996, the Secretary shall make payments to each eligible entity that, in accordance with paragraph (2), submits to the Secretary an application for such fiscal year. Such payments shall be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall equal the sum of the amounts determined under subsections (b), (c), (d), and (e).

''(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as may be necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. An application shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

''(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary determines to be appropriate (subject to applicable Federal law regarding Federal payments).

''(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

''(5) ELIGIBLE ENTITY.—For purposes of this title, the term 'eligible entity', with respect to any fiscal year, means—

''(A) for payment under subsections (b) and (c), an entity which would be eligible to receive payments for such fiscal year under—

''(i) section 1886(d)(5)(B), if such payments had not been terminated for discharges occurring after September 30, 1996;

''(ii) section 1886(h), if such payments had not been terminated for cost reporting periods beginning after September 30, 1996; or

''(iii) both sections; or

''(B) for payment under subsections (d) and (e)—

''(i) an entity which meets the requirement of subparagraph (A); or

''(ii) an entity which the Secretary determines should be considered an eligible entity.

''(b) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account under sections 1876(a)(7) and 1886(j)(1), and subsections (c)(3) and (d) of section 2101 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(d)(5)(B) if—

''(A) such payments had not been terminated for discharges occurring after September 30, 1996; and

''(B) such payments included payments for individuals enrolled in a plan under section 1876, except that for fiscal years 1997, 1998, and 1999, only the applicable percentage (as defined in section 1876(a)(7)(B)) of such payments shall be taken into account.

''(c) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account under sections 1876(a)(7) and 1886(j)(2), and subsections (c)(3) and (d) of section 2101 for such fiscal year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(h) if—

''(A) such payments had not been terminated for cost reporting periods beginning after September 30, 1996; and

''(B) such payments included payments for individuals enrolled in a plan under section 1876, except that for fiscal years 1997, 1998, and 1999, only the applicable percentage (as defined in section 1876(a)(7)(B)) of such payments shall be taken into account.

''(d) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1931, subsections (c)(3) and (d) of section 2101, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

''(A) such payments had not been terminated for discharges occurring after September 30, 1996; and

''(B) non-medicare patients were taken into account in lieu of medicare patients.

''(e) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

''(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1931, subsections

(c)(3) and (d) of section 2101, and section 4503 of the Internal Revenue Code of 1986.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

''(A) such payments had not been terminated for cost reporting periods beginning after September 30, 1996; and

''(B) non-medicare patients were taken into account in lieu of medicare patients.''.

SEC. 3. AMENDMENTS TO MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by striking ''The Secretary shall provide'' and inserting the following: ''For discharges occurring before October 1, 1996, the Secretary shall provide'';

(2) in subsection (h)—

(A) in paragraph (1), in the first sentence, by striking ''the Secretary shall provide'' and inserting ''the Secretary shall, subject to paragraph (6), provide''; and

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

''(6) LIMITATION.—

''(A) IN GENERAL.—The authority to make payments under this subsection shall not apply with respect to—

''(i) cost reporting periods beginning after September 30, 1996; and

''(ii) any portion of a cost reporting period beginning on or before such date which occurs after such date.

''(B) RULE OF CONSTRUCTION.—This paragraph may not be construed as authorizing any payment under section 1861(v) with respect to graduate medical education.''; and

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

''(j) TRANSFERS TO MEDICAL EDUCATION TRUST FUND.—

''(1) INDIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 1997 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account.

''(B) DETERMINATION OF AMOUNTS.—The Secretary shall make an estimate for each fiscal year involved of the nationwide total of the amounts that would have been paid under subsection (d)(5)(B) to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 1996.

''(2) DIRECT COSTS OF MEDICAL EDUCATION.—

''(A) TRANSFER.—

''(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, the Secretary shall, for fiscal year 1997 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

''(ii) ALLOCATION.—Of the amount transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Direct Account.

''(B) DETERMINATION OF AMOUNTS.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (h) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 1996.

''(C) ALLOCATION BETWEEN FUNDS.—In providing for a transfer under subparagraph (A) for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under the respective parts) as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.''.

(b) MEDICARE HMO'S.—Section 1876(a) of the Social Security Act (42 U.S.C. 1395mm(a)) is amended by inserting after paragraph (6) the following new paragraph:

''(7)(A) In determining the adjusted average per capita cost under paragraph (4) for fiscal years after 1996, the Secretary shall not take into account the applicable percentage of costs under sections 1886(d)(5)(B) (indirect costs of medical education) and 1886(h) (direct graduate medical education costs).

''(B) For purposes of subparagraph (A), the applicable percentage is—

''(i) for fiscal year 1997, 25 percent;

''(ii) for fiscal year 1998, 50 percent;

''(iii) for fiscal year 1999, 75 percent; and

''(iv) for fiscal year 2000 and each subsequent fiscal year, 100 percent.

''(C)(i) There is appropriated and transferred to the Medical Education Trust Fund each fiscal year an amount equal to the aggregate amounts not taken into account under paragraph (4) by reason of subparagraph (A).

''(ii) Of the amounts transferred under clause (i)—

''(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under section 2101 (excluding amounts transferred under subsections (c)(3) and (d) of such section) for such fiscal year; and

''(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account under such section and the Medicare Teaching Hospital Direct Account under such section in the same proportion as the amounts attributable to the costs under sections 1886(d)(5)(B) and 1886(h) were of the amounts transferred under clause (i).

''(iii) The Secretary shall make payments under clause (i) from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, in the same manner as the Secretary determines under section 1886(j).''.

SEC. 4. AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1931 as section 1932; and

(2) by inserting after section 1930, the following new section:

''TRANSFER OF FUNDS TO ACCOUNTS

''SEC. 1931. (a) TRANSFER OF FUNDS.—

''(1) IN GENERAL.—For fiscal year 1997 and each subsequent fiscal year, the Secretary shall transfer to the Medical Education Trust Fund an amount equal to the amount determined under subsection (b).

''(2) ALLOCATION.—Of the amount transferred under paragraph (1)—

''(A) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under paragraph (1) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

''(B) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account, in the same proportion as the amounts transferred to each account under section 1886(j) relate to the total amounts transferred under such section for such fiscal year.

''(b) AMOUNT DETERMINED.—

''(1) OUTLAYS FOR ACUTE MEDICAL SERVICES DURING PRECEDING FISCAL YEAR.—Beginning with fiscal year 1997, the Secretary shall determine 5 percent of the total amount of Federal outlays made under this title for acute medical services, as defined in paragraph (2), for the preceding fiscal year.

''(2) ACUTE MEDICAL SERVICES DEFINED.—The term 'acute medical services' means items and services described in section 1905(a) other than the following:

''(A) Nursing facility services (as defined in section 1905(f)).

''(B) Intermediate care facility for the mentally retarded services (as defined in section 1905(d)).

''(C) Personal care services (as described in section 1905(a)(24)).

''(D) Private duty nursing services (as referred to in section 1905(a)(8)).

''(E) Home or community-based services furnished under a waiver granted under subsection (c), (d), or (e) of section 1915.

''(F) Home and community care furnished to functionally disabled elderly individuals under section 1929.

''(G) Community supported living arrangements services under section 1930.

''(H) Case-management services (as described in section 1915(g)(2)).

''(I) Home health care services (as referred to in section 1905(a)(7)), clinic services, and rehabilitation services that are furnished to an individual who has a condition or disability that qualifies the individual to receive any of the services described in a previous subparagraph.

''(J) Services furnished in an institution for mental diseases (as defined in section 1905(i)).

''(c) ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to the Non-Medicare Teaching Hospital Indirect Account, the Non-Medicare Teaching Hospital Direct Account, and the Medical School Account of amounts determined in accordance with subsections (a) and (b).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective on and after October 1, 1996.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) GENERAL RULE.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding after chapter 36 the following new chapter:

''CHAPTER 37—HEALTH RELATED ASSESSMENTS

''SUBCHAPTER A. Insured and self-insured health plans.

''Subchapter A—Insured and Self-Insured Health Plans

''Sec. 4501. Health insurance and health-related administrative services.

''Sec. 4502. Self-insured health plans.

''Sec. 4503. Transfer to accounts.

''Sec. 4504. Definitions and special rules.

''SEC. 4501. HEALTH INSURANCE AND HEALTH-RELATED ADMINISTRATIVE SERVICES.

''(a) IMPOSITION OF TAX.—There is hereby imposed—

''(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received under such policy, and

''(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount so received.

''(b) LIABILITY FOR TAX.—

''(1) HEALTH INSURANCE.—The tax imposed by subsection (a)(1) shall be paid by the issuer of the policy.

''(2) HEALTH-RELATED ADMINISTRATIVE SERVICES.—The tax imposed by subsection (a)(2) shall be paid by the person providing the health-related administrative services.

''(c) TAXABLE HEALTH INSURANCE POLICY.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this section, the term 'taxable health insurance policy' means any insurance policy providing accident or health insurance with respect to individuals residing in the United States.

''(2) EXEMPTION OF CERTAIN POLICIES.—The term 'taxable health insurance policy' does not include any insurance policy if substantially all of the coverage provided under such policy relates to—

''(A) liabilities incurred under workers' compensation laws,

''(B) tort liabilities,

''(C) liabilities relating to ownership or use of property,

''(D) credit insurance, or

''(E) such other similar liabilities as the Secretary may specify by regulations.

''(3) SPECIAL RULE WHERE POLICY PROVIDES OTHER COVERAGE.—In the case of any taxable health insurance policy under which amounts are payable other than for accident or health coverage, in determining the amount of the tax imposed by subsection (a)(1) on any premium paid under such policy, there shall be excluded the amount of the charge for the nonaccident or nonhealth coverage if—

''(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

''(B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium paid under such policy shall be subject to tax under subsection (a)(1).

''(4) TREATMENT OF PREPAID HEALTH COVERAGE ARRANGEMENTS.—

''(A) IN GENERAL.—In the case of any arrangement described in subparagraph (B)—

''(i) such arrangement shall be treated as a taxable health insurance policy,

''(ii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

''(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

''(B) DESCRIPTION OF ARRANGEMENTS.—An arrangement is described in this subparagraph if under such arrangement—

''(i) fixed payments or premiums are received as consideration for any person's agreement to provide or arrange for the provision of accident or health coverage to residents of the United States, regardless of how such coverage is provided or arranged to be provided, and

''(ii) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

''(d) HEALTH-RELATED ADMINISTRATIVE SERVICES.—For purposes of this section, the term 'health-related administrative services' means—

''(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

''(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services.

For purposes of paragraph (1), rules similar to the rules of subsection (c)(3) shall apply.

''SEC. 4502. SELF-INSURED HEALTH PLANS.

''(a) IMPOSITION OF TAX.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

''(1) the accident or health coverage expenditures for such month under such plan, and

''(2) the administrative expenditures for such month under such plan to the extent such expenditures are not subject to tax under section 4501.

In determining the amount of expenditures under paragraph (2), rules similar to the rules of subsection (d)(3) apply.

''(b) LIABILITY FOR TAX.—

''(1) IN GENERAL.—The tax imposed by subsection (a) shall be paid by the plan sponsor.

''(2) PLAN SPONSOR.—For purposes of paragraph (1), the term 'plan sponsor' means—

''(A) the employer in the case of a plan established or maintained by a single employer,

''(B) the employee organization in the case of a plan established or maintained by an employee organization, or

''(C) in the case of—

''(i) a plan established or maintained by 2 or more employers or jointly by 1 or more employers and 1 or more employee organizations,

''(ii) a voluntary employees' beneficiary association under section 501(c)(9), or

''(iii) any other association plan,

the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

''(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term 'applicable self-insured health plan' means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

''(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

''(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan to the extent such expenditures are not subject to tax under section 4501.

''(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

''(3) CERTAIN EXPENDITURES DISREGARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any property to be used in connection with the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be considered as expenditures.

''SEC. 4503. TRANSFER TO ACCOUNTS.

''For fiscal year 1997 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund amounts equivalent to taxes received in the Treasury under sections 4501 and 4502, of which—

''(1) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred to the Medical Education Trust Fund under title XXI of the Social Security Act under this section bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2101 of such Act) for such fiscal year; and

''(2) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account, in the same proportion as the amounts transferred to such account under section 1886(j) relate to the total amounts transferred under such section for such fiscal year.

Such amounts shall be transferred in the same manner as under section 9601.

''SEC. 4504. DEFINITIONS AND SPECIAL RULES.

''(a) DEFINITIONS.—For purposes of this subchapter—

''(1) ACCIDENT OR HEALTH COVERAGE.—The term 'accident or health coverage' means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 4501(c)).

''(2) INSURANCE POLICY.—The term 'insurance policy' means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

''(3) PREMIUM.—The term 'premium' means the gross amount of premiums and other consideration (including advance premiums, deposits, fees, and assessments) arising from policies issued by a person acting as the primary insurer, adjusted for any return or additional premiums paid as a result of endorsements, cancellations, audits, or retrospective rating. Amounts returned where the amount is not fixed in the contract but depends on the experience of the insurer or the

discretion of management shall not be included in return premiums.

''(4) UNITED STATES.—The term 'United States' includes any possession of the United States.

''(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

''(1) IN GENERAL.—For purposes of this subchapter—

''(A) the term 'person' includes any governmental entity, and

''(B) notwithstanding any other law or rule of law, governmental entities shall not be exempt from the taxes imposed by this subchapter except as provided in paragraph (2).

''(2) EXEMPT GOVERNMENTAL PROGRAMS.—In the case of an exempt governmental program—

''(A) no tax shall be imposed under section 4501 on any premium received pursuant to such program or on any amount received for health-related administrative services pursuant to such program, and

''(B) no tax shall be imposed under section 4502 on any expenditures pursuant to such program.

''(3) EXEMPT GOVERNMENTAL PROGRAM.—For purposes of this subchapter, the term 'exempt governmental program' means—

''(A) the insurance programs established by parts A and B of title XVIII of the Social Security Act,

''(B) the medical assistance program established by title XIX of the Social Security Act,

''(C) any program established by Federal law for providing medical care (other than through insurance policies) to individuals (or the spouses and dependents thereof) by reason of such individuals being—

''(i) members of the Armed Forces of the United States, or

''(ii) veterans, and

''(D) any program established by Federal law for providing medical care (other than through insurance policies) to members of Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act).

''(c) NO COVER OVER TO POSSESSIONS.—Notwithstanding any other provision of law, no amount collected under this subchapter shall be covered over to any possession of the United States.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle D of the Internal Revenue Code of 1986 is amended by inserting after the item relating to chapter 36 the following new item:

''CHAPTER 37. Health related assessments.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to premiums received, and expenses incurred, with respect to coverage for periods after September 30, 1996.

SEC. 6. MEDICAL EDUCATION ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established an advisory commission to be known as the Medical Education Advisory Commission (in this section referred to as the ''Advisory Commission'').

(b) DUTIES.—

(1) IN GENERAL.—The Advisory Commission shall—

(A) conduct a thorough study of all matters relating to—

(i) the operation of the Medical Education Trust Fund established under section 2;

(ii) alternative and additional sources of graduate medical education funding;

(iii) alternative methodologies for compensating teaching hospitals for graduate medical education;

(iv) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(v) the role of medical schools in graduate medical education; and

(vi) policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals;

(B) develop recommendations, including the use of demonstration projects, on the matters studied under subparagraph (A) in consultation with the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 1998, submit an interim report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services; and

(D) not later than January 2000, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services.

(2) ENTITIES DESCRIBED.—The entities described in this paragraph are—

(A) other advisory groups, including the Council on Graduate Medical Education, the Prospective Payment Assessment Commission, and the Physician Payment Review Commission;

(B) interested parties, including the Association of American Medical Colleges, the Association of Academic Health Centers, and the American Medical Association;

(C) health care insurers, including managed care entities; and

(D) other entities as determined by the Secretary of Health and Human Services.

(c) NUMBER AND APPOINTMENT.—The membership of the Advisory Commission shall include 9 individuals who are appointed to the Advisory Commission from among individuals who are not officers or employees of the United States. Such individuals shall be appointed by the Secretary of Health and Human Services, and shall include individuals from each of the following categories:

(1) Physicians who are faculty members of medical schools.

(2) Officers or employees of teaching hospitals.

(3) Officers or employees of health plans.

(4) Such other individuals as the Secretary determines to be appropriate.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall serve for the lesser of the life of the Advisory Commission, or 4 years.

(2) SERVICE BEYOND TERM.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member until a successor is appointed.

(e) VACANCIES.—If a member of the Advisory Commission does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(f) CHAIR.—The Secretary of Health and Human Services shall designate an individual to serve as the Chair of the Advisory Commission.

(g) MEETINGS.—The Advisory Commission shall meet not less than once during each 4-month period and shall otherwise meet at the call of the Secretary of Health and Human Services or the Chair.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—Members of the Advisory Commission shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Commission. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) STAFF DIRECTOR.—The Advisory Commission shall, without regard to the provisions of title 5, United States Code, relating to competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under 5382 of title 5, United States Code.

(2) ADDITIONAL STAFF.—The Secretary of Health and Human Services shall provide to the Advisory Commission such additional staff, information, and other assistance as may be necessary to carry out the duties of the Advisory Commission.

(j) TERMINATION OF THE ADVISORY COMMISSION.—The Advisory Commission shall terminate 90 days after the date on which the Advisory Commission submits its final report under subsection (b)(1)(D).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 7. DEMONSTRATION PROJECTS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under subsection (b)(1)(B) of section 6.

(b) FUNDING.—

(1) IN GENERAL.—For any fiscal year after 1996, amounts in the Medical Education Trust Fund under title XXI of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) FUNDS AVAILABLE.—

(A) LIMITATION.—Not more than 1/10 of 1 percent of the funds in such trust fund shall be available for the purposes of paragraph (1).

(B) ALLOCATION.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2101(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts bears to the total of amounts transferred to all 4 such accounts for such fiscal year.

(c) LIMITATION.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by this Act.

SUMMARY OF THE MEDICAL EDUCATION TRUST FUND ACT OF 1996

OVERVIEW

The legislation establishes a Medical Education Trust Fund to support America's 124 medical schools and 1,250 teaching hospitals. These institutions are in a precarious financial situation as market forces reshape the health care delivery system. Explicit and dedicated funding for these institutions will guarantee that the United States continues to lead the world in the quality of its health care system.

The Medical Education Trust Fund Act of 1996 recognizes the need to begin moving away from existing medical education payment policies. Funding would be provided for demonstration projects and alternative payment methods, but permanent policy changes would await a report from a new Medical Education Advisory Commission established by the bill. The primary, and immediate, purpose of the legislation is to establish as Federal policy that medical education is a public good which should be supported by all sectors of the health care system.

To ensure that the burden of financing medical education is shared equitably by all sectors, the Medical Education Trust Fund

will receive funding from three sources: a 1.5 percent assessment on health insurance premiums (the private sector's contribution), Medicare, and Medicaid (the public sector's contribution). The relative contribution from each of these sources is in rough proportion to the medical education costs attributable to their respective covered populations.

Over the five year period 1997–2001, the Medical Education Trust Fund will provide average annual payments of about $17 billion, roughly doubling federal funding for medical education. The assessment on health insurance premiums (including self-insured health plans) contributes approximately $4 billion per year to the Trust Fund. Federal health programs contribute about $13 billion per year to the Trust Fund: $9 billion in transfers of current Medicare graduate medical education payments and $4 billion in federal Medicaid spending.

Estimated Average Annual Trust Fund Revenue By Source, 1997–2001

(In billions of dollars)

1.5% Assessment	4
Medicare	9
Medicaid	4
Total	17

INTERIM PAYMENT METHODOLOGIES

Payments to Medical Schools

Medical schools rely on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are being constrained. Payments to medical schools from the Trust Fund are designed to partially offset this loss of revenue. Initially, these payments will be based upon an interim methodology developed by the Secretary of Health and Human Services.

Payments to Teaching Hospitals

To cover the costs of education, teaching hospitals have traditionally charged higher rates than other hospitals. As private payers become increasingly unwilling to pay these higher rates, the future of these important institutions, and the patient care, training, and research they provide, is placed at risk. Payments from the Trust Fund reimburse teaching hospitals for both the direct and indirect costs of graduate medical education.

Payments for direct costs are based on the actual costs of employing medical residents. Payments for indirect costs are based on the number of patients cared for in each hospital and the severity of their illnesses as well as a measure of the teaching load in that hospital. For the purposes of payments to teaching hospitals, the allocation of Medicare funds is based on the number of Medicare patients in each hospital; the allocation of the tax revenue and Medicaid funds is based on the number of non-Medicare patients in each hospital.

The legislation also includes a ''carve out'' of graduate medical education payments from Medicare's payment to HMOs. Under current law, this payment is based on Medicare's average fee-for-service costs—including graduate medical education costs. Therefore, every time a Medicare beneficiary enrolls in an HMO, money that was being paid to teaching hospitals for medical education in the form of additional payments for direct and indirect costs, is paid instead to an HMO as part of a monthly premium. There is no requirement that HMOs use any of this payment to support medical education. Over a 4-year period, the legislation removes graduate medical education payments from HMO payment calculation. These funds are deposited into the Medical Education Trust Fund and paid directly to teaching hospitals.

MEDICAL EDUCATION ADVISORY COMMISSION

The legislation also establishes a Medical Education Advisory Commission to conduct a study and make recommendations, including the potential use of demonstration projects, regarding the following:

operations of the Medical Education Trust Fund; alternative and additional sources of medical education financing; alternative methodologies for distributing medical education payments; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the role of medical schools in graduate medical education; and policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals.

The Commission, comprised of nine individuals appointed by the Secretary of Health and Human Services, will be required to issue an interim report no later than January 1, 1998, and a final report no later than January 1, 2000.

By Mr. CHAFEE:

S. 1871. A bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

THE PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE EXPANSION ACT OF 1996

Mr. CHAFEE. Mr. President, today I am pleased to introduce a bill to enhance legislation I authored in 1988 that established the Pettaquamscutt Cove National Wildlife Refuge in Rhode Island.

Pettaquamscutt Cove—a cove which divides the towns of Narragansett and South Kingstown, RI—is one of the State's natural jewels. The tidal marshes and mudflats in Pettaquamscutt Cove are home to a diverse species of waterfowl, wading birds and shore birds, and numerous small mammals, reptiles, and amphibians.

Pettaquamscutt Cove has been identified as the most important migration and wintering habitat in Rhode Island for the black duck population under the North American waterfowl management plan. I might mention that this plan has been a tremendous success, capitalizing on the cooperative efforts of the Federal Government working with nonprofit groups and local governments. These efforts to protect wetlands—through establishment of national wildlife refuges such as Pettaquamscutt, through conservation efforts to implement the North American Wetlands Conservation Act, and through other statutes like the Wetlands Reserve Program that was recently expanded in the farm bill that protect our Nation's wetlands—have been a great success. Add to this some decent rainfall, and the waterfowl populations have rebounded tremendously. Not since 1955 have we witnessed such a spectacular migration of waterfowl as this past year.

Rhode Island has lost almost 40 percent of its original wetlands. It is essential that we do all we can to hold the line on continued losses of wetlands through preservation of ecosystems such as Pettaquamscutt Cove. By expanding Pettaquamscutt Cove Refuge, this bill will protect the fertile marsh habitat that supports a multitude of fish and wildlife and plants along Rhode Island's coast and provide more recreational opportunities for Rhode Islanders and other visitors.

Currently, the Pettaquamscutt Cove National Wildlife Refuge boundary encompasses 460 acres of salt marsh and surrounding forest habitat. One hundred seventy-five acres of habitat have already been acquired by the Service. This bill expands the Pettaquamscutt Cove National Wildlife Refuge boundary to include a 100-acre parcel, known as foddering farm acres and; allows the Fish and Wildlife Service to expand the refuge boundary to include other important habitat if and when suitable properties become available in the future.

Mr. President, the expansion of Pettaquamscutt Cove Refuge to include the foddering farm acres property provides a wonderful example of cooperation between the Fish and Wildlife Service and private citizens. The 100-acre foddering farm property—adjacent to long pond—contains valuable wetland habitat for waterfowl and other species. The Rotelli family who owns the property has been working with, and waiting patiently for, the U.S. Fish and Wildlife Service for several years. The Rotellis have indicated their willingness to donate a portion of the value of the property to the Service. Through their partial donation, the National Wildlife Refuge System gains valuable habitat at a bargain price. Three cheers for the Rotellis. It is just this kind of private conservation effort and public spiritedness that has enabled us to preserve important open space throughout Rhode Island.

This bill will enable the Fish and Wildlife Service to continue their efforts to work with Rhode Islanders like the Rotellis to protect the beautiful and important natural resources along Rhode Island's coast.

Mr. President, I urge my colleagues to support this legislation and 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. 1871

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

SECTION 1. EXPANSION OF PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE.

Section 204 of Public Law 100–610 (16 U.S.C. 668dd note) is amended by adding at the end the following:

''(e) EXPANSION OF REFUGE.—

''(1) ACQUISITION.—The Secretary may acquire for addition to the refuge the area in Rhode Island known as 'Foddering Farm Acres', consisting of approximately 100 acres, adjacent to Long Cove and bordering on Foddering Farm Road to the south and Point Judith Road to the east, as depicted on a map entitled 'Pettaquamscutt Cove NWR Expansion Area,' dated May 13, 1996, and available for inspection in appropriate offices of the United States Fish and Wildlife Service.

''(2) BOUNDARY ADJUSTMENT.—After making the acquisition described in paragraph (1), the Secretary shall revise the boundaries of the refuge to reflect the acquisition.

''(f) FUTURE EXPANSION.—

''(1) IN GENERAL.—The Secretary may acquire for addition to the refuge such lands, waters, and interests in land and water as the Secretary considers appropriate and shall adjust the boundaries of the refuge accordingly.

''(2) APPLICABLE LAWS.—Any acquisition described in paragraph (1) shall be carried out in accordance with all applicable laws.''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 206(a) of Public Law 100–610 (16 U.S.C. 668dd note) is amended by striking ''designated in section 4(a)(1)'' and inserting ''designated or identified under section 204''.

SEC. 3. TECHNICAL AMENDMENTS.

Public Law 100–610 (16 U.S.C. 668dd note) is amended—

(1) in section 201(1)—

(A) by striking ''and the associated'' and inserting ''including the associated''; and

(B) by striking ''and dividing'' and inserting ''dividing'';

(2) in section 203, by striking ''of this Act'' and inserting ''of this title'';

(3) in section 204—

(A) in subsection (a)(1), by striking ''of this Act'' and inserting ''of this title''; and

(B) in subsection (b), by striking ''purpose of this Act'' and inserting ''purposes of this title'';

(4) in the second sentence of section 205, by striking ''of this Act'' and inserting ''of this title''; and

(5) in section 207, by striking ''Act'' and inserting ''title''.

By Mr. SIMON:

S. 1872. A bill to amend section 922(x)(5) of title 18, United States Code, relating to the prohibition of possession of a handgun by a minor, to change the definition of minor from under 18 years of age to under 21 years of age: to the Committee on the Judiciary.

AMENDMENTS TO THE YOUTH HANDGUN SAFETY ACT

Mr. SIMON. Madam President, I know that all of my colleagues share my concern about the increasing violence committed by and against young people in our Nation. There are many factors contributing to youth crime and violence and, as legislators, it is essential that we consider them not only as a whole but also individually. One of the contributing factors is clearly the easy access to handguns by young people. According to ''Violence by Young People: Why the Deadly Nexus?'' by Prof. Alfred Blumstein of Carnegie Mellon University, the number of murders committed by juveniles involving a gun has doubled since 1985, while there has been no such shift in the number of non-gun homicides. Guns are therefore playing a disproportionate role in the juvenile murder rate.

The legislation I am introducing amends the Youth Handgun Safety Act. Senator KOHL sponsored this important act, which was passed as part of the 1994 crime bill, to establish a minimum age requirement of 18 years old for the possession of a handgun. Specifically, the act makes it illegal for anyone under age 18 to possess a handgun and for anyone to knowingly transfer a handgun to a juvenile. There are exceptions for ranching or farming, and when the juvenile has written consent from a parent and is in compliance with all State and local laws. The act makes handgun possession and transferring a handgun to a juvenile a misdemeanor crime punishable by fines and up to 1 year imprisonment. Of course, Congress intends this measure to apply to handguns that have traveled in interstate commerce.

Before the act became law, it was illegal for a licensed dealer to sell a handgun to anyone under age 21 and a long gun to anyone under age 18. However, there were no Federal penalties for the under-age person who bought the gun or for private transfers of a handgun. I applaud Senator KOHL for his sponsorship of this important initiative.

As it now stands, however, the Youth Handgun Safety Act defines the term ''juvenile'' as a person who is less than 18 years of age. My proposal would amend the definition of ''juvenile'' in this measure to mean a person who is less than 21 years of age.

Unfortunately, more and more frequently we hear stories about juvenile brawls which turn into deadly battles. Increasing the age limit for possession of a handgun to 21 is one step we can take to try to reduce this bloody cycle. Recognizing that alcohol and teenagers can be a deadly combination, Congress wisely amended the highway fund to include penalties for States that did not raise the drinking age to 21. We should follow this example when it comes to guns and teens as well. By introducing this measure I hope to encourage my colleagues to think about how we might help our teens to grow into responsible young adults. As limiting access to alcohol has certainly saved lives, so too will limiting access to handguns.

I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1872

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

SECTION 1. AMENDMENT TO THE YOUTH HANDGUN SAFETY LAW.

Section 922(x)(5) of title 18, United States Code, is amended by striking ''18 years'' and inserting ''21 years''.

By Mr. INHOFE (for himself, Mr. CHAFEE, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. MOYNIHAN, Mr. REID, and Mr. LUGAR):

S. 1873. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Environment and Public Works.

THE NATIONAL ENVIRONMENTAL EDUCATION AMENDMENTS ACT OF 1996

Mr. INHOFE. Mr. President, I introduce legislation to reauthorize the National Environmental Education Act. I am joined by my colleagues, Senators CHAFEE, LIEBERMAN, FAIRCLOTH, KEMPTHORNE, MOYNIHAN, REID, and LUGAR. And I am joined on the House side by my colleague, Congressman SCOTT KLUG of Wisconsin, who is introducing an identical bill in the House today.

This bill will reauthorize the educational efforts at the National Environmental Education and Training Foundation and the EPA's Office of Environmental Education. These programs support environmental education at the local level. They provide grant money and seed money to encourage local primary and secondary schools and universities to educate children on environment issues.

With the importance of the environment and the continuing debate on how best to protect it, it is vital to educate our children so that they truly understand how the environment functions.

Over the last few years environmental education has been criticized for being one-sided and heavy-handed. People have accused environmental advocates of trying to brainwash children and of pushing an environmental agenda that is not supported by the facts or by science. They also accuse the Federal Government of setting one curriculum standard and forcing all schools to subscribe to their views. This is not how these two environmental education programs have worked, and I have taken specific steps to ensure that they never work this way.

The programs that this act reauthorizes have targeted the majority of their grants at the local level, allowing the teachers in our community schools to design their environmental programs to teach our children, and this is where the decisions should be made. In addition, the grants have not been used for advocacy or to lobby the Government, as other grant programs have been accused of doing.

This legislation accomplishes two important functions. First, it cleans up the current law to make the programs run more efficiently. And second, it places two very important safeguards in the program to ensure its integrity in the future.

I have placed in this bill language to ensure that the EPA programs are balanced and scientifically sound. It is important that environmental education is presented in an unbiased and balanced manner. The personal values and prejudices of the educators should not be instilled in our children. Instead we must teach them to think for themselves after they have been presented with all of the facts and information. Environmental ideas must be grounded in sound science and not emotional bias. While these programs have not been guilty of this in the past, this is

an important safeguard to protect the future of environmental education.

Second, I have included language which prohibits any of the funds to be used for lobbying efforts. While these programs have not used the grant process to lobby the Government, there are other programs which have been accused of this and this language will ensure that this program never becomes a vehicle for the executive branch to lobby Congress.

This bill also makes a number of housekeeping changes to the programs which are supported by both the EPA and the Education Foundation which will both streamline and programs and make them more efficient.

The grants that have been awarded under this program have gone to a number of local groups. In Oklahoma alone such organizations as the Stillwater 4–H Foundation; Roosevelt Elementary School in Norman, OK; Oklahoma State University; the Kaw Nation of Oklahoma; and the Osage County Oklahoma Conservation District have received grants for environmental education under these programs.

This is an important piece of legislation, and I hope both the Senate and the House can act quickly to reauthorize these programs.

By Mr. JOHNSTON:

S. 1874. A bill to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974; to the Committee on Energy and Natural Resources.

THE DEPARTMENT OF ENERGY STANDARDIZATION ACT OF 1996

Mr. JOHNSTON. Mr. President, the bill that I have just introduced, which is strongly supported by the administration, amends or repeals a number of sections in the Department of Energy Organization Act and the Federal Energy Administration Act of 1974 that are obsolete or that are duplicative or inconsistent with other, Governmentwide statutes governing rulemaking and advisory committee management.

Over the past 3 years, I have proposed, on a number of occasions, amendments to remove administrative requirements of the Department of Energy Organization Act that are more onerous than similar Governmentwide requirements contained in more general statutes. For example, with the support of the Department of Energy [DOE] and the Office of Government Ethics, I have successfully promoted the repeal of financial disclosure and divestiture requirements affecting DOE employees that were more stringent than the comparable requirements of the Ethics in Government Act and that provided potent recruitment disincentives for outstanding potential employees for the Department.

This bill continues the process of placing DOE on a similar footing in administrative law to other Federal agencies. The first subsection in section 2 of the bill repeals redundant and obsolete requirements affecting DOE rule making under the Administrative Procedure Act, and places DOE procurement rulemaking under the same statutory basis, that is, the Office of Federal Procurement Policy Act, as all other Federal agencies. The second subsection repeals a restriction on DOE advisory committees that effectively prevents DOE from using committees under the Federal Advisory Committee Act for peer review of scientific and technical proposals and the selection of awardees for such departmental scientific honors as the Fermi Award and the E.O. Lawrence Award.

The proposals are noncontroversial, the Department of Energy has rendered technical assistance in their drafting, and the administration has indicated its strong support for these provisions in a letter dated June 10, 1996. I ask unanimous consent that this letter be printed in the RECORD.

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

THE SECRETARY OF ENERGY,
Washington, DC, June 10, 1996.

Hon. J. BENNETT JOHNSTON,
Ranking Democrat Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: This responds to your request for Department of Energy views on proposed amendments to the Department of Energy Organization Act (DOE Organization Act). These amendments would repeal subsections 624(b) and 501(b) and (d) of the Act. The Department strongly supports these amendments.

The first amendment would repeal section 624(b) of the DOE Organization Act (DOE Act) and section 17 of the Federal Energy Administration Act. The amendment would place DOE advisory committees on the same legal and procedural basis as all committees covered by the Federal Advisory Committee Act. Under current law DOE advisory committees are required to meet in public session, while other agencies may close meetings to protect information exempt from disclosure under the Administrative Procedure Act. DOE's more stringent requirement was justified at the time of its enactment by the economic regulatory role of the Department's predecessor, the Federal Energy Administration.

The second amendment would repeal subsections 501(b) and (d) of the DOE Organization Act. Subsections 501(b) and (d) elaborate on requirements in the Administrative Procedure Act interpreted by the Supreme Court to require agencies to provide the basis or purpose of the rule in their rulemaking (*Motor Vehicle Manufacturers Association* v. *State Farm*, 463 U.S. 29, 43 (1983). With repeal of subsections 501(b) and (d), the Department would be governed by the same standard procedural requirements as other agencies in conducting notice-and-comment rulemakings. The Department supports this change.

The Office of Management and Budget advises that there is no objection from the standpoint of the President's program to submission of this report for the Committee's consideration.

If you have further questions, please contact me, or have a member of your staff contact Douglas W. Smith, Deputy General Counsel for Energy Policy, at (202) 586–3410.

Sincerely,

HAZEL R. O'LEARY.

By Mr. HATFIELD (for himself and Mr. WYDEN):

S. 1875. A bill to designate the U.S. Courthouse in Medford, OR, as the ''James A. Redden Federal Courthouse''; to the Committee on Environment and Public Works.

THE JAMES A. REDDEN FEDERAL COURTHOUSE ACT

Mr. HATFIELD. Mr. President, it is my pleasure to introduce today legislation to name a Federal courthouse in my State after a fine lawyer, judge and Oregon citizen, U.S. District Judge James Anthony Redden. My legislation would rename the currently unnamed Federal courthouse in Medford, OR, the James A. Redden Federal Courthouse.

Over the years Judge Redden's many accomplishments have made him worthy of this tribute. Judge Redden practiced law in Medford, OR, from 1956–72. While practicing law he was elected to the Oregon State House of Representatives, in which he served from 1963–69. During the 1967 session he served as the minority leader of the Oregon House of Representatives.

Judge Redden left private practice in 1973 to serve as the Oregon State treasurer. In 1977, he began serving as Oregon attorney general. He served as Oregon's attorney general until 1980, when President Jimmy Carter appointed him to the position of U.S. District Judge. He was also appointed to serve on the U.S. Judicial Conference Committee in 1990 and reappointed to another 3 year term in 1993.

Judge Redden is a charter member of the American Board of Trial Advocates. In 1954, he was admitted to the Massachusetts State bar followed by the Oregon Bar in 1955. In 1955, he was also admitted to the bars of the U.S. District Court of Oregon and Court of Appeals, and finally, in 1979, to the bar of the U.S. Supreme Court.

The most important of Judge Redden's accomplishments is that he practiced law for 20 years in the Federal courthouse my legislation proposes to name in his honor. This courthouse is located in Judge Redden's beloved Jackson County. During his political life, he represented the people of Jackson County for 6 years, and now as a senior judge, he plans to try cases in Jackson County again. He has also taken a special interest in the ongoing renovation of the fine old building.

Once again I believe that it would be a highly appropriate honor to name this courthouse after an individual who has done so much, and who has had such a successful career.

I look forward to working with my colleagues on the Senate Environment and Public Works Committee to advance this important proposal through the Senate.

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. 1875

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

SECTION 1. DESIGNATION.

The United States courthouse at 310 West Sixth Street in Medford, Oregon, shall be known and designated as the ''James A. Redden Federal Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the ''James A. Redden Federal Courthouse''.

Mr. WYDEN. Mr. President, it is my pleasure to cosponsor legislation to name a Federal courthouse in my State after a fine soldier, lawyer, and judge, U.S. District Judge James Anthony Redden. This legislation would name the Federal courthouse in Medford, OR, the ''James A. Redden Federal Courthouse.''

Judge Redden has made public service the centerpiece of his life. He served his country in the U.S. Army from 1946 to 1948. He honed his legal skills practicing law from 1956 to 1972 in Medford, OR. He then left his private practice to serve the people of Oregon as the Oregon State treasurer in 1973 and as the Oregon attorney general in 1977. In 1980, President Jimmy Carter appointed him to the position of U.S. District Judge.

For 20 years, Judge Redden practiced law in the courthouse that Senator HATFIELD and I propose to rename today. Judge Redden and Senator HATFIELD have worked together over the years to renovate this courthouse, and now I, as a Member of the Senate, am pleased to join in the effort to rename this courthouse after Judge Redden, a great Oregonian and a great American.

By Mr. HARKIN (for himself and Mr. BAUCUS);

S. 1876. A bill to amend chapter 89 of title 5, United States Code, to end health insurance portability for Members of Congress and eliminate continued coverage for departing Members of Congress until health insurance portability for other U.S. citizens is enacted into law, and for other purposes; to the Committee on Governmental Affairs.

THE MOVE IT OR LOSE IT HEALTH COVERAGE ACT

Mr. HARKIN. Mr. President, I rise today to offer the Move It or Lose It Health Coverage Act. This is a straightforward bill that says if Members of Congress fail to move health insurance portability for Americans in a way that can be signed into law, then they will lose the health insurance portability that they now enjoy. If we don't pass it for America, we lose it for ourselves.

My legislation is designed with one goal in mind: to build up the pressure to provide greater health security for millions of American families.

Mr. President, when many Members of Congress leave office today, they can take their health care with them. No need to worry about preexisting condition exclusions or waiting periods or cancellations of policy if they become sick. It's all taken care of. Everything's covered.

Not so for far too many working families. Millions of Americans today face preexisting condition exclusions because they change jobs, lose jobs, or work for employers who change insurance policies.

The legislation I offer today says plain and simple—as long as health insurance portability is denied to working Americans, it ought to be denied to Members of Congress as well. Holding office shouldn't insulate anyone from all the health insurance concerns that face working families in America every day.

And I am hopeful that this bill I offer today will provide the incentive needed for all of us to come together and pass responsible health insurance reform legislation for all Americans.

So my bill says that until Congress passes the Kassebaum-Kennedy health insurance measure or similar legislation, the coverage provided to Members of Congress through the Federal Employees Health Benefits Program [FEHBP] will be modified in several ways so that we know what so many others are facing.

First, health insurers participating in the FEHBP would be allowed to include preexisting condition exclusions in health plans covering Members of Congress. Second, insurers would be free to refuse to issue coverage or renew coverage provided to a Member because of current health, or preexisting medical condition. Carriers would be free to include these restrictions and limitations in any health plan covering a current or retired Member of Congress.

And, third, current Members of Congress would no longer receive taxpayer-subsidized health coverage after leaving office.

Mr. President, the Kassebaum-Kennedy health insurance reform bill passed this body 100 to 0. Not one Senator voted against it. But now that legislation—and those important reforms—are languishing.

It is time to unite together to give the American people some of the same protections and health security that we have. If health insurance portability is good enough for Members of Congress, it ought to be good enough for working Americans, too.

And we must go about passing the Kassebaum-Kennedy reform in the same spirit that it was introduced and approved by the Senate the first time around—with strong bipartisan support and without controversial provisions that will keep it from being signed into law.

Let us pass what the American people want: a clean bill of health. A clean bill of security for American families.

And make no mistake, Mr. President. If the Kassebaum-Kennedy legislation is reduced from the commonsense bill that it was when it left the Senate to merely a partisan, political bill, then there will be no winners and American families will lose.

There is plenty of room to reach common ground by using common sense. It was in that spirit that I acted over 1 month ago to call for a carefully designed pilot project for medical savings accounts. And it is in that spirit that I offer my legislation today.

The Kassebaum-Kennedy bill which passed the Senate unanimously is truly a modest proposal. It does not fix many of the flaws in the current health care system. But it represents an important step toward reforming health care and injecting some fairness into the system. It would offer some welcome relief for American families worried about losing their health insurance.

Specifically, it would allow families to switch health plans without facing preexisting conditions. And it would assure that they won't be dropped and their coverage will be renewed even if they become sick.

The General Accounting Office estimates that 25 million Americans would be helped by portability reforms contained in the Kassebaum-Kennedy health insurance bill.

We can not afford to deny this basic reform to the American people. We have passed common sense change before. We must do so again. The American people demand and deserve no less. It is time to deliver.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1876

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

SECTION 1. LIMITATIONS OF HEALTH CARE COVERAGE FOR MEMBERS OF CONGRESS.

(a) FINDINGS.—The Congress finds that—

(1) an estimated 81,000,000 United States citizens suffer from some type of preexisting medical condition that could make it difficult to obtain health coverage, especially for that condition;

(2) millions of citizens are at risk of being subjected to preexisting condition exclusions under current law because they change jobs, lose jobs, or work for employers who change insurance policies;

(3) Members of Congress may—

(A) choose to receive a health plan through the Federal Employees Health Benefits Program; and

(B) enroll in a plan without facing restrictions because of health status or preexisting medical conditions;

(4) health care coverage for Members of Congress under such program—

(A) is portable because Members can change plans without worry of preexisting condition exclusions or waiting periods; and

(B) cannot be canceled and is required to be renewed;

(5) Members of Congress are often eligible to continue to receive health care through the Federal Employees Health Benefits Program after they leave Congress; and

(6) Congress should pass legislation to ensure health insurance portability for United States citizens.

(b) ENDING HEALTH INSURANCE PORTABILITY AND OTHER PROTECTIONS FOR MEMBERS OF CONGRESS.—

(1) IN GENERAL.—Section 8902 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(o)(1) Notwithstanding subsection (f) or (h), or any other provision of this chapter, a contract for a plan under this chapter shall provide that a carrier may—

''(A) include in a plan offered to an individual described under paragraph (2) preexisting condition exclusions and impose a limitation or exclusion of benefits relating to treatment of a preexisting condition based on the fact that the condition existed prior to enrollment;

''(B) exclude from enrollment an individual described under paragraph (2) due to health status or preexisting condition; or

''(C) refuse to renew the health plan of an individual described under paragraph (2) due to health status or preexisting condition.

''(2) Paragraph (1) shall apply with respect to the health status or preexisting condition of a member of family of an individual described under paragraph (3).

''(3) An individual referred to under paragraphs (1) and (2) is—

''(A) a Member of Congress; or

''(B) an annuitant who on the date immediately preceding the date of retirement described under section 8901(3)(A) was a Member of Congress.

''(4) This subsection shall cease to be effective on and after the date on which the Director of the Office of Personnel Management has received certification from the Secretary of Labor that a statute has been enacted into law that—

''(A) makes health coverage for United States citizens portable by limiting exclusions for preexisting conditions;

''(B) guarantees availability of health insurance to United States citizens; and

''(C) guarantees renewability of health coverage to employers and individuals as long as premiums are paid.''.

(2) EFFECTIVE DATE.—This subsection shall take effect 30 days after the date of the enactment of this section.

(c) ELIMINATION OF COVERAGE FOR DEPARTING MEMBERS OF CONGRESS.—Section 8905 of title 5, United States Code, is amended—

(1) in subsection (b) by striking ''An annuitant'' and inserting ''Subject to subsection (g), an annuitant''; and

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

''(g)(1) This section shall not apply to any annuitant who—

''(A) on the date immediately preceding the date of retirement described under section 8901(3)(A) was a Member of Congress; and

''(B) becomes an annuitant on or after the date which occurs 30 days after the date of the enactment of this subsection.

''(2) This subsection shall cease to be effective on and after the date on which the Director of the Office of Personnel Management has received certification from the Secretary of Labor that a statute has been enacted into law that—

''(A) makes health coverage for United States citizens portable by limiting exclusions for preexisting conditions;

''(B) guarantees availability of health insurance to United States citizens; and

''(C) guarantees renewability of health coverage to employers and individuals as long as premiums are paid.''.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1877. A bill to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Energy and Natural Resources.

THE ENVIRONMENTAL IMPROVEMENT TIMBER CONTRACT EXTENSION ACT OF 1996

• Mr. MURKOWSKI. Mr. President, today along with Senator STEVENS and Congressman YOUNG, I am introducing the Environmental Improvement Timber Contract Extension Act of 1996. This bill would extend for 15 additional years the long-term timber sale contract on the Tongass National Forest between the Forest Service and the Ketchikan Pulp Corp. [KPC]. The extension would provide KPC with a stable timber supply over a sufficient length of time to amortize the cost of new environmental improvements and energy efficiency equipment. KPC's situation is unique because all of its timber comes from the Forest Service. There is no State or private timber available to the company.

I am introducing this bill as a result of: First, the important role that KPC plays in the social, economic, and environmental vitality of southeast Alaska; second, the strong, bipartisan support within the State for this action; third, the record from field hearings I held last month in southeast Alaska which overwhelmingly supports introduction; and fourth, the performance of the Forest Service which strongly indicates that, without congressional intervention, the KPC mill cannot survive. Let me elaborate on each of these factors.

First, let me describe the nature of the forest in southeast Alaska. Thirty percent of the trees are dead or dying. The fiber is suitable only for pulp. Without a pulp mill, lumber mills would be less profitable and the pulp would have to be exported, creating no domestic jobs. Let me also share with my colleagues what the Forest Service told us about the evolution and importance of KPC's long-term contract to southeast Alaska. Here is what the Agency told us at a May 28 oversight hearing in Ketchikan, AK:

The long-term contracts in Alaska which required the construction and operation of manufacturing facilities such as sawmills and pulp mills facilitated the establishment of a timber industry in southeast Alaska.

Prior to the 1950's, economic conditions in southeast Alaska were characterized as boom-bust. Federal Government employment, mining and salmon processing were the economic mainstays. After World War II, mining was essentially gone, leaving a small local timber industry and commercial fishing in the natural resources sector. Both the timber and commercial fishing industries were subject to market swings from year to year and were seasonal in terms of employment. The United States favored the expansion of the timber industry through several long-term timber sales on the Tongass National Forest to stabilize employment in southeast Alaska.

Making the best use of the timber on the Tongass required having suitable markets for both high and low quality timber and species. The markets were largely export markets in the Pacific Rim and were somewhat limited by the need to use most of the timber for pulp. The Forest Service advocated the use of long-term sales to establish a pulp industry that would bring greater economic diversity to the region and more year-round employment. If successful, more service and trade establishments were expected to follow—creating greater tax bases, which would provide opportunities for improved services, such as schools, water, fire protection, and the like. For all of this to come together, however, the Forest Service had to guarantee a long-term, stable timber supply to attract outside capital investment.

I found this testimony compelling. The Forest Service witnesses recounted the decisions of their predecessors—farsighted people recognizing the nature and importance of the resource and planning for an environmentally and economically secure future. The Forest Service recognized that, as the sole owner of land and timber, it controlled the economic and environmental vitality of the region.

Well what is the situation today? Today, KPC's operations directly or indirectly provide 25 percent of the total annual employment wages in Ketchikan. KPC's municipal real estate and sales taxes generated $13.6 million in revenues in 1992.

More broadly, the southeast Alaska timber industry is the dominant contributor to real estate development in Ketchikan. More than 25 percent of all households are timber dependent, and the typical timber employee can purchase more than 90 percent of the existing housing units. KPC comprises more than 50 percent of the total borough's industrial assessed valuation.

Tourism and fishing are also important to the economy of Ketchikan and southeast Alaska. We need all three of our basic industries—timber, fishing, and tourism—to be healthy if we are to have a healthy economy in the region. But quite simply, without some stability of timber supply, the economies of the region generally, and Ketchikan specifically, are doomed.

Perhaps that is why the proposal to extend the KPC contract has received broad, bipartisan support from elected officials throughout the State. Earlier this year, the Alaska Senate voted 18 to 1 to support a resolution urging the Congress to extend the contract. The Alaska House voted 34 to 3 to support the same measure. These are extraordinary margins of support. I will submit the resolution for the record.

Then, the Governor joined in, offering his support for congressional action to extend the contract. In a May 23 letter to me, Gov. Tony Knowles informed me that:

The State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: To protect the environment, Alaska jobs, and

other forest users; and to utilize the Tongass Land Management Planning [TLMP] process and value-added processing techniques.

I am pleased to say that these conditions have been agreed to by KPC and are included in the compromise legislation I am introducing today. I will include the Governor's letter for the RECORD.

After receiving these views from the legislature and the Governor, I scheduled two oversight hearings on May 28 and May 29 in Ketchikan and Juneau, respectively. What I heard at these hearings was overwhelming support for the legislature's resolution, the Governor's action, and the extension of the KPC contract. I heard from tourism interests, bankers, and fishermen who supported the contract extension. While not unanimous, the preponderance of testimony offered over the 2 days—and all of the demonstrators who marched in Ketchikan, as well as most or them in Juneau—called for congressional action to extend the contract. These people recognize that there is no alternative source of timber available.

Last, I am introducing this legislation today because I have finally lost confidence in the ability of the Forest Service to provide a stable and sustainable supply of timber for southeast Alaska. Over the past few years, the agency has fallen further behind in keeping a working timber sale pipeline. This problem has worsened despite the efforts of Senator STEVENS to provide the agency with additional funding for timber sale preparation. Consequently, more than half of the operating mills in southeast Alaska have closed their doors during the last few years during this administration's watch. KPC is the last remaining pulp mill in the State.

This situation is absolutely tragic. The Tongass is our Nation's largest national forest. Yet the level of economic activity associated with the production of forest products is very small, and sinking. We have only one pulpmill and a few scattered sawmills left. Employment in the industry has fallen 40 percent since 1990. New Yorkers burn more wood in their fireplaces and stoves than we harvest in southeast Alaska each year.

In its May 25 testimony, the Forest Service acknowledged that "the contract with Ketchikan Pulp Co. [KPC] has played an important role in the development of Alaska's resources in southeast." Given this admission, one would think that the Forest Service would want to see the mill stay. One would expect the Forest Service to weigh-in in favor of a contract extension. But not so.

In very disappointing testimony, the agency maintained that "the terms of the existing contract provide that all obligations and requirements of the long-term contract must be satisfied on or before June 30, 2004." In response to questions about any future obligations past that date, the agency insisted that it has none—none. This testimony was offered even though the preamble to the contract discusses a commitment to a permanent economic base.

On the question of whether Congress should extend the contract, the Forest Service testified that "a long-term commitment of resources through a timber contract could further affect the flexibility of management on the Tongass," and that "we are committed to completing the Revision of the Tongass Land Management Plan before we begin any discussion of future long-term commitments to timber related industries in Southeast." Yet, in response to questions, the agency witnesses could not tell me: First, whether such commitments could be made within the latitude provided by the range of alternatives in the draft TLMP; second, whether additional National Environmental Policy Act analysis would be required; or third, whether such commitments would actually be precluded by the selected alternative of the final plan. The testimony was extremely unsettling. It convinced me that either the Forest Service and/or the administration would like to see the KPC mill go away.

They have apparently no interest in seeing KPC invest $200 million to pioneer chlorine-free manufacturing technology that could benefit environmental control efforts nationwide. That is also tragic.

Mr. President, the simple facts are that—without the contract extension—KPC will be unable to amortize the required capital investments for environmental improvements, and it will go away. The company's new CEO also testified on May 28. He was refreshingly, if not reassuringly, frank. He said:

In the very near future, we have to decide whether to continue the large investments required to make KPC viable or whether the losses currently being inflicted by the appropriate implementation of the contract can be carried any longer. Now, we are going to make that decision relatively soon. This is not an issue for the year 2003. This is a 1996 issue and decision.

We will make that decision, first of all, based on just to keep running today we must have the Forest Service meet the intent of the long-term bilateral contract, including the volume and pricing provisions. And, then, secondly, to continue to invest at the rapid rate that we are right now, millions of dollars per quarter, this revised version of the long-term contract must be extended a minimum of 15 years at an offering level of 192 million board feet per year.

The people of KPC and the thousands of people who have worked with us have met its—their contractual obligations to develop the economy and provide permanent, year-round employment for southeast Alaska. We want the government to meet its contractual obligation to provide a sufficient volume of economically viable timber in a timely fashion.

Some in southeast Alaska suggest that the region does not need the KPC pulpmill to have a successful and sustainable timber industry. What is needed they opine, is to eliminate the monopoly contract and develop more small, value-added manufacturing facilities.

This is wishful thinking. The independent mill witnesses at our hearings indicated that the lack of a stable timber supply will preclude any additional investments in southeast Alaska. The manufacture of pulp is a higher value added process than any of the alternatives suggested by opponents of the pulpmill. The loss of the pulpmill will destabilize the industry and the infrastructure of the region, and have a chilling effect on future industry investments. Available capital will migrate to other regions.

Mr. President, I cannot stand idly by and watch the town of Ketchikan die. I will not. I am introducing, and ask respectful consideration of, the Environmental Improvement Timber Contract Extension Act.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

S. 1877

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 "Environmental Improvement Timber Contract Extension Act."

SEC. 2. MODIFICATION OF LONG-TERM CONTRACT REGARDING TONGASS NATIONAL FOREST.

(a) DEFINITIONS.—In this section:

(1) The term "board feet" means net scribner long-log scale for all sawlogs and all hemlock and spruce utility grade logs.

(2) The term "contract" means the timber sale contract numbered A10fs–1042 between the United States and the Ketchikan Pulp Company.

(3) The term "contracting officer" means the Regional Forester of Region 10 of the United States Forest Service.

(4) The term "mid-market criteria" means an appraisal that ensures an average timber operator will have a weighted average profit and risk margin of at least 60 percent of normal in a mid-market situation, representative of the most recent 10 years of actual market data.

(5) The term "proportionality" means the proportion of high volume stands (stands of 30,000 or more board feet per acre) to low volume stands (stands of 8,000 to 30,000 board feet per acre.)

(6) The term "purchaser" means the Ketchikan Pulp Company.

(b) FINDINGS.—Congress finds the following:

(1) On July 26, 1951, the Forest Service, on behalf of the United States, and the purchaser entered into a contract to harvest 8,250,000,000 board feet of timber from the Tongass National Forest in the State of Alaska. While the contract is scheduled to end June 30, 2004, it acknowledges an intention on the part of the Forest Service to supply adequate timber thereafter for permanent operation of the purchaser's facilities on a commercially sound and permanently economical basis. This legislation is necessary to effectuate that intent.

(2) A pulp mill or similar facility is necessary in southeast Alaska to optimize the level of year-round, high-paying jobs in the area, to provide high value added use of low-

grade wood and by-product material from sawmilling operations, and to maintain a stable regional economy.

(3) The purchaser plans to make environmental and operational improvements to its pulp mill, including conversion to an elementally chlorine free bleaching process, expansion of wastewater treatment facilities, relocation of the existing wastewater outfall, and improvements to chemical recovery and power generation improvements to chemical recovery and power generation equipment. Total capital expenditures are estimated to be $200,000,000, $25,000,000 of which the purchaser has already invested.

(4) Extension of the contract for 15 years is the minimum reasonable extension period to allow amortization of these environmental improvement and energy efficiency projects.

(5) Ketchikan is the fourth largest city of Alaska. Its economic and job base are extremely dependent upon the continuation of the contract, which provides the principal source of year-round employment in the area. The purchaser has stated among its goals and objectives the following:

(A) Continuation of a long-term commitment to Ketchikan and southeast Alaska, including maintenance of a stable Alaskan workforce, utilization of Alaskan contractors, vendors, and suppliers to permit those businesses to hire and maintain Alaskan employees.

(B) Participation in the Forest Service's land management planning process with other users so that the process may be completed expeditiously with maximum information.

(C) Adherence to sound principles of multiple-use and sustained yield of forest resources providing for the production of sustainable contract volumes for the purchaser and the other timber operators in southeast Alaska and the protection and promotion of other forest uses, including tourism, fishing, subsistence, hunting, mining, and recreation.

(D) Protection of air, water, and land, including fish and wildlife habitat, through compliance with applicable Federal, State, and local laws.

(E) Commitment to continue to explore new processes and technology to maximize the use of timber harvested and increase the value of products manufactured in southeast Alaska.

(6) The national interest is served by a policy that accomplishes the proper stewardship of publicly owned assets in the Tongass National Forest, a fair return to the United States for public timber in the Tongass National Forest, and a proper balance among multiple use interests in the Tongass National Forest to enhance forest health, sustainable harvest, and the general economic health and growth in southwest Alaska and the United States in order to improve national economic benefits. The national interest is best achieved by fostering domestic forest product markets and by modifying the terms of the contract pursuant to subsection (c).

(c) CONTRACT FAIRNESS CHANGES.—The contract is hereby modified as follows:

(1) EXTENSION.—The term of the contract is extended by 15 years from June 30, 2004.

(2) SALE OFFERING PLAN.—The contract shall include a plan describing the amount of volume, location, and the schedule by which the purchaser shall receive the timber required by paragraph (3) for the remainder of the contract term. The plan shall be coordinated with the Tongass Land Management Plan.

(3) VOLUME REQUIREMENTS.—The volume of timber required under the contract shall be provided in 5-year increments of 962,500,000 board feet, which the purchaser shall be obligated to harvest in an orderly manner, subject to the following:

(A) Until March 1, 1999, when the next 5-year increment is provided to the purchaser, the Forest Service shall provide the purchaser with at least 192,500,000 board feet per year of available timber at a date certain each year and shall maintain a supply of timber adequate to insure the purchaser can reasonably harvest 192,500,000 board feet each year.

(B) To ensure harvest in an orderly manner, the contracting officer shall provide for the construction by the purchaser of roads in portions of the 5-year increment area of timber in advance of the 5-year operating period by including such roads in the environmental impact statement prepared for the 5-year operating period.

(C) Timber selected for inclusion in the 5-year increment shall meet the mid-market criteria.

(4) APPRAISALS AND RATES.—The contracting officer shall perform appraisals using normal independent national forest timber sale procedures and designate rates for the increments of timber to be provided. The rates shall not be designated at a level that places the purchaser at a competitive disadvantage to a similar enterprise in the Pacific Northwest and those rates shall be the sole charges the purchaser shall be required to pay for timber provided.

(5) MEASUREMENT OF PROPORTIONALITY.—The Forest Service shall measure proportionality using the following criteria:

(A) Measure for groups of all contiguous management areas.

(B) Measure proportionality by acres.

(C) Measure proportionality over the entire rotation age.

(6) CONVERSION OR REPLACEMENT OF PULP MILL.—The purchaser may convert or replace, in part or in whole, its pulp mill with a facility that manufactures any other value added product that utilizes pulp logs as a raw material component.

(7) UNILATERAL TERMINATION.—The unilateral termination clause of the contract is eliminated.

(8) SUBSEQUENT MODIFICATIONS.—Any clause in the contract, as modified by this subsection, may be further modified only by mutual agreement of the Forest Service and the purchaser and may be so modified without further Act of Congress.

(d) EFFECTIVE DATE FOR CONTRACT MODIFICATION.—

(1) EFFECTIVE DATE.—The modifications made by subsection (c) shall take effect 45 days after the date of the enactment of this Act.

(2) MINISTERIAL DUTY TO MODIFY THE CONTRACT.—Not later than such effective date, the contracting officer shall revise, as a ministerial function, the text of the contract to conform with the modifications made by subsection (c) and implement the modified contract. The contracting officer shall make conforming changes to provisions of the contract that were not modified by subsection (c) in order to ensure that the modifications made by such subsection are implemented.

(e) TRANSITION TIMBER SUPPLY.—Timber volume available or scheduled to be offered to the purchaser under the contract in effect on the day before the date of the enactment of this Act shall continue to be offered and scheduled under the contract as modified by subsection (c) along with such additional timber volume as is necessary to satisfy the timber volume requirement of 192,500,000 board feet per year.

SENATE JOINT RESOLUTION NO. 40 IN THE LEGISLATURE OF THE STATE OF ALASKA

Whereas, for the last 40 years, the timber industry operating on national forest land in Southeast Alaska has been the largest private employer in Southeast Alaska; and

Whereas the United States Forest Service strategy for creating permanent year-round employment through a timber industry in Southeast Alaska has been to offer long-term contracts to attract pulp mills to use, and add value to, low-grade and by-product materials from timber harvesting; these pulp mills serve as a market for pulp logs and chips from the sawmills in Southeast Alaska; and

Whereas pulp mills assure full utilization and protect forest health by using that significant portion of the Tongass National Forest that consists of dead, dying, and overmature timber; and

Whereas, since passage of the Tongass Timber Reform Act of 1990 (TTRA), a pulp mill and a major sawmill have closed, and more than 40 percent of the timber industry has been lost due, in part, to the failure of the United States Forest Service to make available the approximately 420,000,000 board feet per year needed to meet the jobs protection promises made by those who sought passage of the TTRA, all of which has created severe social and economic harm to the timber industry, its workers, and timber-dependent communities in Southeast Alaska; and

Whereas another of the reasons for the closure of the Sitka pulp mill was the adverse economic impacts of unilateral changes to its long-term contract made by the TTRA, those unilateral changes also adversely impact the economics of the Ketchikan Pulp Company (KPD) contract; and

Whereas KPC, which obtained a long-term contract to help create year-round jobs in Southeast Alaska, is the sole remaining pulp mill in Alaska, a mjor employer in Southeast Alaska, and the market for pulp logs and chips from all the other sawmills in Southeast Alaska; and

Whereas the loss of the KPC pulp mill would lead to the loss of the entire industry now operating on the Tongass National Forest with devastating social and economic effects on families and communities throughout Southeast Alaska; and

Whereas, KPC pulp mill faces an uncertain future, not of its own making, as a result of the continuing log shortage created by the failure of the United States Forest Service to meet its volume requirements under KPC's contract and the TTRA, as a result of the adverse economic impacts to its long-term contract caused by the unilateral TTRA changes, and as a result of the requirement that more than $155,000,000 in capital expenditures be made over the next few years to meet new and ever changing federal environmental standards and operating needs; and

Whereas, as a matter of economic common sense, KPC cannot make all the necessary expenditures without the federal government extending its contract for a sufficient period to amortize those expenditures, without an adequate supply of timber, and without modifying those portions of the unilateral TTRA contract changes that have adversely impacted the contract's economics; and

Whereas the legislature finds that an additional 15 years is a minimum reasonable period to extend the KPC's timber sale contract to allow such amortization and to provide opportunities for value-added alternatives that maximize the number of jobs and assures environmentally sound operations; and

Whereas the legislature finds that sufficient timber must be made available to maintain the KPC contract, to provide 100,000,000 board feet for the contracts to small business, and to reopen the Wrangell facility and a by-product facility in Sitka; be it

Resolved, That the Alaska State Legislature respectfully urges the Alaska delegation

in Congress and the Governor to take all steps necessary, this year, to extend the Ketchikan Pulp Company long-term contract for an additional 15 years and modify those portions of the contract which the TTRA unilaterally impacted, because such an extension and modification are critical to the environmental, social, and economic well-being of the Tongass National Forest timber workers, their families, and timber-dependent communities in Southeast Alaska and because such an extension is in the public interest of the State of Alaska; and be it further

Resolved, That the Tongass National Forest should be managed for a healthy and diversified economy for the benefit of all users, including value-added forest products, commercial and sport fishing, seafood processing, tourism, subsistence, sport hunting, and local businesses that provide goods and services; and be it further

Resolved, That the Alaska State Legislature also respectfully urges the Alaska Congressional Delegation, the Governor, and the United States Forest Service to take action this year to assure that sufficient timber be made available as part of any revision of the Tongass Land-Use Management Plan to maintain the Ketchikan Pulp Company contract, to provide 100,000,000 board feet for small business contracts, and to reopen the Wrangell facility and a by-product facility in Sitka.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Daniel R. Glickman, Secretary of the U.S. Department of Agriculture; the Honorable Bruce Babbitt, Secretary of the U.S. Department of the Interior; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Washington, DC, May 23, 1996.

Hon. FRANK MURKOWSKI,
U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: On behalf of Governor Tony Knowles, I hereby submit, for the hearing record, the attached letter from the Governor to Mr. Mark Suwyn, Chairman of Louisiana-Pacific Corporation, concerning a possible contract extension for the Ketchikan Pulp Company (KPC).

As the attached letter indicates, the State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: to protect the environment, Alaska jobs, and other forest users; and to utilize the Tongass Land Management Planning (TLMP) process and value-added processing techniques. The State's support for a contract extension, however, leaves for the federal public process to resolve the issues of volume, contract duration, and pricing structure.

With respect to the TLMP process, which we understand you are also having hearings on, the State continues to provide information and comments to the United States Forest Service in an effort to develop a management plan for the Tongass that is based on sound science, prudent management, and meaningful public participation.

In addition to this letter for the record, the State plans to be represented at the hearings by Veronica Slajer, of the Department of Commerce and Economic Development, who will be in attendance to listen to the testimony of the witnesses. As we informed your staff earlier, Ms. Slajer will not be testifying at the hearings, but the State is interested in learning about what others think about these issues so that the State can incorporate these thoughts in the formulation of State policy.

Thank you for considering the State's views.

Sincerely,

JOHN W. KATZ,
Director of State/Federal Relations and Special Counsel to the Governor.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, April 26, 1996.

Mr. MARK SUWYN,
Chairman and CEO, Louisiana Pacific Corporation, Portland, OR.

DEAR MARK: Thank you for our recent discussions about the future of the Kctchikan Pulp Company (KPC).

As you know, my Administration has consistently supported a sustainable timber industry in the Tongass, including a predictable timber supply to meet the terms of the KPC contract and 100 million board feet for small operators through Small Business Administration sales. Thousands of Alaskan families depend on the Tongass for their livelihoods, subsistence hunting and fishing, recreation, and other uses.

With this letter, I want to inform you my Administration supports a KPC contract extension, contingent on the five principles outlined below. As you mentioned during our recent meeting, a decision to extend KPC's current contract is a federal one. While the state has no authority to grant an extension, the long-term partnership between the people of Southeast Alaska and the timber industry and between the City of Kctchikan and KPC gives us an important interest in the extension issue. This partnership has benefited the jobs and families of Southeast Alaska and has helped maintain healthy, safe, and stable communities.

Inherent in this long-term partnership are five principles:

1. *Environmental Protection*. Protection of air, water, and land, including fish habitat through compliance with applicable federal, state, and local laws. This means KPC should develop a plan to achieve full compliance with environmental laws within three years. This would include a meaningful public process that resolves public health and environmental issues.

2. *Commitment to Ketchikan*. A long-term commitment to Ketchikan and the maintenance of a stable workforce, including the hiring and training of resident Alaskans and a willingness to hire Alaska contractors. KPC should have longer terms contracts with Alaska timber businesses to provide them the certainly to hire permanent employees from Alaska. KPC should support a policy for directing 50 percent of the timber from SBA sales to in-state secondary processing through contracts with SBA timber businesses.

3. *Multiple Use*. Adherence to sound principles of multiple use and sustained yield of forest resources. This means the production of sustainable contract volumes for KPC and the small timber operators in southeast and the protection and promotion of other forest uses and users, including tourism, fishing, subsistence, hunting, mining, and recreation.

The planning process is of little value if individual sales remain mired in controversy and litigation. Therefore, timber offerings in areas of high community interest and important fish habitat, such as Cleveland Peninsula, Honker Divide, East Kuiu, and Poison Cove, should be avoided. In addition, every effort should be made to bring about a transition from the harvest of old growth to second growth timber.

4. *TLMP Process*. The Tongass Land Management Plan, including full participation by the timber industry and other forest users, must be completed expeditiously. The timber volume available for harvest must be determined through the TLMP planning process.

5 *Value-Added*. The timber industry should continue to explore new processes and technology to maximize the use of timer harvested and increase the value of products.

As we discussed, the matter of volume, contract duration, and price must be determined by the federal public process.

I look forward to our continued cooperation.

Sincerely,

TONY KNOWLES,
Governor. ●

By Mr. AKAKA:

S. 1878. A bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interimnuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes; to the Committee on Environment and Public Works.

THE NUCLEAR WASTE POLICY ACT OF 1982 AMENDMENT ACT OF 1996

Mr. AKAKA. Mr. President, today I am introducing an amendment to the Nuclear Waste Policy Act to prohibit an interim or permanent nuclear waste storage facility outside of the 50 States. My bill would prevent the Nuclear Regulatory Commission from issuing a license to store nuclear waste in any of the territories, or on U.S. possessions such as Midway Island or Palmyra Atoll.

Some of my Senate colleagues may wonder whether this is a bill in search of a problem that does not exist. Until a few weeks ago, I would have never imagined that legislation such as this was necessary. However, based on information I have compiled, it is clear that the bill I am proposing is urgently needed.

Earlier this year, the Honolulu papers reported that Palmyra Island, a Pacific atoll located 900 miles southwest of Hawaii, was sold to a New York investment firm known as KVR, Inc. The reason KVR purchased Palmyra has always been vague and uncertain. However, 2 weeks ago details of a scheme for Palmyra were uncovered when the island's new owners quietly circulated legislation that would direct the Nuclear Regulatory Commission to issue a license for high-level nuclear fuel storage on Palmyra. The State of Hawaii and its delegation in Congress strongly oppose this proposal.

I have recently discovered that Palmyra was not the only island targeted for nuclear storage. Midway Island and sites in the Republic of the Marshall Islands were also proposed for nuclear waste storage by the owners of Palmyra and their associates.

As more and more information surfaces about the activities of Palmyra's new owners, their business associates, and the web of corporations they control, the true picture of their scheme emerges. When you fit all the pieces of

the puzzle together, you find that a group of nuclear entrepreneurs have been combing the Pacific for the past 2 years, searching for a home for their nuclear waste dump. It is an affront to Hawaii and the Pacific that they would hatch this scheme and operate in the shadows for so long.

Let me present the facts in greater detail. In October 1994, the developers of this nuclear waste initiative wrote the President of the Republic of the Marshall Islands to propose that high-level nuclear waste be stored in the Marshall Islands. Prior to sending their letter, representatives from both sides met in Washington to discuss the proposal. In exchange for providing exclusive use of an island for storing nuclear fuel, the Republic of the Marshall Islands Government would receive $160 million in concession payments as well as a share of any profits from the venture.

Fortunately this initiative did not succeed. The plan to store nuclear materials in the Republic of the Marshall Islands was opposed by the Clinton administration and prompted Congress to enact legislation prohibiting the Department of Energy from negotiating such an arrangement with the Republic of the Marshall Islands Government.

At this point the scheme to build a nuclear waste dump on a low-lying Pacific atoll appeared dead. But the proposal resurfaced when a group of Washington lobbyists and Wall Street financiers purchased Palmyra Atoll earlier this year.

The bill drafted by the new owners of Palmyra is one of the most remarkable legislative proposals I have seen in my 20 years in Congress. It is a legislative blank check, granting carte blanche authority to the owners of Palmyra to become the world's only, privately owned nuclear fuel storage and reprocessing enterprise. This proposal would vastly increase the risk of nuclear proliferation by placing the critical elements of weapons of mass destruction—plutonium and uranium—in private hands.

The bill directs the Nuclear Regulatory Commission to issue a license to store 200,000 tons of nuclear fuel on Palmyra. The license shall be granted for the maximum period permitted by law. By directing the NRC to license nuclear waste storage on Palmyra, the draft legislation would circumvent NRC licensing standards and waive environmental, engineering, and safety requirements that normally apply to the storage of spent nuclear fuel.

One of the boldest elements of the bill grants the owners of Palmyra the exclusive right to determine the scope of activities on the atoll. Why should anyone, whether a private individual or an arm of government, be granted unfettered authority over an island where 200,000 tons of nuclear fuel is being stored and reprocessed? This would be nuclear madness.

Another flaw of this proposal is that atolls like Palmyra are environmentally sensitive and prone to erosion and extreme weather conditions. Eastern Island, the highest point on the atoll, is less than 6 feet above sea level.

Any nuclear material stored at Palmyra would eventually have to be relocated. The National Academy of Sciences and the Nuclear Regulatory Commission have determined that above-ground storage of nuclear materials can only be an interim solution. Spent nuclear fuel stored at Palmyra would eventually have to be relocated to a permanent storage site. If this proposal succeeds, ships carrying spent nuclear fuel from all corners of the globe will transect the Pacific to deposit nuclear material at Palmyra, only to transport this fuel once again to a permanent storage site at another location. If the plan for nuclear reprocessing goes forward, the traffic in nuclear cargo would increase dramatically.

The bill further declares that the owners of Palmyra shall have title to any nuclear fuel, commencing at the time waste is transferred to containers bound for Palmyra. It would summarily select a site for storing nuclear waste without scientific or technical evaluation of the geologic, hydrologic, seismic or other conditions of the atoll. It negates decades of research, planning, and development we have invested in achieving an acceptable approach to our nuclear waste problem.

Of course, in order to achieve this remarkable plan, the bill waives the Clean Water Act and the National Environmental Policy Act. These laws are the hallmark of our Nation's commitment to protecting the environment and enjoy broad, bipartisan support. The notion that these fundamental environmental laws should be waived during the licensing of a high-level nuclear waste storage site is simply irresponsible. The American people will never accept such a proposal, no matter how well it is sugarcoated.

The revelation this week that Midway, an island that is part of the Hawaiian chain, was also sought by the owners of Palmyra is an especially frightening development for the people of Hawaii. In December 1995, the chairman of U.S. Fuel and Security requested that the Navy allow high-level nuclear fuel storage on Midway Island. U.S. Fuel and Security is a company affiliated with the new purchasers of Palmyra. The company has a business plan that calls for storing nuclear materials on a privately owned island in the Pacific Ocean, which we now know to be Palmyra.

Fortunately, the request was denied and the Navy transferred operational control of Midway to the U.S. Fish and Wildlife Service in May of this year. The purchase of Palmyra was consummated only after it became clear that the Navy would not approve the proposal for Midway storage.

Weeks ago, when details first surfaced about establishing a nuclear waste dump on Palmyra, it was difficult to believe that there was any truth to these proposals. But as I uncovered more and more information, I began to realize that this story was fact, and not fiction. This tale of nuclear intrigue is like a bad onion. Each time you peel away another layer it smells even more. You begin to wonder what else this group is up to that we do not know about.

That is why I am introducing legislation to prohibit the storage of nuclear waste in any of the Pacific territories or on U.S. islands such as Midway or Palmyra. My bill is a preemptive strike against proposals to store nuclear waste on Palmyra. It would shut the door on any possibility of turning these Pacific islands into a nuclear waste dump.

I also want to put the Senate on notice that I am examining legislation to transfer jurisdiction of Palmyra, Midway, and five other U.S. possessions to the State of Hawaii. This proposal would give Hawaii legal authority over, but not title to, these islands.

When a similar proposal surfaced last year in the House of Representatives, legitimate concerns were raised about the potential liability associated with such a transfer. In light of efforts to store nuclear fuel on some of these islands, I believe that we should revisit the idea of placing these Pacific islands, which are geographically close to Hawaii, under the State's jurisdiction. I will closely examine the question of liability and take steps to ensure that the Federal Government is responsible for cleanup of any hazardous or toxic substances on these islands, and that the State of Hawaii is indemnified from future liability.

Transferring jurisdiction of islands like Palmyra and Midway to the State of Hawaii would mean that our Governor, the State legislature, and ultimately the people of Hawaii would have a greater say in determining the future of these islands. This legislation could be a substitute for, or an addition to, the bill I have introduced today.

My colleagues, the nuclear era began in the Pacific when the first atomic bomb was dropped on Hiroshima. Since that time, more than 150 nuclear devices have been detonated in the region. The United States conducted 66 tests in the Marshall Islands and Johnston Atoll during the 1940's and 1950's. The British conducted 21 tests on Christmas Island and in Australia during the 1950's. The French detonated more than 180 devices on Mururoa and Fangataufa Atolls under a nuclear testing program that began in 1974 and ended in February 1996. The environmental consequences of this nuclear legacy are evident throughout the Pacific to this day.

Given the international outpouring of criticism during the recent French testing, it is inconceivable that anyone would consider establishing the world's largest spent nuclear fuel dump at Palmyra. The Pacific has been under assault since the dawn of the nuclear era

and should not become a future dumping ground for the world's nuclear problems. Half a century of nuclear testing is enough.

ADDITIONAL COSPONSORS

S. 258

At the request of Mr. PRYOR, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 258, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 1610

At the request of Mr. BOND, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1628

At the request of Mr. BROWN, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1628, a bill to amend title 17, United States Code, relating to the copyright interests of certain musical performances, and for other purposes.

S. 1689

At the request of Mr. GRAMM, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1689, a bill to provide regulatory fairness for crude oil producers, and to prohibit fee increases under the Hazardous Materials Transportation Act without the approval of Congress.

S. 1713

At the request of Mr. FRIST, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Vermont [Mr. JEFFORDS], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1713, a bill to establish a congressional commemorative medal for organ donors and their families.

S. 1735

At the request of Mr. PRESSLER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1735, a bill to establish the United States Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

S. 1741

At the request of Mr. ASHCROFT, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1741, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes.

S. 1794

At the request of Mr. GREGG, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from North Carolina [Mr. HELMS], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1794, a bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

S. 1809

At the request of Mr. MURKOWSKI, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1809, a bill entitled the ''Aleutian World War II National Historic Areas Act of 1996.''

S. 1815

At the request of Mr. GRAMM, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1815, a bill to provide for improved regulation of the securities markets, eliminate excess securities fees, reduce the costs of investing, and for other purposes.

S. 1845

At the request of Mr. GREGG, the name of the Senator from Iowa [Mr. GRASSLEY] 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 Virginia [Mr. WARNER], the Senator from Missouri [Mr. ASHCROFT], and the Senator from New York [Mr. D'AMATO] 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.

SENATE CONCURRENT RESOLUTION 42

At the request of Mrs. KASSEBAUM, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 247

At the request of Mr. SPECTER, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of Senate Resolution 247, a resolution expressing the sense of the Senate regarding a resolution of the dispute between Greece and Turkey over sovereignty to the islet in the Aegean Sea called Imia by Greece and Kardak by Turkey.

SENATE RESOLUTION 250

At the request of Mr. BROWN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Resolution 250, a resolution expressing the sense of the Senate regarding tactile currency for the blind and visually impaired.

SENATE CONCURRENT RESOLUTION 64—RELATIVE TO FILIPINO WORLD WAR II VETERANS

Mr. INOUYE (for himself and Mr. AKAKA) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 64

Whereas the Commonwealth of the Philippines was strategically located and thus vital to the defense of the United States during World War II;

Whereas the military forces of the Commonwealth of the Philippines were called into the United States Armed Forces during World War II by Executive order and were put under the command of General Douglas MacArthur;

Whereas the participation of the military forces of the Commonwealth of the Philippines in the battles of Bataan and Corregidor and in other smaller skirmishes delayed and disrupted the initial Japanese effort to conquer the Western Pacific;

Whereas that delay and disruption allowed the United States the vital time to prepare the forces which were needed to drive the Japanese from the Western Pacific and to defeat Japan;

Whereas after the recovery of the Philippine Islands from Japan, the United States was able to use the strategically located Commonwealth of the Philippines as a base from which to launch the final efforts to defeat Japan;

Whereas every American deserves to know the important contribution that the military forces of the Commonwealth of the Philippines made to the outcome of World War II; and

Whereas the Filipino World War II veterans deserve recognition and honor for their important contribution to the outcome of World War II: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should issue a proclamation which recognizes and honors the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.

Mr. INOUYE. Mr. President, I rise to submit a concurrent resolution which recognizes the valiant military service of Filipino soldiers during World War II.

The Philippine Islands were the possessions of the United States from the end of the Spanish-American War in 1898 until shortly after the end of World War II in 1946. On December 8, 1941, the Japanese invaded the Philippine Islands. The invasion delayed the islands' independence from the United States for 2 years.

On July 26, 1941, 4 months before the invasion of the Philippines, President Roosevelt issued a military order calling members of the Philippine Commonwealth Army:

> into the service of the armed forces of the United States for the period of the existing emergency, and placed under the command of a general officer, United States Army * * * all of the organized military forces of the Government of the Philippines * * *

On December 18, 1941, General MacArthur issued General Order No. 46 which provided that:

> Pursuant to provisions of the Proclamation of the President of the United States,

dated July 26, 1941, all personnel of the Philippine Army on active duty and all active units of the Philippine Army, less personnel and units already accepted for service with the United States Armed Forces, are hereby called into the service of the armed forces of the United States in the Philippines * * *

Among the fierce battles fought was the battle at Bataan, which could not have been maintained without the valiant efforts of Filipino servicemen who constituted more than 75 percent of the troops and incurred a disproprionate number of deaths. During the Bataan Death March and subsequent internment, Japanese brutality toward Filipino solders far exceeded those of American prisoners. For example, approximately one-half of the 60,000 Filipino servicemen died at Bataan in contrast to one quarter of the 10,000 United States servicemen who lost their lives while imprisoned.

According to a June 1973 Philipine study entitled ''The Status of Members of Philippine Military Forces During World War II,'' Filipino guerilla resistance movements arose prior to the May 7, 1942, surrender to the Japanese. These movements comprised of personnel from the Philippine Army, the Old Philippine Scouts and other units of the United States Army. These guerilla forces engaged in overly aggressive moves against the Japanese that resulted in heavy losses and the capture of many of the movement's leaders. From his headquarters in Australia, General MacArthur, in March 1943, instructed the guerillas to limit combat contact to the minimum necessary for self-protection, and to concentrate instead of improving organizational and intelligence-gathering abilities. During May 1942 to May 1944, the Japanese could only maintain control over the major cities and towns because guerilla forces controlled the countryside. Without the combat and support contributions of the guerilla forces before and during General MacArthur's return to the Philippines in October 1944,

the task of reoccupying the Islands would have been vastly more costly to the United States in terms of time, money, manpower, and casualties.

On October 28, 1944, Philippine Commonwealth President Osmena issued Executive Order No. 21, which recognized the military service of guerilla forces as active service in the Philippine Army, the date of entry into such active service being the date of joining a recognized guerilla force. General MacArthur subsequently issued retroactive recognition orders dating back to the times when the various guerilla units began to fight, thereby bringing them within the terms of President Roosevelt's order calling Philippine forces into the service of the United States. Effective June 30, 1946, after cessation of hostilities in the Philippine Islands, the Philippine Army and its recognized guerilla units were released from service in the armed forces of the United States by military order of the President.

The Philippine Army and its recognized guerilla units, loyally and valiantly fought, suffered, and in many instances, died in the service of our country, in the same manner as other members of our armed forces during World War II. We must not ignore the recognition they duly deserve as United States veterans. Accordingly, I urge my colleagues to support this resolution which recognizes the valiant military service of the Filipino World War II soldiers.

Mr. AKAKA. Mr. President, I rise to join my colleague, the senior Senator from Hawaii, to recognize and honor World War II Filipino veterans. The concurrent resolution we submit today is the first step in acknowledging the contributions made by Filipino veterans to the United States during World War II.

Few Americans realize the pivotal role Filipinos played during World War II. From 1898 to 1946, the Philippines were a U.S. possession. Although the Philippine Independence Act of 1934 established a 10 year timetable for independence and bestowed the Commonwealth of the Philippines with certain powers over internal affairs, its full independence was delayed until 1946 because of the Japanese occupation from 1942 to 1945.

Between 1934 and 1946, the United States retained certain sovereign powers over the Philippines. President Roosevelt invoked an executive order on July 26, 1941, which ordered the Philippine Commonwealth Army into the service of the U.S. Army Forces of the Far East under the command of Lieutenant General Douglas MacArthur.

Thousands of Filipinos served with United States military personnel in the Pacific during World War II. Of the nearly 142,000 Filipino veterans who fought during World War II, only 70,000 survivors remain today. From the Japanese landing at Lingayen to the liberation of the Philippines in 1944, Filipino Army units gave their all to repel Japanese forces. Filipinos forces marched alongside Americans in the Death March after the surrender at Bataan and Corregidor. Thousands of Filipinos continued to resist Japanese occupation and continued to assist the United States through intelligence gathering throughout the war.

In return for their service, Filipino veterans were granted benefits amounting to only fifty cents on the dollar compared to other veterans. President Truman objected to the restrictions on benefits for the Commonwealth Army veterans. The Filipino veterans who were called into service by the United States served just as honorably and faithfully as American veterans and deserve to be treated with respect and dignity.

Recognition of the Filipino veterans who served during World War II is long overdue and I urge my colleagues to support this resolution.

SENATE CONCURRENT RESOLUTION 65—RELATIVE TO THE INTERNET

Mr. PRESSLER (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 65

Whereas approximately 18,000,000 people use the Internet and nearly 100,000,000 expect to use it by 1998;

Whereas the Internet is changing the way the world communicates, conducts business, and educates;

Whereas the Internet can lead to a more open democratic process if fully utilized by elected representatives;

Whereas many Members of the House of Representatives and Senate do not use electronic mail or World Wide Web sites;

Whereas an increase in the usage and knowledge by Members of the Internet will lead to better policy decisions regarding the Internet and better communications with the Internet community: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) Congress should educate itself about the Internet and use the technology in personal, committee, and leadership offices;

(2) Congress should work in a bipartisan and bicameral fashion to facilitate the growth and advancement of the Internet;

(3) Congress should maximize the openness of and participation in government by the people via the Internet so that our constituents can have more information from and more access to their elected representatives;

(4) Congress should promote commerce and free flow of information on the Internet;

(5) Congress should advance the United States' world leadership in the digital world by avoiding the passage of laws that stifle innovation and increase regulation of the Internet; and

(6) Congress should work with the Internet community to receive its input on the issues affecting the Internet that come before Congress.

Mr. PRESSLER. Mr. President, today I am submitting a senate concurrent resolution along with an identical concurrent resolution to be submitted in the other body.

Yesterday, Wednesday, June 12, the committee I am proud to chair, the Senate Commerce Committee, held a subcommittee hearing on the vital importance of making strong encryption available so that future electronic services will come into being. Indeed, the very future of the Internet hangs in the balance with respect to the availability of strong encryption. But at that hearing, I noted that I'm an industrial age man trying to make sense of the current information age we now find ourselves in. I'm an industrial age legislator making decisions about information age issues.

This, of course, describes almost everyone else in the Senate and in the House, so at least I am not alone. But it is this dynamic, where industrial age legislators are making information age decisions, that has caused us to found the Congressional Internet Caucus.

We all know that the Internet will change beyond all imagining the way

we will all work and play. Already, tens of millions of Americans are using the Internet to communicate and to conduct important business. Cyberspace has even become important in politics, where it is now a vital tool in many areas.

Congress has to be computer and Internet literate if we are to be a Congress for the 21st century. This is why we have founded the Congressional Internet Caucus. It is our intention to try to help to provide for our other congressional colleagues navigation tools with which to find their way across the information landscape.

And that is why today we, the founding members of the Internet Caucus, are introducing this joint concurrent resolution on the Internet in both the House and the Senate today.

This House and Senate concurrent resolution urges our colleagues to get on-line and use the Net. It calls on Members of Congress to develop a better personnel understanding of the Net and how it operates. And, finally, it calls on Congress to start to use the Net in order to better communicate with the voters of this country.

The Internet and other information technology issues will only grow in importance as time goes by. Congress will be seeing more and more issues coming before it involving these new information technologies. We'd better be prepared.

This concurrent resolution is a good beginning step in that direction.

SENATE RESOLUTION 262—RELATIVE TO THE PEOPLE'S REPUBLIC OF CHINA

Mrs. BOXER (for herself and Mr. GREGG) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 262

Whereas violations by the People's Republic of China of United States intellectual property rights cost the United States economy an estimated $2,300,000,000 in 1995;

Whereas in 1991, 1992, and 1994, the office of the United States Trade Representatives initiated special section 301 investigations of the People's Republic of China's intellectual property rights violations, but did not impose sanctions;

Whereas in 1995 the People's Republic of China entered into an agreement with the United States that called for the closing of, or cessation of illegal activities in, factories that were pirating American videotapes, computer software, CD-ROMs, compact disks, and laser disks;

Whereas despite the terms of the 1995 Intellectual Property Rights Agreement, piracy of intellectual property rights has continued in the People's Republic of China;

Whereas while United States officials report that officials of the People's Republic of China have recently raided and closed a few factories engaged in piracy, in the past such actions have been cosmetic and only temporary; and

Whereas the United States Trade Representative has determined that the People's Republic of China tolerates the greatest volume of intellectual property rights piracy of all of the United States trading partners: Now, therefore, be it

Resolved, That it is the sense of the Senate that sanctions should be imposed upon the People's Republic of China for its failure to comply with the 1995 Intellectual Property Rights Agreement which it entered into with the United States and that such sanctions should remain in effect until the United States Trade Representatives certifies to the Congress that the People's Republic of China is complying with all of the terms of that Agreement by either—

(1) closing all factories that are engaged in piracy, or

(2) assuring such factories operate only pursuant to joint ventures or licensing agreements with United States companies.

Mrs. BOXER. Mr. President, I have been calling on the administration to impose sanctions on China if they do not live up to the intellectual property agreement that they willingly signed.

The fact of the matter is, they have approximately 31 factories that are turning out laser disks and CD's. They are supposed to destroy these factories. I spoke to the U.S. Trade Representative. They seem to be making some progress, but not enough.

And so, Mr. President, I will be pushing hard for these sanctions. As the MFN debate comes up, I will support MFN. I also am pleased to say Senator Judd GREGG is a coauthor of my sanctions resolution.

Mr. President, in January 1992 the United States and China signed a Memorandum of Understanding obligating China to strengthen its patent, copyright and trade secret laws and to improve the protection of United States intellectual property.

On April 30, 1994 the United States Trade Representative, or USTR, announced that while China had made significant progress toward implementing the 1992 agreement—by enacting new laws on intellectual property rights—China's enforcement of those laws was weak and sporadic.

In February 1995 the United States and China reached an agreement, signed in Beijing, in which China pledged to substantially reform its intellectual property rights and to improve market access. It is under this agreement, the 1995 Intellectual Property Rights Agreement, that the United States and China currently operate.

The USTR has determined that China's overall implementation of its obligations under the 1995 agreement fall far short of the requirements of the agreement.

The manufacture of pirated U.S. intellectual property, particularly computer software, compact discs, laser discs and videos, continues to be rampant. Moreover, China's efforts to stop the manufacture of pirated United States products has been utterly inadequate.

A delegation from the office of the United States Trade Representative traveled to China on Thursday June 6 and Friday, June 7, to reiterate to Chinese officials the United States' resolve in holding China to the commitments it made in the 1995 Intellectual Property Rights Agreement.

Ambassador Barshefsky is joining that delegation today and they will be meeting with Chinese officials in Beijing over the next several days.

The United States delegation, led by Ambassador Barshefsky, is seeking China's commitment to close compact disc plants producing pirated software, tighten customs controls on exports of pirated goods and to give greater access to the Chinese markets for United States music, film and computer software firms.

It is important to note that the USTR is not seeking new concessions on the part of the Chinese Government. Rather, Chinese officials made all of these commitments in the Intellectual Property Agreement signed last year.

It has been reported that Chinese officials have indicated progress could be made on most of the United States demands—closing compact disc factories producing pirated software and tightening controls on exports of pirated goods. However, Chinese officials have apparently said that United States demands of freer access to the Chinese publication, music and software markets may not be met.

Chinese officials have also balked at United States demands to open their markets and to allow United States companies to engage in joint ventures with Chinese companies to produce legitimate copies of music, films and books.

Yesterday China's propaganda department reported that it had ordered all CD plants opened in recent months, not approved by Beijing, closed. China reports that at least 12 plants have been closed.

Exactly how many plants have been closed, will be closed and most important will remain closed remains the subject of verification efforts by the USTR delegation and the subject of Ambassador Barshefsky's talks with Chinese officials.

Ambassador Barshefsky has said that ''it remains to be seen whether the Chinese effort in this and other areas is sufficient to meet the terms of our agreement. I also want to ensure that there is an enforcement system in place to crack down on intellectual property piracy in the future.''

Among the seven factories which were closed last spring when the agreement was initially signed, all but one has re-opened. There are currently about 31 factories, operating throughout China, churning out pirated United States computer software, compact discs, laser discs, videos, movies, and other products.

The USTR has recently estimated that United States companies lose more than $2 billion annually as a result of the pervasive piracy of United States products in China.

The United States software industry estimates that piracy of computer software is in excess of 95 percent in China. The piracy of United States CDs, laser discs, cassette tapes, videos, and movies is close to 100 percent in many parts of China.

The USTR reports that in the past 2 years, Chinese companies have begun

to export pirated products in fairly significant quantities. For example, 29 compact disc and laser disc factories in China have a production capacity of as much as 75 million CDs for a domestic market that can absorb only 5 million CDs.

Similarly, China's exportation of CD ROMs, which can hold dozens of computer software programs, and other copyrighted works, on a single disc continues to increase.

Some of the fastest growing and most competitive industries in the United States—and ones in which we frequently have a trade surplus—are located in my home State of California. These companies have been particularly devastated by China's failure to adequately enforce intellectual property rights. The California economy has also been affected.

California is the leading producer of movies, computer software, recordings, video games, and other creative works.

California's movie and television industries employed almost 165,000 Californians last year. The combined payroll of those industries was almost $7.5 billion.

California, while in the midst of an economic recovery, was gripped by a recession from 1990 through early 1995. Much of the success of this recovery is largely dependent upon the continued growth and expansion of California's entertainment and high technology industries. Industries which produce patented and copyrighted material to be sold domestically and internationally.

I would note that the entertainment and high technology industries have also helped spurn the Nation's economy. Moreover, these industries have provided more jobs and more high wage jobs in California than almost any other industries.

These companies cannot continue to flourish, however, if their intellectual property rights are not vigilantly enforced and protected throughout the world.

I understand that the United States-China relationship is a multifaceted and important relationship for reasons beyond economics. However, China's effective enforcement of intellectual property protections is critical to the future success of that relationship and is also a clear test of our resolve to enforce our trade agreements.

That is why I, along with my cosponsor Senator GREGG, am introducing this resolution, expressing the sense of the Senate that sanctions should be imposed on China until the USTR certifies that China is complying with the 1995 agreement—whether by closing all pirate factories, or by allowing such factories to operate pursuant to joint venture or licensing agreements with U.S. companies.

The USTR initiated special section 301 investigations of China's intellectual property rights violations in 1991, 1992, and 1994, but no sanctions were imposed.

The USTR has determined that China tolerates the greatest volume of intellectual property rights piracy of all of other United States trading partners.

Therefore, I think it is imperative that we pass this resolution. The passage of this resolution will send a clear message that the U.S. Senate is firmly committed to protecting U.S. intellectual property throughout the world.

The passage of this resolution will also let the Chinese government know that the United States Senate is firmly resolved to effectuating and enforcing our trade agreements.

SENATE RESOLUTION 263—RELATING TO CHURCH BURNING

By Ms. MOSELEY-BRAUN (for herself, Mr. LEVIN, Mr. DASCHLE, Mr. KEMPTHORNE, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KERRY, Mr. WELLSTONE, Mr. LIEBERMAN, Mrs. MURRAY, Mr. PELL, Mr. LAUTENBERG, and Mr. INHOFE) submitted the following resolution; which was held at the desk:

S. RES. 263

Whereas there have been at least 32 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas these churches are a vital part of the life of these communities;

Whereas intentionally burning churches is a very heinous crime in these communities, and all across America, because church burning was used during the civil rights struggle in an attempt to intimidate African-Americans from exercising their Constitutional rights;

Whereas there have been at least 60 fires and incidents of desecration in houses of worship in 15 different States since 1990;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the First Amendment to the United States Constitution, which guarantees every American the right to the free exercise of his or her religion;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American is also inconsistent with the First Amendment guarantee that ensures that Americans can freely and peaceably assemble together; and

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights is a serious national problem that must be expeditiously and vigorously addressed: Now, therefore, be it

Resolved, That—

(1) the Senate condemns arson against churches as being totally inconsistent with American values;

(2) the Senate believes that the investigation and prosecution of those who are responsible for fires at churches, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority; and

(3) the Senate commends the President for devoting all Federal resources necessary to bring those responsible for committing any act of arson against churches to justice, and urges that all investigations of fires at churches which are of suspicious origin are conducted in a sensitive manner that reflects the special character of churches and the rule they play in American communities.

Ms. MOSELEY-BRAUN. Yesterday, Mr. President, I came to the floor and spoke about what I called the domestic terrorism that we are suffering in this country with the burning of churches and other hate crimes in our Nation. I spoke at some length about it and mentioned a time that I will submit a resolution pertaining to the church burnings. I am submitting that legislation now, Mr. President. I would like it held at the desk until the time of adoption.

Mr. President, I know there will be other legislative activity associated with this issue in the days to come. But as the Chair is no doubt aware, since yesterday, when I first took to the floor, there has been yet another church burning in this country.

As I said yesterday, the people who are perpetrators of this rash of hate crimes and church burnings are no more than cowardly domestic terrorists. These are people who work under cover of darkness and anonymity to intimidate some and encourage others, and it is out of cowardice.

However, in spite of the objective of these actions, which it has been suggested are intended to start a race war, there is every indication that these arsonists are confused about the country in which their crimes are taking place.

Most Americans—I reiterate, most Americans—are appalled and outraged. The fact of the matter is, there is in this darkness some light coming through. The light relates, Mr. President, to the efforts of Americans, from the President of the United States down to ordinary people, to stand up, to speak out, to be heard and to demonstrate that this kind of crime, this kind of heinous crime and this kind of domestic terrorism is not to be tolerated in this America.

I have been encouraged, Mr. President, by some of the reports from my home State. In Glenn Carbon, IL, there had been a cross burning. In one of the newspapers in Illinois, the headline there was ''Neighbors Comfort Black Family Who Found Cross in Yard.'' The story goes on to say that the people, white and black alike, who live in the community came to the aid of the individuals who suffered the cross burning to indicate their support, to indicate their reassurance that the racial hatred that was symbolized by the cross burning did not reflect the feelings of the neighborhood or of that community. I think that is a very positive and powerful thing.

Another article, Mr. President, from the Alton Telegraph, ''Neighbors show good will to victims of cross burning,'' makes the same point. This article goes on to say that neighbors delivered flowers and food, cards, plants and other gifts to the family on Monday, people reaching outside of themselves to stand up against hatred, to stand up against racism, to stand up against the evil that this church burning represents.

I think therein lies the key. We can take action here in this U.S. Congress, the Senate and the House, and the

President can take action. We can all come together as a collective community through our Government to take leadership in showing that in this America this kind of criminality will not be tolerated, but we can only do that, and it only takes real meaning when we are joined in our official capacity by individual, unofficial action, when the churches, themselves, come together to participate in ceremonies and services and marches and demonstrations in favor of unity and in favor of love.

When we really focus in on the fact that this rash of hate crimes is just that, a rash of evil afoot in the land, and that good people of all races will make it a point to be heard, not to sit back in silence and to allow this evil to take seed among us, but, rather, that we will all stand up as individual citizens to say, ''This America, in this time, is putting the ugly legacy of racism and racial hatred behind. We will not go back to the days when these kinds of things can happen with impunity.''

We will engage every asset, every resource at our disposal to see to it that these criminals are brought to justice, that the truth is uncovered, that no stone will be left unturned in our efforts to prosecute the perpetrators of these crimes, because they are criminals. We will make it very clear as a national community, all of us, that we will not tolerate this kind of conduct, and that the people who have tried to foist this horror on our community, on our country, will be prosecuted to the fullest extent of the law.

Mr. President, I also say after the speech that I gave yesterday, which is already in the RECORD, I was just really taken personally by the expressions of support, expressions of concurrence and the expressions from my colleagues on both sides of the aisle, people coming up to say, ''We think it is just terrible what is going on. We want to do something about it. We want to be heard. We want to make certain that everybody understands that this kind of activity has no place in America.'' I am encouraged and heartened by that, because I think, if anything, that change of heart, that change of collective consciousness, that change in the climate of opinion is precisely the victory that reflects the moral victory that the civil rights movement achieved.

We have a mindset in this country that does not tolerate this kind of horror, that not only does not tolerate it, but is ashamed by it. Out of our repudiation, out of our rejection of these expressions of evil, I believe we will find a new birth as an American community. We will find a new level, frankly, of coming together and of working together, and of unity in this country, and will, I think, set the stage so the young people that are here today will begin to ask the question, in their time: ''I remember the days when race was a debate in the United States, but we got past that. We got smarter, we matured, we moved beyond that.'' That is my hope for these young people.

If anything, I think with the expressions of support, the expressions of love, the expressions of unity, the good will that is being shown all over this country in reaction and in response to the hatred we have seen, the cross burnings and the church burnings, the moral victory will be ours as a Nation, and we will move forward as a Nation together, a stronger country because of it.

Mr. President, I understand the resolution will be adopted or can be adopted later this evening. I wanted to bring to my colleagues' attention the fact that this resolution is pending. I understand there will be other legislative initiatives in this regard. I am delighted to join with those, as well, because I think it is very important as a body we speak with one voice, that these people who are doing this are not Americans. Their activities fly in the face of the America that we believe in, fly in the face of the values that this America represents to the world, and that we will not allow their evil to shame all of us, and we will not allow them to get away with it. From that, Mr. President, I believe we will be a greater Nation, and we will have found, out of this horror, some light, and from that light we will be able to build a stronger Nation.

I commend my colleagues who have already joined me. Again, thanks to everyone who has stepped up and said something. One other word: There is a tradition that the only thing that allows evil to prevail is for good people to say nothing. Now is the time for good people to be heard. Now is the time for good people to stand up and say, ''The America that we know and the America we believe in is an America that cherishes the value of brotherhood and love and unity.''

Mrs. MURRAY. Mr. President, let me associate my remarks with my colleague from Illinois, Senator CAROL MOSELEY-BRAUN. I am delighted that I had the opportunity to be on the floor to hear the very, very important words that the Senator from Illinois has shared with all of us today about this extremely important issue.

I am delighted that the citizens of Illinois had the intelligence to send her here so that she could be a leader and a voice that all of us could follow. I am delighted to support the Senator with the resolution, and I am delighted to stand shoulder to shoulder as we pursue this very, very important issue in this country and put to rest the racism that we see.

Mr. LIEBERMAN. Mr. President, I want to speak following the very eloquent words of our friend and colleague from Illinois, Senator MOSELEY-BRAUN, about the wave of church burnings in the South. There is a way in which it would be assumed that all of us here in this Chamber, reflecting, representing, as we do the American people throughout the 50 States, would naturally be outraged by these church burnings. But this is one of those cases where it is important not to leave the assumption not testified to, not to leave the feelings unexpressed, not to leave the Chamber as a body silent. Therefore, I commend the Senator from Illinois for introducing the resolution which she will.

I have asked her and she has agreed to add me as a cosponsor. At this point, Mr. President, I ask unanimous consent to be added as a cosponsor.

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

Mr. LIEBERMAN. I thank the Chair.

Mr. President, last night, as we know, a fire broke out in the First Missionary Baptist Church in Enid, OK, which brings now to more than 30 the number of African-American churches that have been burned by arsonists over the past 18 months, and, of course, the pace seems to be quickening in the last couple of weeks.

This outrage recalls memories of similar attacks on religious people and religious institutions throughout the centuries. Sadly, they continue in the other places in our world today. Christians, Jews, Moslems, and others have all suffered for their faith in many horrible ways. The details of the acts of persecution vary widely, but the seeds of hatred that underlie the terror are sadly and tragically quite the same.

The sheer blasphemy—I use the word intentionally—the blasphemy of these church burnings must chill our souls. We do not know if the acts of arson are the result of some horrible conspiracy. But in some measure, it would be a little bit easier to grasp the enormity of this evil if it were the result of the work of a single group of criminals because we can crush such a small band of terrorists, which is what they are. But, if these arsonists are not connected in some organized way, we have to ask ourselves again, as we have before in our history, ''How do we fight back against the larger stain of racism that exists in so many individual hearts consumed by the shared desire to destroy the spirit of those they hate?'' The answer, I want to suggest to my colleagues today, to this conspiracy of crime and hate is to enter into our own conspiracy of law and love.

By law I mean we must—and I am confident we are using—use every legal weapon in our arsenal, in society's arsenal, to investigate every fire and follow every lead until the perpetrators of these injustices are brought to justice. We must consider these to be acts of terrorism and use the most sophisticated techniques at our disposal to hunt down those who have perpetrated them.

By love what do I mean? I mean reaching into ourselves and as a country enveloping the victims of the church burnings with our own prayers and support and acts of kindness to make up, as best we can, not just for

their tragic loss of their houses of worship but to respond to the sense of fear and alienation that go with those burnings.

Mr. President, the ties that bind us as Americans—particularly our shared faith in God—are greater than this evil. By coming together now, we can guarantee that these acts of evil will gain no ground.

In a sense, all of us who worship God and try to love our neighbors as God's children are the targets of these hate crimes, these arsonists. Yes; we may have different backgrounds and come from different denominations, but we are bound by a common faith—the same faith that helped inspire the founding of this Nation, as is clear from the first words of the Declaration of Independence; that the rights with which we are endowed do not come from some committee of lawyers or constitutional theorists; that we are endowed by these rights by our Creator. That is the source of our liberty, the driving idea of our democracy. Religion has always been a source of strength and purpose and, indeed, of unity in America. Religious people have carried some of the most noble acts of citizenship and leadership across the history of our country.

So when these arsonists strike at houses of worship in America, they strike at the heart of America, the source of America's strength. Those who are full of such hate must fear that which poses the greatest threat to them. The spirit of faith that inhabits those who worship in the churches that have been burned must strike great fear in the hearts of those who have burned them. But the spirit of faith that has been expressed in those churches is not only strong; it is, as the arsonists will learn, a spirit that is unbreakable.

So, though the church is burned, the light of faith that has burned within that church will grow stronger and spread in the minds and souls of those who have worshiped there and, I believe, in the minds and souls of the great majority of the American people.

So I look forward to the resolution coming forth and to whatever other ways in which this Senate can express its outrage at the acts of arson and its sense of fellowship and brotherhood in the most profound sense for those who have worshipped at these churches.

SENATE RESOLUTION 264—RELATIVE TO NATIONAL SPEAK NO EVIL DAY

Mr. MACK (for himself, Mr. LIEBERMAN, Mr. CRAIG, and Mr. JEFFORDS) submitted the following resolution; which was considered and referred to the Committee on the Judiciary:

S. RES. 264

Whereas words used unfairly, whether expressed through excessive anger, unfair criticism, public and private humiliation, bigoted comments, cruel jokes, or rumors and malicious gossip, traumatize and destroy many lives;

Whereas an unwillingness or inability of many parents to control what the parents say when angry causes the infliction of often irrevocably damaging verbal abuse on the children;

Whereas bigoted words are often used to dehumanize entire religious, racial, and ethnic groups, and inflame hostility in a manner that may lead to physical attacks;

Whereas the spreading of negative, often unfair, untrue, or exaggerated, comments or rumors about others often inflicts irrevocable damage on the victim of the gossip, the damage epitomized in the expression ''character assassination''; and

Whereas the inability of a person to refrain for 24 hours from speaking unkind and cruel words demonstrates a lack of control as striking as the inability of an alcoholic to refrain for 24 hours from drinking liquor: Now, therefore, be it

Resolved, That the Senate designated May 14, 1997, and May 14, 1998, as ''National Speak No Evil Day''. The Senate requests that the President issue a proclamation calling on the people of the United States to observe the days with appropriate ceremonies, activities, and educational endeavors.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, June 20, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to revise S. 1424, a bill to redesignate the Black Canyon of the Gunnison National Monument as a national park, to establish the Gunnison Gorge National Recreation Area, to establish the Curecanti National Recreation Area, to establish the Black Canyon of the Gunnison National Park complex.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management.

The hearing will take place Thursday, July 11, 1996, at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1738, a bill to provide for improved access to and use of the Boundary Waters Canoe Area Wilderness, and for other purposes.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, June 13, 1996, session of the Senate for the purpose of conducting an executive session and markup.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, June 13, 1996, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes.

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

COMMITTEE ON FINANCE

Mr. LOTT. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, June 13, 1996, beginning at 10 a.m. in room SD–215.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 10 a.m. to hold a briefing.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 10:30 a.m. to hold an executive business meeting.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Constitution, Federalism, and Property Rights be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 2 p.m. to hold an executive business meeting.

SUBCOMMITTEE ON AGING

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Aging be authorized to

meet for a hearing during the session of the Senate on Thursday, June 13, 1996, at 9 a.m.

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

ADDITIONAL STATEMENTS

TRIBUTE TO THE TOWN OF HUDSON, NH ON ITS 250th ANNIVERSARY

• Mr. SMITH. Mr. President, I rise today to pay tribute to the people of Hudson, NH, on their town's 250th anniversary. The town's residents will begin celebrating this historic occasion on June 21 with a number of festivities including a grand ball, parade, and block party events. I was proud to participate in this meaningful celebration.

Hudson's history first dates back to the year 1672 when families first settled in the Hudson area. On July 5, 1746, then Governor and Command in Chief Benning Wentworth signed the town's first charter. As Hudson and the surrounding areas began to grow, the first bridge was built across the Merrimack River there in 1827.

Many descendants of the town's first settlers still live in Hudson. Near the end of the 18th century, Simon Robinson settled on the north side of the pond later named the Robinson Pond. Originally, the pond was called Little Massabesic meaning the place of much water. Some of Simon Robinson's descendants still reside there. In addition, James Hills was one of the three brothers credited with being the first settlers in the town and his great-grandson settled on Alvirne, the old 181 acre Derry Road homestead, and had several children.

Hudson opened their first library in 1797. The Nottingham West Social Library was founded during that year, and served the town residents for 50 years. In 1856, the Hudson Center Library opened its doors. Then, in 1891, Adoniram Greeley gave his private collection of 1,878 books to the town. The library was renamed the Greeley Public Library and in 1908, Alfred Hills donated money for the construction of a new library, the Hills Memorial Library.

Today, the 20,000 people of Hudson still exhibit the Yankee traditions and commonsense values of their forefathers. The first school houses were built in Hudson in 1806. Since then, the school system has grown steadily to include three elementary schools, one middle school, and one high school. Alvirne High School has 1,032 students in grades 9 through 12, including 349 students from Litchfield. The police department has 50 officers and staff, the fire department has 28 full-time firemen and 26 volunteer firemen. The town also has a board of selectmen form of government.

I congratulate the town of Hudson, and all of the dedicated and patriotic citizens there. I am proud to be their Senator.•

PLAYING IT CLOSE TO THE VEST

• Mr. SIMON. Mr President, Richard Cohen, the thoughtful columnist at the Washington Post, recently had an op-ed piece on gambling in the United States titled, ''Playing It Close to the Vest.'' It is a hard hitting, but factual presentation of the situation that we face today.

One of the things that I noted, was the reference to the lottery in Maryland. He writes:

> Gambling has yet another dirty secret. It makes a lot of money from those who can least afford to lose it. For instance, residents of Baltimore, Maryland's poorest jurisdiction, wager $316 per capita on the State lottery; for Montgomery County, the State's richest jurisdiction, the figure is $115. Lest you think that phenomenon applies only in Maryland, look anywhere lottery tickets are sold.

The problem with the lottery is only a small tip of a much bigger iceberg.

I ask that the op-ed piece written by Richard Cohen be printed in the RECORD.

The op-ed follows:

[From the Washington Post, May 28, 1996]

PLAYING IT CLOSE TO THE VEST

(By Richard Cohen)

I am thinking now of one of the ''Godfather'' movies in which the young Michael Corleone, having transplanted his family and operations to Nevada, bluntly tells a U.S. senator what to do and how to do it. That sort of thing, of course, could never happen today. Instead, the gambling industry merely makes political contributions and hosts fund-raisers. For most politicians, that's the offer they can't refuse.

By way of illustration let us look at the progress of a proposal to establish a national commission to study gambling. This is not the worst idea to come out of Washington, because not much is known about gambling's real impact. Twenty years ago, only two states had some form of gambling; now only two states do not. So it seemed to Rep. Frank Wolf (R–Va.) and Sen. Paul Simon (D–Ill.) that a study was in order.

That, though, was easier proposed than done. The resolution passed the House, but the Senate has been a different story. There, opposition of the gambling industry has slowed things down, and the post-Dole leadership reportedly is hostile to the study. The American Gaming Association (''Gaming?'') has bought itself a trifecta of top lobbyists and has thrown oodles of money into, particularly, the Republican Party.

Steve Wynn, owner of Las Vegas' Mirage casino company, now has the sort of entry into GOP circles that was once reserved for captains of industry. Little wonder. Last June, he hosted a fund-raiser for Bob Dole. The take: $478,000. In June 1994, he raised $540,000 for the GOP. Just possibly for this reason, Newt Gingrich recently proposed that the gambling commission not even have subpoena power. Just by coincidence, he made this proposal in Las Vegas. Family values at work again.

The ''gaming'' industry insists that there is really nothing to study. Gambling—er, gaming—is heavily regulated and state controlled and so clean that you can see mommies with their kiddies at the slots in Vegas. But that, of course, is the problem. It would be interesting to know just how many mommies are gambling away their kids' milk money as they feed the slots or, worse, video poker machines. The poker machines, in particular, are known for their addictive charm.

Gambling is a huge business. It takes in more money than the movies, baseball, football, theme parks or just about anything else you can name. About 70 million people attend professional baseball games annually, but 125 million go to casinos, where there is never a rainout, but then the sun never shines, either.

Americans wagered nearly $500 billion in 1994 and lost about $40 billion of that total. Most of the losers could afford what they left on the table, but some, clearly, could not. These compulsive gamblers—maybe no more than 4 percent to 6 percent of all players—may well account for at least 25 percent of the gambling industry's profits. They are to gambling what pint buyers are to the liquor industry: a gold mine and a dirty shame.

Gambling has yet another dirty secret. It makes a lot of money from those who can least afford to lose it. For instance, residents of Baltimore, Maryland's poorest jurisdiction, wager $316 per capita on the state lottery; for Montgomery County, the state's richest jurisdiction, the figure is $115. Lest you think that phenomenon applies only in Maryland, look anywhere lottery tickets are sold.

Here and there in this country, in weird pockets of liberalism and in homes for the aged, some people can be found who still care about the poor. As for the rest, we mostly don't care if they spend more than they can afford or if the government, through the false hope of a lottery, imposes what amounts to a ''dream tax'' on those who can least afford it. No more government as nanny. If people want to gamble, let them gamble.

But let us not fool ourselves. Some of them will gamble the rent money, and some will become addicted to games like Keno and after a while, maybe the money that states collect from gambling in going out in social services. It's one thing for the mob to bleed the poor; it's quite another thing for the state to do the same thing.

Whatever the case, little is known about gambling's impact, and, it seems, the gambling industry likes it that way. It pretends that what was once an industry dominated by the mob is now the equivalent of a state fair. Not quite. Politicians still are on the take, and the poor are still being victimized. Little wonder the gaming industry is so reluctant to have the feds take a look. It sells fantasy, but often delivers misery.•

VIRGINIA GIRLS STATE

• Mr. WARNER. Mr. President, I am pleased today to applaud the 50th anniversary of the Virginia Girls State. Sponsored by the American Legion Auxiliary, the Virginia Girls State provides high school girls with leadership and citizenship training during a week-long program held on college campuses across the country. This program features learning by doing activities which teach young women the duties, privileges, and rights of American citizenship—the backbone of democracy.

This magnificent program reinforces to our young citizens the notion that they are an essential part of their government and responsible for its character and success. Through the program, the young women are taught the value of individual responsibility to the community, State, and Nation.

The United States of America was founded on, and will flourish because of, the principles of democracy. I

strongly believe in the lessons of democracy handed down from our forefathers. The more our young people know about the Constitution and the Bill of Rights, the stronger our great Nation becomes. Remember that knowledge is power. Through learning, the young women of Virginia Girls State add to the vitality and strength of America.

Mr. President, as you know, there is no stronger foundation for democracy anywhere in the world than the U.S. Constitution. I commend the participants, supporters and founders of Virginia Girls State for their dedication to American citizenship and democracy.

Again, I extend a happy 50th anniversary to the Virginia Girls State.●

AUNG SAN SUU KYI

● Mr. SIMON. Mr. President, one of the most impressive political leaders in our world today is the courageous Aung San Suu Kyi of Burma, who has quietly, consistently but firmly, stood for democracy for Burma, now called Myanmar by its present leaders, but still called Burma by Aung San Suu Kyi.

The military government there which still does not permit free assembly or a multiparty system, or other things that democracies take for granted, to its credit, has released Aung San Suu Kyi from house arrest.

Recently, the Los Angeles Times published an interview with her by Scott Kraft, which said something about her courage and her country.

I particularly like his question ''How does it feel to be a free citizen?'' She replied:

> I'm a free citizen but the country is not free. So I feel like a free citizen in an unfree country. I appreciate the opportunity to be in touch with the people. That is what our work is all about.
>
> You know, I always felt free. I felt free when I was under house arrest because it was my choice. I chose to do what I'm doing and because of that, I found peace within myself. And I suppose that is what freedom is all about.

I ask that the Los Angeles Times article be printed in the RECORD.

The article follows:

AUNG SAN SUU KYI—STRIVING TO BUILD A DEMOCRACY AMID THE HARSH REGIME OF MYANMAR

(By Scott Kraft)

Aung San Suu Kyi had a rigid routine during the six years she spent under arrest in her family's lakeside home. She would rise at 4:30 a.m. for exercise and meditation, then spend the day reading biographies or autobiographies and listening to the radio. The only human being she would see was the maid.

Though free for eight months now, she still spends most of her days in that two-story house. But the 1991 Nobel Peace Prize winner is hardly isolated. Two appointments secretaries, one for foreign dignitaries and the other for fellow party members, have guided thousands of visitors to meet her.

''I'm afraid I can no longer keep to a strict timetable,'' Suu Kyi says. ''I can't get up at 4:30 anymore because there are times I don't get to bed until 2 a.m. If I got up early, I wouldn't be able to operate full-steam for 12 hours.''

Many here hoped her release was a first step toward democracy in Myanmar. But the military regime, which nullified her party's victory in the 1990 elections, still runs the country. It is stage-managing a constitutional convention while trying to attract foreign investment.

Suu Kyi is biding her time and rebuilding her party network. Her weekdays are filled with appointments and on weekends, hundreds of supporters gather outside the gated compound to hear her speak and answer their questions. Soon, she says, the government will come to its senses.

Even as the government tries to ignore her, Suu Kyi, 50, remains the most-respected political figure in Myanmar. Her father, Aung San, is considered, even by her detractors, as the greatest hero of Burmese independence. He was assassinated in 1947, when she was 2.

Suu Kyi left Burma in 1960, at age 15, and later received a degree from Oxford University. She married a Briton, Michael Aris, who is now a professor and specialist in Tibetan studies at Oxford. In 1988, she returned to Burma to tend to her ailing mother and became a leader of the pro-democracy movement.

Aris and the couple's two sons, Kim, 18, and Alexander, 22, who are in school abroad, usually visit Suu Kyi at holidays, as they did during her years of house arrest, if the government grants them visas. Suu Kyi is prevented from leaving Myanmar only by the certainty that she would never be allowed to return.

In person, Suu Kyi is low-key and polite, though her determination is evident. She always refers to the country as Burma and the capital as Rangoon, purposefully ignoring the government decree that this nation be called Myanmar and the city, Yangon.

She meets visitors at home in a square room surrounded by 1940s-era photographs of her family and a wall-sized painting of her father. ''The painting is a bit Andy Warhol, don't you think?'' she says, ''But it's really a very good likeness.''

Q. How would you assess the eight months since you've been released? What are the positive developments and the disappointments?

A. Well, in politics, I don't think you ever get disappointed as such. It's an occupational hazard that things don't always turn out as you would wish them to. You hope for the best and prepare for the worst. That's politics.

The most positive aspect of things since my release is the fact that our party has become far more active. We've been reorganizing and reconsolidating. We've been subjected to a lot of restrictions. There continue to be intimidations and harassment.

But we still have the strong support of the people and we manage to get along with our party building.

Q. Many in the West thought that when you were released, everything would begin to improve.

A. I don't think it's as simple as that. There are some people who say I was released because the government thought the National League for Democracy was dead. But in fact, it is far from dead. There have been miscalculations like that in the past by this government.

In the 1990 elections, the government thought we might win a plurality but not an absolute majority. In fact, we got 82%, with the result that those elections have been totally ignored and our members persecuted.

Q. So you aren't disappointed in the slow pace of change?

A. I wouldn't say ''disappointed'' is the word. There is so much happening within our party that it does compensate for what is not happening on the other side.

Of course, we know that the best thing for the country is national reconciliation, which can only take place through dialogue. And we hope that it will take place sooner rather than later. But that doesn't mean we just sit and hope. We have other work to do and we carry on.

Q. So you aren't impatient with the pace of things?

A. If you are very busy, you have no time to be impatient. If you ask us when do we want democracy, well, we want it now, of course, I feel just as strongly about that as anybody else. But because we are so occupied with our numerous jobs, we are not that impatient.

Q. Do you think the current constitutional conference, in which your party is not participating, is a step in the right direction?

A: No. That constitution is not headed for democracy. In the first place, they are not allowing political parties to operate effectively, and without political parties operating effectively there can be no multiparty democracy.

The constitution they are writing really doesn't mean anything. A constitution is just a piece of paper unless it has the support of the people, and many a country has gone through many a constitution that is unacceptable to the people. Such constitutions do not last.

Q: So what can you do to get this government to change direction?

A: It is the will of the people that the country should become a democracy, and I'm sure the people will join me in guiding the country to its democracy. We will do what we can as a legally registered party. We will use political means of reaching our goal. This is our constant.

Q: So you are talking about passive resistance.

A: We don't really believe that the way to bring about democracy is by encouraging popular uprisings. We believe that democracy will come through the strength of the political will of the people, expressed through political parties.

Q: How does it feel to be a free citizen?

A: I'm a free citizen but the country is not free. So I feel like a free citizen in an unfree country. I appreciate the opportunity to be in touch with the people. That is what our work is all about.

You know, I always felt free. I felt free when I was under house arrest because it was my choice. I chose to do what I'm doing and because of that, I found peace within myself. And I suppose that is what freedom is all about.

Q: Do you think that it is possible the government thought it could make you a nonperson by releasing you?

A: Sounds likely, doesn't it? Yes, it seems likely.

Q: The government often points out that you are married to a foreigner. How important is that criticism to the average Burmese?

A: I don't think it means very much. If I were married to a Burmese, they'd probably attack my husband's family for other reasons than that he was foreign. Don't forget that they are also attacking—very, very viciously—other party leaders who are not married to foreigners.

Q: Is your husband able to visit you?

A: He came for Christmas, but last year he was refused a visa for the Easter holidays. So he comes if he gets a visa.

Q: You have frequently called for dialogue with the government.

A: Yes, we believe in dialogue and we will always believe in dialogue because that's the way all political problems end up.

Q: Has the government made any overtures to you?

A: Our party has a policy that we will make no statements about dialogue until we decide we are ready to bring out an official version.

Q: So you're saying . . . ?

A: What I'm saying is that I'm not answering your question (laughs).

Q: If there is an election based on the government's new constitution, would your party participate?

A: We don't even know whether there is going to be a constitution or what sort of constitution. In any case, I don't think we should be talking about the next elections when the issue of the last elections has not yet been resolved.

Q: Currently, the government is promoting foreign investment, and many companies, including Unocal in Los Angeles, have investments here. What's your message to those companies?

A: We have always said—very, very clearly—that Burma is not right for investment. The climate is not right because the structural changes necessary to make an investment really profitable are not yet in place.

We have now acquired in Burma a small group of very, very rich people. We did not have such people eight years ago—people who could go to a hotel and spend $1,000 on a meal. That was unheard of. And the gap between the haves and the have-nots is increasing. That does not make for social stability.

Q: Do you think the government's hold on power will be strengthened as it opens up the economy?

A: Well, it's not a free market. Some are freer than others in their access to the market. The mechanism necessary for a really healthy open economy does not yet exist. And one of the most important parts of that is the rule of law. You have to know where you stand. . . . Without that, there can be neither credibility nor confidence. And every businessman must agree that good business cannot be done without credibility and confidence.

Q: What do you do to discourage investment?

A: It's not just what I say and it's not just the support there is abroad for the movement for democracy. Potential investors who really study the situation in depth, who don't just take a superficial view, will come to their own conclusion that the time is not yet right.

They may want to put a little bit here so they can have a toe hold, waiting for the day when Burma takes off. Of course, that day will be when democracy comes.

Q: In your heart, when do you think that will come? Are we talking five years?

A: I can't really say. But certainly I don't think it will be that long.

On the other hand, I know there will be a lot of problems to deal with once we have democracy. In fact, I think we'll probably have more problems after we have democracy than before. This is always the case when a system changes from an authoritarian system to an open and transparent one.

Q: You tell the crowds that democracy is no panacea.

A: Yes, I tell them that under a democracy, we will have to be prepared to take responsibility for our country's problems. Once they have democracy, they can no longer blame the government because they are really the government.

Q: But won't there need to be pressure to bring about change here?

A. There is international pressure. But of course what is more important is that there is pressure from within.

The Burmese people are tired of authoritarianism, and they have seen for themselves that the authoritarian system has not done the country any good at all. Our standards of education are falling. Standards of health are falling. The face that we have new hotels does not make up for the fact that our children are less well-educated.

Q: Were you surprised, after your release, that there was still strong support for you? Did you worry that you might have been forgotten?

A: No, no. I was not that surprised. It's nothing to do with me. It has more to do with the desire of the people for a system that gives them both liberty and security. This is what people want, isn't it? People want to be free and at the same time they want to be secure.

Q: And you personally?

A: It's not me they are supporting in particular. The government seems to think it's me personally that the people are supporting. This government always gets things wrong.

We won the election in 1990 because the people wanted democracy. It was not because of me.

Q: Do you worry about your safety?

A: No, I don't worry very much at all. It's not because I'm all that courageous or anything. It's just that there is no point in it. If they want to do anything to me they can do it any time they like.●

COLLEGE NATIONAL FINALS RODEO

● Mr. BURNS. Mr. President, I stand today to wish all those young cowboys and cowgirls that are participating in the College National Finals Rodeo good luck. These fine young men and women are at the heart of the sport of rodeo and deserve to be commended for their hard work and determination.

The CNFR is especially important to all these young riders because of the great opportunity for college scholarships and prizes. For many, this competition will determine which school they will be able to afford, if any. These generous scholarships are provided by the U.S. Tobacco Association and they should be given applause for their work to strengthen the sport and help these young riders obtain a college education.

The city of Bozman has also contributed a great deal to the CNFR. Celebrating the 25th anniversary of hosting the rodeo, the Brick Breeden Field House has provided the perfect location for the finals and hopefully will continue to do so well into the future.

You have good reason to be proud of your sport and what you do. As the only original America sport, you are carrying on a tradition that was started over 100 years ago. When the cowboys of the Old West were driving their herds across the plains, little did they know that their friendly competitions would become a multimillion dollar sport. Your dedication to the rodeo honors them and their hard work and commitment to the land.

My hats off to you and the best of luck.●

AND IN THE LONG RUN—WE SHOULD WIN

●Mr. SIMON. Mr. President, recently the New York Times carried an item in its business section, written by Richard H. Koppes, deputy executive officer and general counsel of the California Public Employees Retirement System, the Nation's largest public employee pension fund with almost $100 billion in assets.

What he writes makes a huge amount of good sense.

He calls on corporate America to look long term rather than short term. Both in politics and in business we have the tendency to look short term.

I ask that the New York Times article be printed in the RECORD.

The article follows:

[From the New York Times, May 19, 1996]

AND IN THE LONG RUN WE SHOULD WIN

(By Richard H. Koppes)

Last Thursday, President Clinton put the spotlight on excessive corporate profits and exorbitant layoffs by holding a party at the White House to congratulate those companies that ''do well'' by their employees and their shareholders.

The Administration, however, may want to take to the woodshed the real culprits of corporate greed: the boards of directors that have allowed ''the hollowing out'' of America's corporations to obtain short-term increase in stock prices.

That statement may be surprising, coming from the Nation's largest public pension fund and one of this country's strongest advocates for good performance. But contrary to assumptions being made in some board rooms of the United States, Calpers, the California Public Employees Retirement System, is not pushing to bump up short-term stock prices. We are a company's long-term patient capital and are troubled when companies sell out to short-term Wall Street traders.

So let me set the record straight: Calpers opposes layoffs to lift stock prices in the near term. This is wrong and will not work to create wealth over the long run. One public pension fund official put it best recently when he said, ''You can shrink your way to profitability in the short term, but it isn't the road to greatness in the long run.''

Calpers doesn't condone what's going on. We won't participate in that kind of greed. And we intend to be a constructive voice to change it, by demanding high-quality, independent directors.

How did America's corporations get to this point? To understand, we need only examine the evolution of the balance of corporate power over the last decade.

When investors began to zero in on corporate governance issues in the early 1980's management held most of the power that might rightfully have belonged to the company's directors and its share owners.

As corporate governance activism grew, share owners, from the short-term Wall Street traders to the long-term investors like Calpers, became increasingly influential, and managers began to heed their share owners' bidding. Some managements over-responded to the point that they were willing to slash human assets to improve stock prices.

Either way, the balance of power is out of whack, this time have swung too far toward share owners. Institutional investors recognize it is not their role to govern the company. That is the responsibility of the board. Only the directors can insure that neither management nor share owners hold an unequal share of the power.

How do they do that? They can learn a lot from the Chrysler Corporation and what transpired when Kirk Kerkorian vigorously sought to distribute more of Chrysler's $7.5 billion in cash to shareholders last year.

Chrysler is led by a strong, independent board that is strategically focused and knows the business. It could resist Mr. Kerkorian's proposal because it engaged its directors, managers and investors in debating what was best for the company. ''None of our institutional owners asked us to change directions,'' Chrysler's chairman, Robert J. Eaton, said in recent speech to the Economic Club of Detroit. ''Not one of them told us to compromise the future for the sake of today.'' In the last five years, Chrysler has added more than 15,000 hourly workers while creating impressive shareowner value. At its own pace, it has moved to give share owners more money, including another dividend increase last week.

The approach taken by Chrysler's board thus serves as a model for how to remedy the needles ''hollowing out'' of the corporation. Strong, independent boards must be formed with directors who will individually and collectively ask questions about proposed layoffs to satisfy themselves that the layoffs are motivated by a strategic plan for long-term growth, not a desire to increase the stock price.

What critics of public pension fund investors do not realize is that we don't care about next quarter's stock price or even this year's stock price. At the company's patient capital, we hold our positions for a decade or longer.

Therein lies Calper's next stage of corporate governance activism. We will be looking for measures of performance that are based not simply on quarterly earnings and the most recent rise in the stock price.

We will be examining how a corporation is positioned for the long term. Part of that screen will be an evaluation, for example, of whether executive compensation is rewarding short-termism and whether the company has placed true value on its workers.

Calpers will continue its focus on board structural issues with an expansion into board performance, evaluating directors individually and collectively. Among the key questions it will ask is whether the position of board chairman or chairwoman is separate from that of the chief executive. If the positions are combined, is there an independent director as lead outside director to act as a counterbalance to the power of the chief executive? We will also want to know if directors own enough stock to make themselves meaningful owners.

When we meet with directors, we'll be asking them what they have done to add value to the their company. We will look at issues that affect their own objectivity and their ability to devote sufficient time to board work: the number of boards they serve on and whether they represent cross-directorships, for example.

We shouldn't let the underperformers with bloated payrolls off the hook. But Calpers and many other institutional investors will continue to advocate real long-term growth and recognize, as Mr. Clinton did on Thursday, those who resist short-termism. We will listen to quality boards that commit to actively pursue long-term growth.

With this structure in place, America will see an end to what's been called the ''looting of corporate America's human capital.'' It can't happen soon enough.●

THE 1995 FEDERAL AVIATION ADMINISTRATION EN ROUTE FACILITY OF THE YEAR

● Mr. GREGG. Mr. President, I wish to pay tribute to an outstanding group of Federal Aviation Administration officials—the air traffic controllers at Boston Center Local in Nashua, NH. This outstanding group of dedicated Federal employees has been awarded by the U.S. Department of Transportation, Federal Aviation Administration, the 1995 Federal Aviation Administration En Route Facility of the Year Award.

Keeping our skyways safe for both national and international flights is what this group's work is all about. I applaud all of the hard work and dedication they have demonstrated in serving the public. I wish to extend my most sincere congratulations to the employees of the Boston Air Route Traffic Control Center, in Nashua, NH. I am confident that this distinguished group of individuals will continue to enjoy continued success in the future. I ask that the attached commendation reflecting the sentiments of both the House of Representatives and the Senate be printed in the RECORD.

The commendation follows:

A COMMENDATION—BOSTON AIR ROUTE TRAFFIC CONTROL CENTER: 1995 FEDERAL AVIATION ADMINISTRATION EN ROUTE FACILITY OF THE YEAR

Whereas, The Boston Air Route Traffic Control Center, located in Nashua, New Hampshire, has been awarded the United States Department of Transportation, Federal Aviation Administration's 1995 En route Facility of the Year Award; and

Wheres, The employees of the Boston Air Route Traffic Control Center are recognized nationally for their exemplary service provided to the flying public of New Hampshire, New England, and worldwide; and

Whereas, The employees of the Boston Air Route Traffic Control Center have focused on being proactive in their mission to efficiently serve the public and on improving the total service to the aviation industry, flying public, local community, and Federal Government; and

Whereas, Boston Air Route Traffic Control Center employees have made extensive contributions to our local communities and are actively involved in charitable organizations; and

Whereas, the Boston Air Route Traffic Control Center level of operations, employee activities, and special projects in 1995 were unprecedented; therefore be it

Resolved, That the employees of the Boston Air Route Traffic Control Center are commended by the 104th Congress of the United States for their service cited by this award.●

NATIONAL ENVIRONMENTAL EDUCATION AMENDMENTS ACT

● Mr. MOYNIHAN. Mr. President, I rise in support of the National Environmental Education Amendments Act, a measure which I am proud to cosponsor. I was also proud to support the original enacting legislation in 1990. This bill is designed to extend the life of the National Environmental Education and Training Foundation [NEETF], which was established in 1990 to meet critical environmental needs in the very best way we know how. It relies on solid, reputable science to bring broad-based environmental education to citizens and workers across the country and around the world.

Specifically, the Foundation serves as a link between public and private resources. It administers a matching grant program to encourage, leverage, and manage private gifts for environmental education. Those funds are spent on school projects, after-school activities, worker training, and adult education.

In my home State of New York, the Foundation has sponsored approximately 80 projects, which I expect will have tremendous impact on the participants and many others. One grant was awarded to the High School for Environmental Studies Project, sponsored by the Council on the Environment of New York City, to infuse environmental awareness into all subjects in the 9th through 12th grade curricula. The NEETF also sponsored a bilingual program addressing environmental issues affecting Harlem residents through the waste reduction demonstration project, which is part of the Harlem environmental impact project. In Cortland, NY, NEETF operates an environmental education after-school program for elementary students. These projects share a common theme: They are visionary and proactive efforts to make citizens better informed about issues which affect them.

In the June 10th issue of US News & World Report, Michael Satchell writes about the growing criticism of environmental education in this country. Although some 20 States now require or strongly encourage environmental education, the quality of the education is spotty and the criticism from some camps has been overly pointed. The answer is not to abandon environmental education; there are identifiable risks about which the public deserves honest information. Rather, we should encourage fair, credible education based on solid science—a philosophy which is very much consistent with the mission of the NEETF.

I urge my colleagues to join me in support of this program.●

CONGRATULATIONS TO SOCIAL SECURITY ADMINISTRATION'S TAMPA TELESERVICE CENTER

●Mr. GRAHAM. Mr. President, for years, many of us have urged the Federal Government to revamp the way it provides services. Three years ago, Vice President AL GORE made this mission his own. And in that time, the National Performance Review—better known as Reinventing Government—has brought about notable improvements in the way our Government does business.

Today, I am very proud to recognize one of the brightest stars in the Reinventing Government initiative: the Social Security Administration's Tampa Teleservice Center.

Last month, Vice President GORE selected the Tampa Teleservice Center as a recipient of his Hammer Award. Mr. President, the Hammer Award recognizes both individuals and teams of Government workers who have made a significant contribution to the National Performance Review principles

of putting customers first, cutting red tape, empowering employees, and getting back to basics.

Mr. President, the Tampa Teleservice Center's commitment to serving clients in a timely, helpful, and courteous manner is exactly the kind of service that Reinventing Government intended.

In a cynical era where Government agencies are frequently accused of being unresponsive, the Tampa Teleservice Center is proof that services can be delivered quickly and skillfully. Over 90 percent of the calls it receives each year are handled to completion, with no need for further contact.

That's an incredible record. And perhaps the most impressive part is that the Social Security Administration has improved its performance so much that is now rated as the best in telephone customer service from a list of nine service providers—including respected companies like Nordstrom L.L Bean, Disney, and Federal Express. these companies are in a league of their own when it comes to customer service, and even they are not in the Social Security Administration's league.

This achievement is particularly impressive when one considers the difficult task assigned to Social Security telephone agents. The sheer volume of calls that these agents handle is daunting. So is the complex nature of many of the customers' questions.

The Tampa Teleservice Center is to be commended for its skill in handling this difficult task. Last year, its agents assisted over one million satisfied customers.

I join Vice President GORE in saluting this significant achievement. The workers of the Social Security Administration's Tampa Teleservice Center truly embody the best principles of public service.●

CONVERSION OF POSITIONS IN THE U.S. FIRE ADMINISTRATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 432, which is S. 1488.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1488) to convert certain excepted service positions in the United States Fire Administration to competitive service positions, 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.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read three times, passed, the motion to reconsider be laid upon the table, and that any statements relating thereto appear at the appropriate place in the RECORD as if read.

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

The bill (S. 1488) was deemed read for a third time, and passed, as follows:

S. 1488

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

SECTION 1. CONVERSION OF CERTAIN EXCEPTED SERVICE POSITIONS IN THE UNITED STATES FIRE ADMINISTRATION TO COMPETITIVE SERVICE POSITIONS.

(a) IN GENERAL.—No later than the date described under subsection (d)(1), the Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as necessary to convert each excepted service position established before the date of the enactment of this Act under section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) to a competitive service position.

(b) EFFECT ON EMPLOYEES.—Any employee employed on the date of the enactment of this Act in an excepted service position converted under subsection (a)—

(1) shall remain employed in the competitive service position so converted without a break in service;

(2) by reason of such conversion, shall have no—

(A) diminution of seniority;

(B) reduction of cumulative years of service; and

(C) requirement to serve an additional probationary period applied; and

(3) shall retain their standing and participation with respect to chapter 83 or 84 of title 5, United States Code, relating to Federal retirement.

(c) PROSPECTIVE COMPETITIVE SERVICE POSITIONS.—Section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) is amended to read as follows:

''(4) appoint faculty members to competitive service positions and with respect to temporary and intermittent services, to make appointments of consultants to the same extent as is authorized by section 3109 of title 5, United States Code;''.

(d) EFFECTIVE DATE.—(1) Except as provided under paragraph (2), this Act shall take effect on the first day of the first pay period, applicable to the positions described under subsection (a), beginning after the date of the enactment of this Act.

(2)(A) The Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as directed under subsection (a) on and after the date of the enactment of this Act.

(B) Subsection (c) shall take effect on the date of the enactment of this Act.

AUTHORITY FOR COMMITTEE TO REPORT

Mr. LOTT. Mr. President, I ask unanimous consent that on Monday, June 17, the Special Committee on Whitewater have until midnight to file any reported items.

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

RESOLUTION ON CHURCH BURNINGS

Mr. LOTT. Mr. President, I understand that perhaps there had been some misinformation about passing a resolution with regard to the church burnings that have been occurring. We all agree this is a despicable act and one that the Senate wants to speak on in a resolution.

I have discussed this matter with the distinguished Democratic leader. It is our intent to work together to see if we cannot come to an agreement on whether there would be a bipartisan bill tomorrow so that we can express ourselves and express the Senate's feeling on this very important matter. It is our intent to pursue that with those who have offered resolutions to address this issue.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, let me express my hope that we can do just as the majority leader has suggested. There is great interest in the Senate in putting this body on record in a way that will allow us to express ourselves on these hideous fires. We can do that, and I hope we can work together to find a way, a resolution, that will allow us to do that as early as tomorrow. I intend to talk to Senator MOSELEY-BRAUN and Members on my side. We will work with the majority leader to see if we can make that happen.

Mr. LOTT. Mr. President, I note that Senator HUTCHISON, the Senator from Texas, has been very interested in this. She will be involved in trying to work that issue out. Also, Senator FAIRCLOTH has some legislation in this area. We will be working on this together to get it done in a very quick fashion.

UNANIMOUS CONSENT AGREEMENT—S. 1745

Mr. LOTT. Mr. President, I ask unanimous consent that at 10 a.m. on Tuesday, June 18, 1996, the Senate proceed to the consideration of Calendar No. 433, S. 1745, the DOD authorization bill for debate only prior to recess.

Mr. DASCHLE. Reserving the right to object, Mr. President, let me just point out that when we considered the scheduling of the State Department authorization bill some time ago—in fact, as I understand it, it was December 7, 1995—I had an opportunity to conduct a colloquy with the majority leader at the time, Senator DOLE. I asked him if it was his intention to bring up the chemical weapons convention at some point during the second session of Congress. His answer was that it was his intention to consider the convention in a reasonable time period, once the convention is on the Executive Calendar.

It has been on the calendar now since April 30. I fully appreciate that the distinguished majority leader is just beginning to put his plans for the legislative schedule together and I would not expect that he would have a date certain, but I ask the majority leader whether the chemical weapons convention could be considered, and if it is his intention to consider the treaty at some point in the future as we take up this particular bill that is very important to many of our Members, and I think some clarification with regard to his intent would be very helpful.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would like to respond to the distinguished Democratic leader. I think that is a reasonable request.

He is right. I have been on the job as majority leader for a little more than 24 hours, and there are a lot of issues that we are working together on. We are making some progress on those. We will continue to work on the health care reform, and we have not been able to get the budget resolution passed so we can move on to the appropriations calendar.

This is an issue that I had done some work on as the whip, just trying to get an agreement on some other issues, including the missile defense issue. I had never really discussed it, in terms of its relationship to the DOD authorization bill. I know that there are a couple of Senators who have some concerns about it. I have not had a chance to sit down and be briefed with them.

I have a meeting of our committee chairmen scheduled for early next week, Tuesday. I would like to ask the chairman of the committee exactly what his situation is on this legislation. It is obviously very important. The chemical weapons convention is something that we are all concerned about. I think it should be given proper consideration. I hate to use the words reasonable time, because that is what the leader did use in his response to your question at that time, and I believe it was reported out of committee on April 30.

It is not my intention to withhold this convention, but I do want to understand what the problems are, how much time we would be talking about in bringing it up. As the Senator knows, we have a limited number of days in which to do a lot of important work. But I will say this, I am going to talk to those Senators, hopefully tomorrow if they are here, but certainly early next week. And I will get back to the Democratic leader and we will talk about how we can work out an agreement on this issue.

I cannot make a commitment on a date certain at this time because I do not know what the situation is. If you will give me the benefit of a few days, I will try to give a more responsive answer at that time.

Mr. DASCHLE. Mr. President, under the circumstances think that is an appropriate answer and I appreciate the majority leader's willingness to work with us in finding a mutually acceptable time.

With that, I have no objection.

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

Mr. LOTT. I thank very much the distinguished Democratic leader.

ORDERS FOR TUESDAY, JUNE 18, 1996

Mr. LOTT. Mr. President, I further ask the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. on Tuesday in order for the weekly party caucuses to meet.

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

Mr. LOTT. I further ask when the Senate reconvenes at 2:15 on Tuesday, the majority leader be recognized.

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

ORDERS FOR FRIDAY, JUNE 14, 1996

Mr. LOTT. Mr. President, I now ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Friday, June 14; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, that 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 that there then be a period for morning business until the hour of 12 noon, with Senators to speak for up to 5 minutes each with the following exceptions: Senator COVERDELL or his designee to have up to 90 minutes under his control, from 9:30 to 11; Senator BINGAMAN, 15 minutes; Senator MURKOWSKI, 15 minutes; Senator KEMPTHORNE for 10 minutes; Senator DASCHLE or his designee, 20 minutes.

I further ask unanimous consent that at 12 noon the Senate resume executive session and the consideration of the nomination of Alan Greenspan.

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

PROGRAM

Mr. LOTT. For the information of all Senators, tomorrow, following the period for morning business, the Senate will resume debate on the Greenspan nomination. No rollcall votes will occur during Friday's session of the Senate, and the Senate may consider any other executive or legislative items that can be cleared for action.

Also, it is, I believe, after discussion with the Democratic leader, our intent that there not be a session on Monday.

Then we will go in, I believe, at 9:30 on Tuesday, for the action under the agreement just reached.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LOTT. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:28 p.m, adjourned until Friday, June 14, 1996, at 9:30 a.m.

EXTENSIONS OF REMARKS

PROMOTING THE STUDY OF SCIENCE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MARKEY. Mr. Speaker, I rise today to introduce legislation aimed at promoting the study of science among our Nation's youth. My legislation would reauthorize the National Science Scholarship Program which was originally supported by a bipartisan majority of both Houses and signed by President Bush in 1990. It would reward outstanding students who have made a commitment to pursue a degree in the sciences. By awarding these students an academic scholarship, this legislation will help families offset the escalating costs of higher education while facilitating student interest in a field which has become increasingly important to our technologically based society. In addition, the legislation would require at least one-half of the scholarships be awarded to female students, promoting the participation of women in an area which has traditionally been dominated by men.

Never before has the need to have a work force well versed in the sciences been so critical to our Nation's success. Just 100 years ago, 10 of the 12 largest companies in America were natural resource companies. They were businesses whose success depended on raw materials such as cotton, tobacco, and steel. Today, our economy is drastically different. As we enter the 21st century, the 10 largest and most rapidly growing industries in the world are brainpower industries: microelectronics, biotech, material-science, telecommunications. They are industries which have succeeded because of the ingenuity and intelligence of their employees. If America hopes to keep these brainpower industries based in the United States, we need to provide employers with a work force which is technologically literate. My legislation addresses this need by encouraging students to pursue science-based careers.

The National Science Scholarship Program was initiated in 1990 under the Excellence in Mathematics, Science and Engineering Education Act to provide financial assistance for two extraordinary science students from each congressional district. President Bush originated the legislation and it was approved with wide bipartisan support. As he signed the National Science Scholarship Program into law, President Bush said of the program:

> This new program will provide an important vehicle for demonstrating the Nation's commitment to excellence in science, mathematics, and engineering achievement and to the recognition of excellent young people who are pursuing higher education and careers in those fields.

Although the program was relatively small in size, costing only $4.4 million annually, its impact was large as thousands of students across the country received up to $5,000 per year to help defray the costs of college.

One of the key elements of the National Science Scholarship Program's success is the provision that at least half of the scholarship recipients be women. Although the conditions for female scientists have greatly improved since the turn of the century when Dr. Elizabeth Blackwell, America's first female graduate of medical school was forced to go to England to practice her profession, the number of women entering this historically male dominated field is still relatively small. Today women receive 54 percent of all bachelor's degrees, yet they earn little more than 40 percent of all B.A.'s in science fields and less than 15 percent of engineering degrees. Over the last 10 years, the percentage of bachelors degrees awarded to women in the field of computer science actually decreased from 35 to 30 percent. The National Science Scholarship Program actively works to eliminate this disparity by encouraging young women to pursue careers in sciences at the very age when a disproportionate number of well-qualified girls and women give up on potential careers in science and engineering.

Despite the success of this program, it was merged into a larger, less focused program at the end of the last Congress. In the process, its authorization was repealed, appropriations cut, and science priority eliminated. The 50-50 split between men and women scholars and the district-by-district distribution of scholarships were also dropped. In short, the program disappeared. As a result, almost 2,000 intelligent, highly motivated students have been denied access to much-needed scholarship money.

In a post-GATT, post-NAFTA world, we cannot afford to create barriers to young scientists realizing their full potential. This is why I am introducing legislation which would reauthorize the National Science Scholarship Program. As we enter the information age, let us do so as a community which is prepared to meet the challenges of the next millennium. Let us support our young scientists by encouraging them to pursue careers in science fields. Let us reauthorize the National Science Scholarship Program.

TRIBUTE TO THE U.S. ARMY ON ITS 221ST BIRTHDAY

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. EDWARDS. Mr. Speaker, on June 14, 1775, the Second Continental Congress, representing the citizens of the 13 American colonies, authorized the establishment of a Continental Army with the expressed purpose of providing for the defense of a fledgling democracy and its bedrock principles and values. The next day, Congressman George Washington became Gen. George Washington and prepared to take command of the new Army. The collective expression of the pursuit of personal freedoms that caused the authorization and organization of the U.S. Army, subsequently led to our Nation's Declaration of Independence and the codification of our bedrock principles and values in the Constitution of the United States. The birth and growth of that Army led to the birth of our great Nation. Today we celebrate the birthday of the U.S. Army, in recognition of 221 years of continuous, selfless, and valorous service to the citizens, principles, and values of the United States of America.

For 221 years, our Army's central purpose has been to fight and win our Nation's wars. In years past, those wars have typically been fought and won on distant, foreign battlefields, while at home, the Army has provided for the security of a growing population. The Army's contributions include the development of our Nation's rail and water transportation networks, and innumerable medical and scientific achievements that have markedly improved the quality of life of our citizenry. Whatever the mission, the Nation turns to its Army for decisive victory, regardless of whether those victories are measured in the defeat of foreign armed forces or the timely delivery of humanitarian assistance at home or abroad. The 172 battle streamers carried on the Army flag are testaments to the valor, commitment, and sacrifice of those who have served and fought under its banner. Valley Forge, New Orleans, Mexico City, Gettysburg, Verdun, Bataan, Normandy, Pusan, Ia Drang Valley, Grenada, Panama, and Kuwait are but a handful of the places where American soldiers have won extraordinary distinction and respect for our Nation and our Army.

Soldiers of character are today, as they have been throughout the Army's glorious history, the heart and soul of our Army. ''Duty, honor, country'' are more than mere words—they are the creed by which the American soldier lives and serves. Today's Army is without equal, not in terms of its size, but in the quality and dedication of the young men and women who have chosen to selflessly serve the Nation, at home and abroad, in peace and war, to accomplish the tasks directed by the Nation's leaders. Our young men and women, who receive tough, realistic training and are equipped with the finest equipment, are the envy of the world's nations. The Army's strength always has been, and always will be, the American soldier. Intelligent, physically fit, highly motivated, and educated, and well trained and supported, soldiers are our Army's capital asset. While no one can predict the cause, location, or magnitude of future battles, there is one certainty—American soldiers of character, selflessly serving the Nation, will continue to be the credentials of our Army.

The Army is prepared to answer the Nation's call, and such calls have been increasing in number and disparity in recent years. These wide-ranging missions highlight the complex global security environment our Nation faces today. The threats are less distinct and less predictable than in the past, but more complex and just as real and dangerous. Rising sophistication among terrorists and rogue

states, the standing armed forces of potential adversaries, and the proliferation of weapons of mass destruction portend increasing challenges for the future. Our Army will continue to serve the central role in the Nation's response to these challenges.

Our Army, the world's most capable and respected ground force, is in the midst of an unparalleled transformation as it prepares for the new challenges of the next century and a different world. The information age is already bringing rapid changes in the conduct of warfare. Future forces will be prepared to conduct quick, decisive, highly sophisticated operations anywhere, anytime. America's 21st century Army will integrate emerging information technologies with sound doctrine, flexible organizations, and soldiers of character and commitment to make our Nation's land force more versatile, deployable, lethal, and survivable.

Our Army was ready at Lexington and our Army is ready today. Our Army will be ready to fight and win our Nation's call to service at home and abroad. Whenever the time, wherever the place, whatever the mission, American can count on her Army.

CONDEMNING CHURCH BURNINGS

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Ms. DELAURO. Mr. Speaker, I rise to express my strong condemnation of a tragic trend—the vicious burning of African-American churches in the South.

On average, two African-American churches have been burned, under suspicious circumstances, each month over the past 1½ years.

I rise to voice my outrage and condemnation of these church arsons. I also speak out on behalf of the constituents of the Third District of Connecticut, who are also deeply troubled about the burnings of African-American churches in the South. We share the national sadness over the loss of these historic and sacred spaces. As towns and neighborhoods begin the process of healing and re-building, it is imperative that we send a long, clear, and firm message to the perpetrators of these sick crimes—Americans will not tolerate bigotry or hate crimes. The perpetrators must and will be punished.

History teaches us that we all have a great stake in the battle against forces of hatred. This quote about totalitarian oppression illustrates the point:

> In Germany they came first for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up. (Martin Niemoeller, attributed)

African-American leaders and members of the clergy in my district have spoken out locally to express support for their brothers and sisters in need in the South. These fires could easily occur in any region of the country. Today it is in Southern neighborhoods, tomorrow it could be in yours, or mine. We must speak louder than the voices of hate. Those voices encourage violence and have resulted in the destruction of churches built on faith, hope and love.

The Reverend Lester McCorn, pastor of the Varick AME Zion Church and Auxiliary Bishop Theodore Brooks of the Beulah Heights First Pentecostal Church in New Haven in my district spoke out earlier this week.

Rev. McCorn said: "This is in on way an isolated incident limited to the South. It is old fashioned hatred."

Bishop Brooks said:

> The South might be just the beginning . . . Anything can happen at any time, anywhere, at any point. While racism may be less hidden in the South it's just as prevalent and dangerous in the North.

So I'm proudly calling on others to come together and to speak out against the voices and actions of hatred in this country.

A TRIBUTE TO LECH WALESA

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. HOKE. Mr. Speaker, the great twilight struggle against the incredible evil of communism produced some of history's most extraordinary people. But if you had to choose the three people who played the biggest role in relegating communism to the dustbin of history it would have to be Ronald Reagan, Pope John Paul II, and a shipyard worker from Gdansk named Lech Walesa—the three men Time Magazine dubbed "The Holly Alliance."

The centerpiece of the operation to free Eastern Europe from the chains of communism was Solidarity, the workers' union founded by Lech Walesa. Everything else flowed from that. Solidarity was the weapons that the Pope and President Reagan nurtured and protected and eventually used to help bring about communism's collapse, first in Poland, then in the rest of Eastern Europe.

None of what was accomplished, however, could have happened without Lech Walesa. It was his bravery, his skill, his dedication, and his love for his country and its people that showed the way. The world owes a debt of gratitude to this common man with uncommon valor.

Last week a ceremony was held in Washington both to honor this hero, as well as to celebrate the introduction of the NATO Expansion Act, a bill that will bring Poland, Hungary, and the Czech Republic into NATO. In many ways this bill is the culmination of all that Mr. Walesa has worked for and I am proud not only to be an original cosponsor of this bill, but also that I had a hand in drafting some of the language. I urge the Congress to pass this important bill and the President to sign it.

I would now like to submit a copy of Mr. Walesa's inspiring remarks for the RECORD.

STATEMENT OF THE HONORABLE LECH WALESA, WASHINGTON, JUNE 4, 1996

Mr. Speaker, Members of Congress, Ladies and Gentleman, Dear Friends.

First and above all, I would like to say how very grateful I am for being invited here today. Being here again brings back cherished memories of that day six years ago, when, as we were all witnessing the end of the communist empire and of the Cold War, I had the honor of addressing the joint session of the United States Congress. It was one of those rare moments when we all felt that history was being made. There are in deed very few such great landmarks to one's lifetime.

But this was not the first time Poles and Americans shared such moments. It was two centuries ago when, by a historical coincidence, our ancestors both in America and in Poland were simultaneously experiencing momentous changes in the lives of their nations. America had just won her independence and in 1790 ratified a democratic constitution. A year later and an ocean away on May 3rd, the Polish Parliament also passed its own constitution, a grand design for modern political reform.

There were striking similaries between them. The basic concept of the American constitution, that the source of governmental power stems from the will of the people, was also embodied in the Polish one. Both stated the same basic objective: liberty and general welfare of the people. The Polish reformers were spiritually at home with the American Founding Fathers; they shared the same fundamental ideals. America was viewed as a model; it was certainly not an accident that Polish Reformer-King Stanislaw August had put a bust of George Washington in his study at the Warsaw Castle. And it was certainly not accidental that Polish volunteers participated in the American Revolution. At this point I must express my most sincere gratitude for the recent joint resolution of the United States Congress commemorating the two hundred fifth anniversary of the adoption of Poland's first constitution.

But while the America envisaged by the Founding Fathers has become a great democracy and still governs itself by the same constitution, Poland has spent most of the last two centuries relentlessly struggling to achieve among the nations of the earth that which your Declaration of Independence called "a separate and equal station to which laws of nature and Nature's God entitle them". I am not a historian, as you know, but sometimes I think that, perhaps, apart from the right ideals and stubborn resolve, nations need a bit of luck too. For instance, I would have liked Fortune to have placed the Poland of the 1791 Constitution somewhere on the map of North America and not in the center of Europe, between autocratic and imperial Russia and Prussia.

It was exactly 200 years ago that President George Washington was retiring. Having led a victorious fight against the imperial tyranny of Britain and ensured America's independence, he could withdraw into the peace and tranquillity of his beloved Mount Vernon. He cautioned that free people must always remain wary of potential threats, but he was convinced that what he called America's "detached and distant position" offered hope that the republic would endure. As you well know, my country, inhabiting the heart of Europe, unfortunately had not the luxury of such a "distant and detached position" over the past two centuries. The tough experiences of our history do not make a retirement in true peace of mind a very likely possibility for any leader. Perhaps that is why Poles love liberty as one loves a bride but Americans love her more as a grandmother.

But I believe that, although we cannot affect Fortune, we can and should help it. From 1989, liberty in Central Europe had been given a new, historic chance, a chance preceded by a very, very long and bitter struggle, and, as such, deserving the needed nourishment of peace and security. May I point out that Poland is today the fastest growing economy in Europe a remarkable evidence of fruits born of regained liberty.

We have before us a rare window of opportunity to help preserve both peace and freedom—and the former depends much on the latter—and ensure that it extends well into the twenty first century. Just as the eighteenth-century constitutions opened a new epoch, the fall of totalitarianism in Europe offers a similar prospect today. But many a great battle in history had been ultimately lost due to a lack of follow up by the victors to ensure a durable success. I strongly believe that this is such a moment requiring a follow up in the form of providing NATO security to ensure the durability of the democratic revolutions of 1989. Only United States has the power and authority today to lead towards this goal. I am particularly pleased that this cause has found much bipartisan support in the United States Congress. It gives me much faith and hope that the liberty for which so many have struggled for so long will be given the protection and opportunity it merits.

I wish to thank you once again for your kind invitation and for your inestimable support now as in the past.

IN HONOR OF DAVID AND ESTHER SMITH

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. MALONEY. Mr. Speaker, I rise today to honor David and Esther Smith, two of the most active, vibrant, and progressive activists ever to hit our neighborhoods and New York Democratic affairs. I am proud to announce that David and Esther Smith are being honored tonight at the annual dinner of the Chelsea Reform Democratic Club.

For three decades David has been part of the cooperative movement. He has served as president of Penn South Co-op for more than 20 years. His services, however, goes beyond Penn South. He has reached out to help other cooperatives and has strengthened the entire U.S. cooperative movement through his incredible volunteer efforts. One of his most gratifying experiences was spearheading the successful campaign to keep Penn South a viable middle-income cooperative. From the age of 18, David has devoted his life to the promotion of human rights and to progressive causes.

Meanwhile, Esther has been a force in Democratic politics. She served on the Democratic State Committee for more than 20 years, and was the chair of the reform caucus for 8 years. Presently Esther is a member of the Democratic National Committee. As a community activist, Esther served on Community Board No. 5 for 6 years on its housing and human services committee. All her life she has been a civil rights activist and a vocal and active proponent of the progressive principles of the Democratic Party. Esther is never afraid to speak out on issues she believes in, regardless of their popularity.

Mr. Speaker, I ask my colleagues to join with me today in honor of David and Esther Smith, who deserve great praise for their many years of service to the city of New York.

IN MEMORY OF ANTOINETTE M. GRENCO

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. LaFALCE. Mr. Speaker, I rise today to take a few moments to recognize and honor a native western New Yorker, Antoinette M. Genco, who passed away on April 18, 1996. Ms. Genco, a devoted mother and active member in her church, was a tireless advocate for the city of Buffalo, NY, and for the West Side neighborhood in which she lived

Professionally, Antoinette was an internal auditor at the Buffalo Urban Renewal Agency, helping in its efforts to improve the city and the lives of city residents. But Ms. Genco was much more than what she did on weekdays. She was a member of the board of the West Side Business and Taxpayers' Association, the Niagara District Leadership Club, and the West Side Civic Association as well as numerous block clubs and community development groups. She was also a member of the Holy Cross Church Parish Council and a well regarded religious instructor at Holy Cross Church.

Antoninette Genco's family and friends have lost someone they loved very deeply. And the Buffalo community has lost an advocate for the people who worked hard to improve everyone's lot. But we will not forget the admirable work that Antoinette accomplished. She touched the lives of many persons in western New York, and we in her community are grateful for her help in making our community a stronger and more vibrant place to live.

COVER ORAL PROSTATE CANCER DRUGS UNDER MEDICARE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. FIELDS of Texas. Mr. Speaker, prostate cancer has become increasingly visible as a disease of great concern to men across this country. This Father's Day weekend while we show our appreciation for our fathers, we need to focus again on the serious problem of prostate cancer that will strike nearly 1 out of every fathers in America.

Father's Day should be a time to celebrate some of the major advances in detection and treatment of prostate cancer. Within the last decade, we have seen a significant improvement in early detection of the disease, with widespread use of the PSA blood test. Early treatment has also advanced considerably—with new surgical techniques and a variety of nonsurgical techniques that can increase survival and reduce side effects for prostate cancer patients.

For patients whose cancer is detected in more advanced stages, there are advances in hormonal treatment to extend the length of time they can enjoy a productive life, free from symptoms. This involves the incorporation of oral antiandrogens in hormonal treatment to improve the effectiveness of the hormonal therapy. This relatively new approach is known as complete hormonal therapy because it completely blocks the hormones that cause prostate cancer tumors to grow.

The good news is that this advance in hormonal treatment is having an effect for those who can take advantage of it. The bad news is that many men do not benefit from the complete therapy because the important oral drugs that are part of the therapy are not covered under Medicare, and nearly 80 percent of the men with prostate cancer rely on Medicare. Ironically, Congress acted just a few years ago to cover oral cancer drugs under Medicare, but a number of oral cancer drugs were left off the list. These prostate cancer drugs were some of the ones left off.

Father's Day gives us the opportunity to focus again on the serious problem of prostate cancer. What is it we need to do to renew the attack and push for further advances against this disease? One of the most important and yet simplest accomplishments we can have in the short term is to cover oral prostate cancer drugs under Medicare. At a minimum, older men should have access to the treatments we know can work. This is the least we can do for fathers across America.

TERRORISTS FUNDRAISING IN THE UNITED STATES

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. SCHUMER. Mr. Speaker, I rise to share with my colleagues a very disturbing article that ran in the April 8, 1996, edition of the Dallas Morning News.

I have made fighting terrorism a focal point of my work as ranking member of the Crime Subcommittee. I find it terrifying that in this country groups actively raise money to support terrorist groups under the guise of nonprofit organizations. This article plainly demonstrates the critical need in the United States for tough fundraising provisions like those found in the terrorism bill signed by the President in April. I urge my colleagues to read this article in the Dallas Morning News. These groups aren't not-for-profit, they are for terrorism, and they must be stopped.

[From the Dallas Morning News, Apr. 8, 1996]

PAPER TRAIL LEADS TO HAMAS; TWO ORGANIZATIONS BASED IN RICHARDSON DENY THEY PROMOTE AGENDA OF ANTI-ISRAELI TERRORISTS

(By Gayle Reaves and Steve McGonigle)

Inside a Kansas City auditorium in 1989, a masked man stepped to a lectern and described in Arabic the ''oceans of blood'' spilled in Hamas' armed attacks on Israeli soldiers and civilians.

He thanked two nonprofit organizations for being early allies:

The Islamic Association for Palestine, sponsor of the conference, and the Occupied Land Fund.

Seven years later. Hamas is again threatening Middle East peace with a series of suicide bombings. The Occupied Land Fund has become the Holy Land Foundation for Relief and Development. That group and the IAP, both now based in Richardson, are under attack for allegedly aiding Hamas.

Leaders of the local groups denied affiliation with Hamas.

Sharing a stage with Hamas speakers doesn't mean they approve of Hamas terrorism or provide support for it, they say.

''We have never raised money for Hamas or tried to recruit members for Hamas,'' said Shukri Abu Baker, executive director of the Holy Land Foundation for Relief and Development.

Public records, materials from the two groups and interviews over seven months show a pattern of personal, financial and philosophical ties between Hamas and the two nonprofit groups. For example:

The Islamic Association for Palestine reprinted the Hamas charter, which calls for killing Jews in jihad, or holy war. The association's Arabic-language publications in the early 1990s routinely praised Hamas and its violent opposition to the peace process. The association also published and distributed Hamas communiques on U.S. college campuses.

Videotapes displaying the logo and phone number of an Islamic Association for Palestine subdivision glorify Hamas attacks on Jewish soldiers and civilians.

Last month, the Israeli government closed the Jerusalem office of the Holy Land Foundation because of alleged ties to Hamas. Officials also closed the headquarters of an Islamic school partly funded by the Holy Land Foundation and arrested its director for allegedly being a Hamas activist.

Mousa Abu Marzook, the political leader of Hamas, provided more than 10 percent of all donations to the Holy Land Foundation in 1992, according to Internal Revenue Service records. Mr. Marzook's wife is a cousin of Ghassan El-Ashi, a Holy Land Foundation board member, and Basman El-Ashi, a former president of the Islamic Association for Palestine.

The Israeli government alleges that Mr. Marzook is actually the military leader of Hamas and thus is involved in planning and financing the group's terrorist operations. It has filed bank records and confessions from alleged Hamas activities to support the claim.

Israeli officials allege that Mr. Marzook and Ismail Elbarasse, a former board member of the Islamic Association for Palestine's parent organization, funneled hundreds of thousands of dollars from U.S. banks to fund Hamas terrorism. Mr. Elbarasse and Mr. Marzook are friends and formerly were business partners.

Hamas—an Arabic acronym for Islamic Resistance Movement—was founded near the start of the intifada, a Palestinian uprising against Israeli occupation of the West Bank and Gaza. Hamas' goal is the destruction of Israel and establishment of an Islamic state.

The government of Israel and the Anti-Defamation League of B'nai B'rith have alleged that the two Richardson-based groups are part of the ''command and control structure'' of Hamas in the United States.

CHARGES ECHOED

Those charges have been echoed by two pro-Israel members of Congress, former FBI counterterrorism chief Oliver ''Buck'' Revell and in an award-winning and controversial documentary, Jihad in America, produced by journalist Steven Emerson.

U.S. Rep. Nita Lowey, D–N.Y., asked the IRS last month to revoke the Holy Land Foundation's tax-exempt status because of what she termed its support for Hamas terrorism.

Officials of the Islamic Association for Palestine and Holy Land Foundation say they want peace between Israel and the Palestinian people and that they deplore the killing of innocent people.

They admit sympathy with the Hamas cause of establishing a Palestinian state and share its opposition to the Israeli-PLO peace accord. But they argue that they are being demonized by Zionists to halt aid to and information about Palestinian Muslims.

''We've been targeted because we are very visible,'' said Mr. Baker, a co-founder of the Holy Land Foundation. ''We are the only one focused on the needs of the Palestinian people.''

Ghassan El-Ashi, another Holy Land Foundation co-founder and an incorporator of the Islamic Association for Palestine, branded the accusations ''guilt by association.'' He called materials purporting to show links between the two nonprofit groups and Hamas ''very old and shoddy.''

Mr. El-Ashi said family ties to Mr. Marzook do not mean they share the same politics. Among Palestinians, he said, members of the same family ware often split among political factions.

RECORDS, INTERVIEWS

The Dallas Morning News examined court filings, business records and materials produced by the Islamic Association for Palestine and Holy Land Foundation since 1987, when Hamas was formed.

The newspaper also interviewed law enforcement officers, Middle Eastern scholars and high-ranking officials of the two nonprofit organizations.

The examination revealed two close-knit groups that often work together. The Islamic Association for Palestine, which describes itself as an information center, and the Holy Land Foundation, which raises money for Islamic charitable causes, have become prominent in the American Muslim community.

Islamic Association for Palestine publications state that the group was formed in 1981, six years before Hamas began in Gaza.

Osama Abdul, vice chairman of the association, said the group was started by students at universities around the United States.

The organization also says that it supplies information about the Palestinian cause by publishing newspapers and sponsoring conferences. The group has a home page on the Internet.

Al-Zaitonah (The Olive), an Arabic newspaper published by the Islamic Association for Palestine, is considered in Israel to be ''the Hamas paper,'' said Israeli journalist Roni Shaked, author of a 1993 book on Hamas.

An issue dated March 16, 1995, carried an ad for a book entitled Jews Behind Every Crime and repeated a rhyme about carrying the Palestinian fight from the hotels—that is, diplomatic talks—to the trenches. A 1990 issue of another association publication printed song lyrics praising Hamas as ''the conscience of the country'' and ''iron in the face of the Jews.'' The Islamic Association for Palestine has since ceased to publish the quarterly called Ila Falastin, Arabic for Toward Palestine.

Cartoons depicted a mosque with its minaret replaced by a Kalashnikov assault rifle and a map of the United States drawn as a target pierced with arrows.

A Palestinian-American convicted in Israel of aiding Hamas terrorism told police that both Islamic Association for Palestine papers were ''published by Hamas activists.'' Hamas pamphlets are distributed in the occupied territories by enclosing them with Al-Zaitonah, he said.

HAMAS' MOTTO

The charter of Hamas was printed by the Islamic Association for Palestine, complete with the organization's name and local post office box address. The charter includes Hamas' motto, which lists ''jihad as its methodology and death for the sake of Allah is its most coveted desire.''

''There is no solution to the Palestinian Problem except by Jihad,'' the charter says. It refers to jihad as carrying weapons and confronting the enemy, providing equipment to the fighter and looking after his family.

Mr. Abdul said he did not know that the association had published the Hamas charter. But any Hamas statements published by the association ''were published for information purposes only'' because ''everybody was asking about this organization,'' he said.

The Islamic Association for Palestine, he said, does not endorse the killing of innocent civilians.

''We as IAP, we don't feel happy when someone is killed,'' he said. News of the four suicide bombings that were carried out in Israel between Feb. 25 and March 4, claiming 58 lives, ''worried us because we knew 2 million Palestinians will be punished'' for them.

But audience members at the December 1989 conference of the Islamic Association for Palestine shouted ''Allahu Akbar'' (''God is great'') when the masked Hamas spokesman talked about an ocean of blood.

In a videotape of the conference, Yaser Bushnaq, a Dallas resident who was then president of the Islamic Association for Palestine, welcomed participants. A Hamas banner draped a table, from which one speaker after another praised Hamas. The conference was named after Abdulla Azzam, considered a Hamas martyr.

Ahmed Al Qattan, a militant cleric from Kuwait, said Hamas ''made the Jews shiver in fear.'' He led a chant that said, in part, ''Long live Hamas. . . . Now the stone will be replaced by the Kalashnikov.''

Mr. Abdul insists that the association was not endorsing Hamas terrorism by organizing the 1989 conference. At that time, ''every Palestinian was emotionally involved with the intifada . . . . If you talked to people about anything else, they would just leave you,'' he said.

ATTACK RE-ENACTED

Mr. Emerson, the documentary producer, supplied another videotape that he described as a Hamas training video. It depicts men with assault rifles re-enacting an attack on a Jewish factory.

In another scene, rifle bullets spell out ''Hamas'' in Arabic characters. the opening frames carry the logo of Aqsa Vision Audio Visual Production. The association's Richardson telephone number is provided at the end for ordering copies.

Mr. Abdul called Aqsa Vision ''the sales department of IAP,'' selling items with the association's logo or slogans. He said Aqse Vision ''does not produce any tapes.''

He called the alleged training video ''a professional cut-and-paste job'' by Mr. Emerson, whom he and Muslim leaders around the country have denounced as pro-Zionist.

Mr. Emerson's 1994 documentary drew national attention to the Islamic Association for Palestine and the Holy Land Foundation. He alleged that the two organizations were part of a radical Islamic network operating within the United States.

The recent bombings by Hamas in Israel have renewed that attention, as has Israel's effort to extradite Mr. Marzook from the United States to put him on trial for terrorism. He remains in jail in New York while the extradition case is being decided.

Israel says that Mr. Marzook, a former resident of Ruston, La., is actually Hamas' military leader. He has said that he knew nothing of Hamas' military actions and is fighting extradition.

Thick volumes of records filed by Israel in the case contain extensive statements by Muhammad Salah, a Chicago-area used-car dealer who confessed to being a Hamas agent. His statements, made in early 1993, fueled Israeli charges of Hamas activism in the United States.

Mr. Salah told Israeli investigators that Mr. Marzook sent him and another Hamas leader in London to reorganize Hamas operations and distribute funds to Hamas activists in the Occupied Territories.

CONFESSION RECANTED

Last year, Mr. Salah was convicted of aiding Hamas terrorism and sentenced to five years in prison. He later recanted his confession, insisting the statements were coerced through abuse and torture.

Statements by Mr. Salah and other alleged Hamas activists described attacks on Israeli soldiers and civilians. They also trace more than $200,000 provided for guns and terrorists action to a U.S. bank account.

The account, at a bank in McLean, Va., was held jointly by Mr. Marzook and Mr. Elbarasse, a former board member of the American Middle Eastern League for Palestine, an Islamic Association for Palestine parent organization.

Stanley Cohen, a New York attorney for Mr. Marzook, said it was Mr. Elbarasse who transferred $735,000 to Mr. Salah's Chicago bank account.

Mr. Salah then had $200,000 transferred to him in Israel, bank records show. When Mr. Salah was arrested, $97,000 in cash was also confiscated.

Mr. Cohen said the money did not belong to his client. Mr. Marzook did not know it had been sent to Mr. Salah, the attorney said, nor did Mr. Marzook direct how Mr. Salah should spend the funds.

A man at Mr. Elbarasse's home in Falls Church, Va., hung up the phone when a reporter asked to speak to Mr. Elbarasse.

Several current and former association officials are helping Mr. Marzook with his legal troubles. Mr. Bushnaq, the former association president, is one of two signatories on the Marzook legal defense fund, Mr. Cohen said.

Rafiq Jaber and Sabri Ibrahim, current president and vice president, respectively, of the Islamic Association for Palestine, say they also are assisting with Mr. Marzook's defense by circulating petitions and encouraging contributions. Both live in the Chicago area, where the association is planning to move its headquarters.

Mr. Marzook is also a key link between Hamas and the Holy Land Foundation, one of the largest U.S. fund-raisers for Islamic charitable causes.

Founded as the Occupied Land Fund in California in 1987, the organization renamed itself and moved to Richardson in 1992. Last year the group raised $2.25 million in donations and another $1 million in in-kind contributions, officials said.

TAX RETURNS

According to Holy Land Foundation tax returns, Mr. Marzook contributed $210,000 in 1992. His personal secretary, Nasser Alkhatib, contributed another $22,450. Total contributions for the year were $2 million.

Mr. Baker, the foundation's executive director, remembered Mr. Marzook making the contribution after an Islamic conference in Kansas City.

He cited the donation as proof that there is no secret relationship between Mr. Marzook and the foundation. Mr. Marzook knew his contribution would be reported, Mr. Baker said.

At the time, Mr. Baker said, Mr. Marzook had not stated publicly that he was a leader of Hamas.

''We'll take any money if it's legal,'' the Holy Land Foundation director said.

Mr. Marzook, through his attorney, denied making the contribution. Mr. Cohen said the donation came from Mr. Elbarasse.

''I'm saying that transaction was from the joint account and had nothing to do with Mr. Marzook,'' he said. ''I'm sorry. Mousa Marzook did not donate $210,000 to them.''

Mr. Cohen acknowledged that Mr. Marzook's wife, Nadia, invested $250,000 in 1993 in InfoCom Corp., a Richardson computer company run by her cousin, Bayan El-Ashi. Mr. El-Ashi is the brother of Ghassan El-Ashi, the foundation's treasurer and InfoCom's international marketing director.

Ghassan El-Ashi declined to discuss whether Mrs. Marzook was an investor in InfoCom, and he referred questions to Mr. Cohen.

There is an even stronger link between Hamas and the Holy Land Foundation than Mr. Marzook—one which Mr. Baker and Ghassan El-Ashi readily admit and defend.

The Holy Land Foundation provides grants to schools, clinics, mosques and other social service organizations in the Middle East and elsewhere to meet Muslim humanitarian needs.

Publications say the Holy Land Foundation raises money for widows, orphans, the homeless and ''families of martyrs.'' The group boasts it was the first to aid 413 suspected Hamas activists whom Israel deported to Lebanon in 1992.

In Gaza and the West Bank, Middle East experts say, Hamas is widely regarded as one of the largest and most efficient providers of social services. The Holy Land Foundation helps supports some of those Hamas institutions.

HAMAS BASTION

The Islamic University of Gaza is listed by the foundation as one recipient. It is known as a Hamas bastion; Mr. Marzook was one of its founders.

Mr. Baker said the Holy Land Foundation does not care about the political leanings of the people whose programs it funds. ''Our humanitarian work is not colored by political reality in that area,'' he said.

Mr. Abdul of the Islamic Association for Palestine denied that Hamas operates social service agencies—that is a Zionist mischaracterization, he said.

Dr. Philip Mattar, executive director of the Institute for Palestine Studies in Washington, said Hamas' social service system is undeniable.

''Hamas does run social and health services in the West Bank.''

There's no doubt about it,'' he said. ''Most of their money goes to running those services. But they benefit enormously in that it generates an enormous amount of good will, especially in underdeveloped areas.''

In many such organizations in the Middle East, accusations of corruption are common. ''You won't find too much corruption among Hamas organizations,'' Dr. Mattar said. ''They are quite puritanical.''

Another recipient of Holy Land Foundation funds was an Islamic school operated by Jamil Hamami. Mr. Hamami, who has been called a Hamas leader by Israel, has been detained several times. His Faith School is one of the most respected in the West Bank, Mr. Baker said.

Since the bombings began in March, Israeli authorities have shut down many Muslim charities because of suspected Hamas ties. Among those closed was the Holy Land Foundation's Jerusalem office.

''Yes, that was because they are claiming we have Hamas ties,'' Mr. Baker said. He called Israel's action ''a political move'' that the foundation is challenging in Israeli court.

Ms. Lowey, the congresswoman who is seeking to revoke the foundation's tax-exempt status, contended that the Holy Land Foundation's aid to Hamas-run charities and deportees is proof of the foundation's support for terrorism.

''If you're raising money for Hamas activists, you're raising money for Hamas,'' she said in a statement.

MONEY NOT TRACED

Vince Cannistraro, a former CIA counterterrorism chief, said U.S. officials have not been able to trace money raised by Muslim charities in the United States to Middle East terrorism. But he said contributions to the Hamas social service network can benefit its military operations.

''You can give money to a specific hospital in Gaza, for example, and that money will go there,'' he said. ''And if that money is controlled by Hamas, that frees up money that can go for bad things.''

Mr. Baker said the Holy Land Foundation is considering a fund-raising campaign to rebuild houses for families of suicide bombers. The Israeli government has demolished more than 100 such homes, he said.

The demolitions are against international law because they are ''collective punishment'' aimed at a large group of people rather than at specific individuals convicted of crimes, he said.

''My obligation as a humanitarian is to go there and rebuild those houses,'' he said. ''I don't want the rest of the children to go and blow themselves up because they see the world is full of injustice.''

Mr. Baker, who has spent half his life in the West and whose mother is Christian, said he believes Israel has a right to exist.

He said Israel's Zionist government should put aside its bigotry and permit Palestinians to have a country, too.

''A lot of good Jews are doing wonderful things in this country and everywhere. They do not deserve my anger or hate,'' he said. ''A lot of bad Muslims are doing bad things. They deserve my frustration.

''But if you want to . . . base all your positions and attitudes in this life on religion or ethnicity or political backgrounds, you're doomed to be a failure.''

TRIBUTE TO S. GOLDBERG & CO., INC.

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TORRICELLI. Mr. Speaker, I rise before the House today to honor a very special company. S. Goldberg & Co., Inc., rose from humble beginnings in 1896 to a position of prominence in the international business world. This month they will celebrate 100 years of business, an achievement I hope my colleagues will join me in recognizing.

Samual Goldberg first begin making slippers in a tiny shop in New York City's lower east side in 1896, before moving to Hackensack, NJ, the company's present home. After Samuel's death in 1935, his son, Sidney, took over the business and began preparing his two sons, Roy and Stan, to eventually run the company. Thanks in large part to Roy and Stan's present leadership, S. Goldberg employs 450 people and has facilities in Bogota, NJ, and Hong Kong. This truly exemplifies the American dream, as S. Goldberg has achieved success through hard work and perseverance.

This company is a leader in the footwear industry because it creates and markets innovative, high-quality footwear that is value priced for its consumers. Equally as important is S. Goldberg's strong commitment to domestic facilities and its worldwide sourcing capabilities. A true family business, S. Goldberg's dedicated employees have worked for the company for up to 60 years.

Mr. Speaker, S. Goldberg & Co., Inc., is an inspiration to us all and to the international

business community. The company serves as evidence that the American dream is alive in Hackensack and is attainable anywhere with hard work and a commitment to quality.

BEST WISHES TO TOBIN R. BOENIG FOR A FULL RECOVERY

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. EDWARDS. Mr. Speaker, I rise today to offer best wishes for a full recovery to Tobin R. Boenig, a remarkable young man from Marion, TX.

I met Toby during the summer of 1994, when he interned in my office. He worked with my staff on numerous projects, including extensive work on agriculture issues. During his brief tenure in my office, Toby earned the respect and admiration of his coworkers through his dedication, responsibility, and hard work.

As a student at Texas A&M University in College Station, TX, Toby involved himself in many campus activities. He participated in the student senate beginning his freshman year, and held the position of academic affairs committee chair, speaker pro tempore, and speaker of the student senate. In addition, Toby served on the College of Agriculture and Life Science student council and was a member of the collegiate FFA. He was also an agrispeaker, speaking throughout the Bryan/College Station area about the importance of agriculture and youth leadership. Toby was awarded the Buck Weirus Spirit Award for his contributions to the Texas A&M student body.

This past academic year, Toby served as the student body president of Texas A&M University, representing over 42,000 students to the Texas A&M administration, former students, and the State and Federal Governments. He graduated cum laude from the College of Agriculture and Life Science in May 1996.

Shortly after graduation, Toby was involved in a tubing accident on the Guadalupe River in Texas, leaving him paralyzed from the neck down. In recent weeks, he has made great progress, regaining some feeling in his arms and legs, and the medical team now hopes for a full recovery through long and intensive physical therapy. During this time, Toby has maintained his positive spirit and enthusiasm for which he is known by family and friends.

Mr. Speaker, on behalf of this body of legislators, I would like to send best wishes to Tobin R. Boenig for a speedy and full recovery. He is an extraordinary young man and is an inspiration to us all. Good luck, Toby.

TRIBUTE TO DUNCAN H. KESTER

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Ms. LOFGREN. Mr. Speaker, it is with pleasure that I rise today to pay special tribute to Duncan H. Kester, the standing chapter 13 trustee for division 5 of the northern district of California—counties of Santa Clara, Santa Cruz, San Benito, and Monterey—on his retirement, effective June 30, 1996, after 29 years of service in that capacity.

Mr. Kester served with the U.S. Army Air Force in World War II as a flight officer-navigator, second lieutenant. After the war, he married Marvis Horgan on February 16, 1946. He is the father of four children, two daughters, and twin sons, and is also a grandfather.

In July 1967, Duncan Kester was appointed to serve as the first chapter XIII trustee in the newly created area 2 commercial district of the northern district of California consisting of the counties of Marin, San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey by the bankruptcy referees at the direction of the judges of the northern district of California. After the bankruptcy code was adopted in 1978, Mr. Kester became the standing chapter 13 trustee for divisions 3 and 5 of the northern district of California, consisting of the counties of San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey. After the implementation of the United States Trustee Program, Mr. Kester continued his chapter 13 trusteeship with his appointment by the new United States trustee for region 17.

Mr. Kester served as a leader holding a number of offices with the National Association of Chapter Thirteen Trustees [NACTT], including serving as president of that organization in 1975–76. He has appeared frequently as a lecturer at educational seminars before creditors, attorneys, business education students, and commercial associations.

During his long and illustrious tenure as a trustee, Mr. Kester has administered approximately 100,000 cases through which roughly one-half billion dollars was paid by debtors to creditors. Through his office, thousands of debtors have been able to save their homes and property by restructuring their finances in chapter 13 plans. In addition, thousands of small business men and women have been able to continue operating their restructured companies and maintain the employment of their workers by filing chapter 13 plans.

Mr. Kester, known as ''Duke'' and ''Mr. K,'' to his friends and colleagues, has earned the respect and affection of debtors, creditors, attorneys, and judges, and his employees.

I am proud to have the honor to offer Duncan H. Kester my sincere thanks and gratitude for his many years of exemplary service to our community and ask that my colleagues join me in wishing him a happy retirement.

ENVIRONMENTAL IMPROVEMENT TIMBER CONTRACT EXTENSION ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. YOUNG of Alaska. Mr. Speaker, today I rise to introduce a bill to extend by 15 years the only remaining long-term contract for timber on the Tongass National Forest. The extension was requested by the both Houses of the Alaska State Legislature. It is supported by Alaska's Governor. Democrats and Republicans in Alaska are behind the 15 year extension.

Some may remember that there were two long-term timber contracts when this House last passed the Tongass Timber Reform Act. There should be two contracts, but at the urging of environmental extremists, the Clinton administration breached one and canceled it in 1994.

This bill is not the ultimate answer to the problems of the Tongass, problems with which this body has dealt too often.

Many may know that I introduced a bill last year that could give power and control over the Tongass to the State of Alaska, but the bill I introduce today is no substitute for H.R. 2413. Ultimately, the Federal political process, Federal bureaucrats, and Federal actions are no way to guide the management of treasures like the Tongass.

Indeed, the fact that I even need to introduce a bill to again attempt a Federal solution for the Tongass—just 5 years after the last Federal legislative solution—is evidence that the State of Alaska by its laws and policies should own and manage the Tongass.

I want to be clear. This bill has nothing to do with expanding clearcutting on the Tongass. The only lands subject to harvesting are those left in the timber base after the past wilderness withdrawals form past acts of Congress. This has nothing to do with the public financing of environmental improvements. The company will finance the improvements itself based on the extended contract. This contract extension is corporate workfare with a fair return to the taxpayers.

The bill I introduce today is needed because the 1990 Tongass Timber Reform Act, which was passed and signed over my objection, has failed. It failed because 42 percent of the timber economy that was not supposed to diminish after the 1990 act is gone from the Tongass. The remainder of the timber economy—at one time over 4,000 strong—is just hanging on.

With its command and control approach to Federal land management decisions, Washington, DC, has failed Alaskans and those in other States. It has failed because the promise of the land base to support timber has been eroded by administrative action, laws, and lawsuits. The latest administrative proposal is to withdraw an additional 600,000 acres from the land available for timber harvesting. That means more land withdrawn by that single administrative action than has been harvested in the Tongass since 1909. There have been so many failures by the Federal Government regarding laws and decisions on the Tongass and the 75,000 people who live there are tired of it.

One of the most grave Federal failures resulted from the unilateral timber contract modifications—over the objections of contract holders—ordered by the 1990 Tongass Timber Reform Act. While there is a deep history attached to the long-term contracts in the Tongass, overnight the Federal Government just changed the contract at its whim. It was not because of any environmental or ecological reason. It was with arrogance and the design to stop the very small amount of timber harvesting in the largest national forest.

That was one of several decisions forced onto the Federal Forest Service and is a primary reason that the Alaska Pulp Corp. wanted to begin retooling its facility in Sitka. After they began doing so, their long-term contract was canceled under orders from the Department. It was a blatantly political decision and will end up costing the Federal Government millions of dollars.

The other long-term contract holder, the Ketchikan Pulp Corp. now barely survives with the unfair changes unilaterally inserted into its contract by the 1990 Tongass Timber Reform Act. The company has about 8 years remaining on its contract, but is facing several business options. The company has indicated a willingness to invest substantial resources—upwards of $200 million—to install environmental improvements to the plant and make it more energy efficient. Amortizing that investment requires a 15-year extension to their existing contract.

The 15-year extension is the first feature of my bill. The remaining parts of the bill attempt to improve the fairness of the contract provisions that were unilaterally changed under the 1990 Tongass Timber Reform Act. One provision requires a harvest plan which details the volume of timber and its location. Another provision requires normal independent appraisals and competitive rates for timber. Another provision concerns proportionality of harvests and includes a new criteria—acreage—by which proportionality is measured. Other provisions remove the termination clause and specifically allow conversion or replacement of the pulp mill with a similar facility. A final provision says that future modifications of the contract must be by mutual agreement.

I remind critics of logging on the Tongass that this bill has nothing to do with changing wilderness or LUD II designations. This bill has nothing to do with removing stream buffer protection. This bill has nothing to do with restoring the Tongass timber supply fund. This bill has nothing to do with any other part of the Tongass Timber Reform Act. Some may wish it did change those parts of the unfair law, but it does not.

This bill concerns fairness. It concerns restoring a viable long-term contract and extending its term. Before passage of the 1990 Tongass Timber Reform Act, nearly every environmental interest emphasized that timber harvesting and timber employment would not be affected if the Tongass law was reformed. I regret to say that those who made the representations have forgotten that they promised peace in the valley. The bill I introduce today does the least possible to address one issue that might make peace in the valley.

The timber economy has faltered in the Tongass. Not because it is inefficient, but because the law agreed to by powers in Washington, DC, doomed the timber economy. Passage of this bill means hope to those in Ketchikan and throughout Southeast. It means hope because an extended, viable timber contract will result in a clearer chlorine-free mill with improved energy efficiency. It means hope because it means jobs. Jobs and a cleaner environment means a good future for the timber resource industry in the Tongass.

An additional point is worth mentioning. There were allegations of timber theft by the company holding the long-term contract on the Tongass. My staff checked this report. They were told by the FBI that there is no planned or existing investigation of the company for timber theft. Nothing, according to the FBI after having visited the Tongass, has prompted the Bureau to even initiate a preliminary or full-fledged investigation of criminal timber.

I look forward to working with my colleagues on the House Agriculture Committee to advance this piece of legislation.

AMEND THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MANZULLO. Mr. Speaker, today I am introducing legislation that would amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that families of police and fire chaplains killed in the line of duty will receive well-deserved death benefits. I introduced this legislation in the previous Congress. It passed the House as an amendment to the omnibus crime bill but was taken out during the conference between the House and Senate negotiators. Thankfully, it is a rare occurrence when a fire of police chaplain loses his life in the line of duty. However, if such a tragedy does occur, the families of these courageous men and women will not be left out in the cold. These unsung heroes will have the assurance of knowing that their loved ones will be taken care of.

Unfortunately, Mr. Speaker, a rare occurrence did take place on June 18, 1994, when Los Angeles County Police Chaplain Bruce Michael Bryan was killed. Chaplain Bryan was an officially recognized and trained police chaplain. The night he was killed, he accompanied a sheriff's deputy on a routine call to a bar. The deputy first detained and subsequently drove home an intoxicated individual. Apparently, the individual believed he was under arrest, panicked and wrestled the deputy's gun free. The detained shot the deputy, did not kill him, and proceeded to chase Chaplain Bryan before shooting him three times in the head execution style.

Chaplain Bryan was a volunteer chaplain based out at the Carson Sheriff's substation. He was certified as their official chaplain and would hold Sunday morning services for the other officers. Yet, his record of public service was not only that of a police chaplain. He was very involved in his local church and also established and operated New Heart Ministries which offers continuing help and rehabilitation to former criminals starting new lives outside incarceration.

It is on behalf of all police and fire chaplain that I introduce this legislation today. In the memory and honor of Chaplain Bryan, I have titled the legislation the ''Bruce M. Bryan Police and Fire Chaplain Public Safety Officers's Benefit Act of 1996''. It is my sincere hope that Congress will pass this important and necessary piece of legislation.

Police and fire chaplains are often called upon to confront dangerous circumstances. For example, they may be counted upon to participate in situations where criminals are holding hostages, drive an ambulance if needed, or even pick-up a fire ax to combat a deadly fire. These men and women to to work every day and perform their duties diligently and quietly, responding to the same crime and fire scenes that their colleagues do.

I would like to take this opportunity to ask my colleagues that they join me in cosponsoring this legislation which would compensate the families of police and fire chaplains who, while in the line of duty, could pay the ultimate price possible for doing their job. This bill amends the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that police and fire chaplains killed in the line of duty receive federal death benefits.

I ask unanimous consent that this letter from Fateher William Wentink, police chaplain for the Rockford, IL, Police Department and the Illinois State Police, be inserted here as part of the RECORD.

ROCKFORD POLICE DEPARTMENT,
SAINT ANTHONY MEDICAL CENTER,
Rockford, IL, May 17, 1996.

Congressman DONALD A. MANZULLO,
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSMAN MANZULLO, for over a quarter of a century I have served as Chaplain for the Rockford Police Department. I am also Chaplain for the Illinois State Police and the Federal Bureau of Investigation. The City of Rockford Police Department has approximately 30 Police Chaplains. There is a Chaplain on duty 24 hours a day every day of the year. These are all volunteer positions. Our Chaplains are involved in many areas of Police work. This includes helping people who need a place to stay, food or medicine. We also talk with people who might be lonely or suicidal. We are also involved in death situations. Our Chaplains are on the scenes of major disturbances and incidents in our city.

More and more Law Enforcement Agencies are utilizing the expertise and professionalism of Police Chaplains. Estimates are that between 25% and 50% of the 17,000 Law Enforcement agencies in our Country have Police Chaplains on staff. Approximately 1,200 of these Police Chaplains belong to the International Conference of Police Chaplains. Of these 1,200 Police Chaplains over 93% are volunteer. They offer their time, talents, and service to the citizens of their communities.

In the United States there are over 100 Police Officers killed in the line of duty each year. There is a Federal death benefit of over $100,000.00 that goes to the estate of a Police Officer whose life is taken in the performance of duty. I am asking if it would be possible to include Police Chaplains in this benefit. Although most are volunteer, they are officially appointed to their Departments and carry out their obligations and duties under the command and direction of the head of the agency.

Thank you for your consideration and efforts in this important matter.

Very truly yours,

REV. WILLIAM R. WENTINK,
Chaplain.

CITY OF GARDEN GROVE'S 40TH ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. DORNAN. Mr. Speaker, I would like to take this opportunity to congratulate the beautiful city of Garden Grove, my home town, for celebrating its 40th anniversary on June 18.

Dr. Alonzo Cook, who is recognized as Garden Grove's founding father, would be so proud of the beauty and growth of this unique, southern California city. Since its incorporation on June 18, 1956, when services were formally coordinated to accommodate the booming population, Cook's pioneer spirit continues to be a part of life for Garden Grove and its citizens.

Originally a land of dry desert and no vegetation, Alonzo Cook had a vision to create a

community filled with beautiful gardens for families to raise their children and individuals to support themselves. What has transpired since that time has been remarkable. Despite a devastating flood of the Santa Ana River in 1916 and a tragic earthquake in 1933, residents jointed in spirit and labor to see to it that Garden Grove continued its mission of creating and expanding the city's economic and social opportunities. And that trend continues today. At the time of the 1960 census, Garden Grove had a population of nearly 44,000. Today, the population is more than 140,000. That makes Garden Grove the fourth largest city in Orange County and the 17th largest in the State of California, a true testament to its attractive nature.

Today, Garden Grove remains a dynamic and thriving city with a strong sense of its roots based on a truly distinctive history. And due to its central geographic location within Orange County, one of the most economically robust areas in California, Garden Grove has become an ideal environment for family living, commercial enterprises, and recreation. It is just what Alonzo Cook envisioned.

Mr. Speaker, I'm so proud to be a resident of this city. Happy anniversary, Garden Grove.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 178, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

SPEECH OF

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. PACKARD. Mr. Speaker, The Republican budget is the only honest plan that balances. It allows people to earn more, keep more, and do more with their families and communities.

The budget that my Republican colleagues and I have crafted symbolizes the historic changes and continuous process of shifting power out of Washington and back where it belongs—in the hands of the people.

The Clinton administration does not seem to realize that every dollar counts to working American families. If we had, right now, a budget that balanced, mortgage interest rates would be one point lower. That one point might only be $65, but that $65 means the difference between home ownership and renting for many families.

The Republican proposal fulfills our commitment to balance the budget by 2002, with lower deficits than the President's proposal every year. It provides a $500-per-child tax credit for working families, reforms welfare, and protects Medicare, extending the solvency of the trust fund for 10 years. In short, this budget will improve the lives of every American. In addition, it enforces a hard freeze on nondefense discretionary spending in 1997 and achieves balance by reducing deficits every year from 1997 through 2002.

Last year, the House-passed budget resolution projected a deficit of $173.5 billion in 1997. Today's budget resolution projects a deficit that is $20 billion lower. It would be even lower if the President were as committed to a balanced budget as he claims.

Mr. Speaker, for far too long, American families have worked to provide for the Government. It is time they worked to provide for themselves.

TRIBUTE TO LT. PATRICK BOLAND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. SPENCE. Mr. Speaker, I rise today to recognize Lt. Patrick Boland, a very determined young man, whose dauntless persistence and dedication have enabled him to reach a significant milestone in his life. Lieutenant Boland set a goal for himself, to serve our Nation as a pilot in the U.S. Air Force, and he has worked tirelessly to achieve that goal.

After earning a bachelor of science degree from Clarkson University in 1992, Patrick Boland enrolled in the master of aerospace engineering program at the Georgia Institute of Technology, and joined the Air Force Reserve Officers' Training Corps [AFROTC] in 1994. He received the Superior Performance Award in 1995, based on the leadership abilities that he demonstrated during his field training that summer. He also was chosen to be the leader of a newly formed Civil Air Patrol squadron. In the fall of 1995, he was selected for a pilot slot and was appointed to the highly selective Euro-NATO Joint Pilot Training Program, where he rose to the top of his class and was designated as a distinguished graduate. Last Friday, Patrick Boland received the last Regular Air Force commission from the Georgia Institute of Technology AFROTC program, while also receiving the master of aerospace engineering degree.

Lieutenant Boland is to be commended on his accomplishments. I would like to wish him much success as he dedicates himself to the service of our country as a pilot in the U.S. Air Force.

MINIMUM WAGE INCREASE

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MARTINEZ. Mr. Speaker, in all of arguments we have heard against raising the minimum wage, an essential point is lost. In 1938, the Fair labor Standards Act established the minimum wage to help maintain a ''minimum standard of living necessary for health, efficiency and general well-being of workers.'' Today's minimum wage fails to meet that standard.

Since the minimum wage was last increased in 1991, the cost of living has risen 53.5 percent. If it is to have the buying power it had in the 1960's, it would have to jump immediately to $5.65. And if it is left at the current level of $4.25, the minimum wage will reach a 40-year low, when adjusted for inflation, in January 1997.

All the debate about what economists have said is useless when you consider that they do not agree among themselves about the effect of an increase in the minimum wage. Several of their studies have resulted in distinctly opposite conclusions of what an increase will do to the economy and employment. What we must weigh in making this decision are the personal benefits such a move will have on individuals who are earning the current minimum wage.

As many of the religious organizations have attested in their calls for an increase, this is a matter of social and economic justice. No one can deny that those earning the minimum wage, particularly in those families where the sole wage earner only receives the minimum, are faced with severe economic hardship. And in a time when we are trying to promote independence and self-sufficiency, rather than reliance on the public dole, raising the minimum wage makes sense.

Raising the minimum wage will not prove to be such a hardship for many American companies. According to *Business Week* figures, corporate profits increased 75 percent and annual CEO pay increased 92 percent from 1990 to 1995. Productivity is on the rise. Nevertheless, the average hourly wages for the 82 percent of the workforce that are production or supervisory workers have steadily declined since 1979. Workers are simply not being paid at a rate that corresponds to their rising output, and it is time for corporations to reverse this trend.

For those who would argue that small businesses would be the ones that would truly suffer from an increase in the minimum wage, we have already passed the Small Business Tax Relief Act, which will be linked to this increase. In this bill, we alleviate some of the regulatory and financial burdens placed on these businesses, so they can devote more resources to their employees.

As this debate continues, we will see that for every argument, there is a counter argument. Let's just return to the basics and accept what even many Republicans have accepted, that humaneness calls upon us to raise the minimum wage again. Let's stop quibbling about how many teenagers, how many single mothers, how many sole household earners will be affected from an increase. Let us raise the minimum because it is the right thing to do; because 80 percent of the American people believe an increase is warranted; because we must re-establish a minimum wage that provides a ''minimum standard of living necessary for health, efficiency and general well-being of workers.''

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

SPEECH OF

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes:

Mr. TEJEDA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment caps the average seasonal price for peanuts at $640 per ton. If the price rises above that price then no more peanut program.

The peanut program works: American-produced peanuts are safe; prices have remained stable, rising less than the rate of inflation since 1979; consumer prices for peanut products in the United States remain lower than that in other countries.

We have avoided the boom-and-bust cycle typical of other agricultural industries. The peanut program is good for our farmers, particularly the family farmer. The average-sized peanut farm is slightly less than 100 acres. Some 87 percent of peanut farms are family farms and more than 80 percent are owner-operated.

One thing is for certain—killing the peanut program would do much more harm than good. The loss of jobs, farm revenue, land value, and local tax base would devastate smaller communities.

We would increase our reliance on unstable and uncertain supplies of foreign peanuts, we would lose our quality assurance, we would lose our most valuable resource—our farmers.

The 1996 Farm bill, which we just passed, makes reforms to the peanut program. Let's give these changes a chance to work.

Let's not break our commitment to America's farmers.

Vote ''no'' on the Kolbe amendment.

PERSONAL EXPLANATION

HON. JOHN E. ENSIGN

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. ENSIGN. Mr. Speaker, due to travel difficulties on Monday, June 10, I missed rollcall votes 222, 223, and 224. Had I been present, I would have voted ''aye'' on each of these rollcall votes.

TRIBUTE TO THE KALAMAZOO CENTRAL HIGH SCHOOL MOCK TRIAL TEAM

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. UPTON. Mr. Speaker, I rise today to urge my colleagues to join with me in congratulating the Kalamazoo Central High School Mock Trial Team. They defeated 37 other teams to earn the National High School Mock Trial Championship held recently in Pittsburgh, PA.

Mr. Speaker, please join me in congratulating students Andrew Fink, Joelle Renstrom, Linnaea Eberts, Ursula McTaggart, Aida Hussen, Ghislaine Storr, Jordan Klepper, Aash Bhatt Sonya Datta-Sandhu, Nichk Dybek, and Coach Sherry Myers, Assistant Coach Keith Platte, and Legal Coach Kurt McCamman.

These students worked hard in preparation for this important event. Their many hours of commitment, practice and dedication stand as an inspiration to us all. I am confident that we will continue to hear great things about these students. We are counting on them to provide this Nation with the leadership that will carry us into the next century.

This accomplishment not only says a lot about the student, it also speaks well for the Kalamazoo Public School System and the many quality people there that are truly making a difference.

Again, Mr. Speaker, congratulations to Kalamazoo Central High School Mock Trial Team, winner of this year's national championship.

INTRODUCTION OF RESOLUTION PROMOTING DEMOCRACY THROUGH THE INTERNET

HON. RICK WHITE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. WHITE. Mr. Speaker, today, I join with my good friend and colleague from Virginia in introducing a resolution calling on Congress to use the Internet to provide constituents with more access to government information; communicate with constituents through electronic mail, and work with the net community to get input on issues affecting the Internet.

Yesterday, a three-judge panel of the U.S. District Court for the Eastern District of Pennsylvania granted a preliminary injunction against enforcement of the Communications Decency Act, on the grounds of constitutionality. The main reason this act was found unconstitutional is because Congress didn't understand what the Internet is all about. We tried to apply the indecency standard—a rule developed for television—to the Internet, which is a very different medium. If we want to avoid such problems in the future, Congress is going to have to learn what the Internet is all about.

But the drive behind this resolution goes further than educating Congress about the Internet—it fulfills our promise to make Congress more accessible to the American people.

The Internet is a powerful new medium that is growing by leaps and bounds. Each day more and more people are logging onto the Net to get information. As more people use the Internet as a way to communicate, do business, and educate our children, we in Congress need to make sure that we are using this new medium as a way to communicate with our constituents. By posting committee reports, voting records, and other documents on the Internet we will give the public access to the same information we in Congress have.

Next year, Congress will go back to the drawing board to rewrite the CDA. When that time comes, I am optimistic that a more educated Congress will develop a solution that protects our children and protects our free speech.

Until that time, it is important to get more Members of Congress involved in Internet issues. That is why this resolution is so important. This resolution will require that Members of Congress go on record to show their commitment to learning about, and using, the Internet.

''WOULD''

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. JACOBS. Mr. Speaker, let's get rid of the dead WOULD.

A strange practice has crept in to discourse on the floor of the U.S. House. Members are beginning to use the subjunctive where it simply does not apply. One hears, ''I WOULD yield 5 minutes to—.''

''I WOULD''? I WOULD if what?

And of course, parliamentary rules require that a Member address the Chair, not ''Ladies and Gentlemen.''

While we are at it, I believe that recorded votes are requested in the Committee of the Whole and the yeas and nays are requested in the formal sessions of the House.

KIP TIERNAN TO BE HONORED ON HER 70TH BIRTHDAY FOR HER MANY ACHIEVEMENTS

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, on Friday, June 21, 1996, the people of Boston are holding a truly momentous event. The purpose of the event is to honor a woman who has been at the forefront of the struggle for equal rights for all people. This party, to celebrate the 70th birthday of Kip Tiernan, is a recognition of the woman and her many great achievements throughout her life. Kip has valiantly fought for the rights of the poor and disenfranchised in our society, from the founding of Rosie's Place in 1974 to her continued work as a adjunct professor of ethical policy at the University of Massachusetts. Her work has reached far and touched many and that is why we have all come together to honor this truly extraordinary woman.

Rosie's Place was created by Kip in response to a need for a place where poor and homeless women could go to find food, shelter, and support in their time of need. The continued work and dedication Kip has given to this, the first such shelter of its kind in the United States, has allowed it to evolve into a place where women could not only find immediate food and shelter, but also long-term aid through permanent housing and education programs. The achievements of Rosie's Place, in addition to her part in founding the Boston Food Bank, the Boston Women's Fund, Health Care for the Homeless and Community Works mark Kip as a true champion of the poor.

It is an honor and a privilege to be able to lend my thoughts and sentiments to this celebration of Kip Tiernan. Her life and work and the aid she has been able to give to so many people should serve as an example to us all. Her life was, and continues to be, an influential one, unselfishly dedicated to helping others. Let us celebrate on this day a great woman who has done so much for so many.

UNITED STATES-INDIA RELATIONS: THE NEED FOR UNITED STATES AID

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. LEVIN. Mr. Speaker, I rise today to discuss the current status of United States-India relations.

Over the past decade the relationship between our countries has been increasingly positive. United States trade and business investments in India have grown to an all-time high. This growth should continue, for India recently reaffirmed its commitment to democracy by conducting the largest democratic election in history. Over 65 percent of India's 640 million eligible voters participated in the election.

At such a time, with so many positive developments, it is a serious misreading of history for us to even consider freezing aid to India, as some are now proposing. I urge those who are so inclined to listen to the warnings of Ambassador Frank Wisner, senior career ambassador to India, who recently said India would view such an attempt by Congress to be ''a very negative message.''

Undeniably, there have been human rights abuses in India in years past. But progress in this area is being made, as reflected most dramatically by the election results in Punjab Province. There, the ruling party which allegedly committed abuses against Muslims was thrown out by a Muslim-leaning party. Another reflection of progress was the decision by both the State Department and the United Nations to commend India for its recent resolution of human rights problems. These are trends to be encouraged, not discouraged by denying additional assistance.

In fact, a cutoff of United States developmental assistance would hurt the very people who most need help, hampering the intentions of newly elected Prime Minister Deve Gowda to improve the living conditions of the poorest citizens of India.

Finally, India's geographic position continues to be of great strategic importance in light of recent transactions between China and Pakistan.

For these reasons, and more, I believe those who want to send a symbolic message are jeopardizing our relationship with India and putting at peril United States national security interests in and around that region of the world.

CELEBRITY READ PROGRAM A GREAT SUCCESS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I am pleased to have the opportunity to invite my colleagues to join with me in congratulating and thanking the United Way of Essex and West Hudson. The United Way held their annual Celebrity Read Program which encourages inner-city youth to broaden their horizons and have hope for their futures. The program asks adults, both famous and not so famous, to attend classrooms and read passages from their favorite book about the accomplishments of people of color.

This year's program had a phenomenal level of participation, with twice as many reading volunteers as last year. Their words of inspiration touched the lives of more than 10,000 children. Among the more well-known participants were news reporters; Terrie Williams and Reggie Harris and former New York Giants football player, Harry Carson. One of the aspects of the program is that their definition of celebrity includes local business people, entrepreneurs, and everyday citizens from the community. This program makes it possible for individuals to take part in their community, share their wealth of knowledge and experience, and be a source of inspiration to our inner-city youth.

It is wonderful to see that this outstanding program has not just continued but grown since last year. I urge other communities, nationwide, to follow their lead and motivate children with programs such as this one. The Celebrity Read Program is one that should take place in as many cities as possible. I would also like to extend a most sincere thank you to the Celebrity Read Program and to the 400 celebrity readers for taking the time to interact with the leaders of the next generation. We should celebrate children for they are our greatest resource.

Thank you, Mr. Speaker, for allowing me this opportunity to share with my colleagues some of the exciting events that are taking place in the 10th Congressional District of New Jersey to ensure our future.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

SPEECH OF

HON. BILL BARRETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes:

Mr. BARRETT of Nebraska. Mr. Chairman, I rise today in support of this amendment, which would emphasize the need for farmers and processors affected by the Karnal bunt quarantine to know exactly how the Federal Government intends to provide compensation and assistance.

This amendment is for the benefit of those who are currently subject to special restrictions as a result of Karnal bunt infestation, but have not yet been informed what action the Government plans to take to compensate them. While USDA already has taken steps to offset costs to producers in many areas, there are areas where USDA has not yet taken that action and those producers are anxiously awaiting this important information. It is reasonable to expect the Government, which imposes the quarantine and restrictions on marketing wheat in the areas afflicted, to also provide a plan for compensation in a timely matter to all affected.

USDA has been aggressive in identifying and taking steps to control and eradicate Karnal bunt. This has been critical in protecting producers in areas not afflicted with Karnal bunt as well as in preserving our export markets. For this, I commend USDA's efforts.

Nevertheless, I understand the concerns of producers and processors in areas where USDA's job is not finished and I urge my colleagues join me in support of this sense of Congress.

REMEMBERING ISRAELI MIA'S

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. Speaker, I rise today to ask my colleagues to join me in remembering the Israeli soldiers captured by the Syrians during the 1982 Israeli war with Lebanon.

On June 11, 1982, an Israeli tank unit battled with a Syrian armored unit in the Bekaa Valley in northeastern Lebanon. Sgt. Zachary Baumel, 1st Sgt. Zvi Feldman and Cpl. Yehudah Katz were captured by the Syrians that day. They were identified as the Israeli tank crew, and reported missing in Damascus. The Israeli tank, flying the Syrian and Palestinian flags, was greeted with cheers from bystanders.

Since that terrible day in 1982, the Israeli and United States Governments have been doing their utmost to obtain any possible information about the fate of these missing soldiers, working with the offices of the International Committee of the Red Cross, the United Nations, and other international bodies. According to the Geneva Convention, Syria is responsible for the fates of the Israeli soldiers because the area in Lebanon where the soldiers disappeared was continually controlled by Syria. To this day, despite promises made by the Syrian Government and by the PLO, very little information has been forthcoming about the condition of Zachary Baumel, Zvi Feldman, and Yehudah Katz.

June 11 marked the anniversary of the day that these soldiers were reported missing in action. Fourteen pain-filled years have passed since their families have seen their sons, and still President Assad has not revealed their whereabouts.

One of these missing soldiers, Zachary Baumel, is an American citizen, from my district in Brooklyn, NY. An ardent basketball fan, Zachary began his studies at the Hebrew School of Boro Park. In 1979, he moved to Israel with other family members and continued his education at Yeshivat Hesder, where religious studies are integrated with army service. When the war with Lebanon began, Zachary was completing his military service and was looking forward to attending Hebrew University, where he had been accepted to study psychology. But fate decreed otherwise and on June 11, 1982, he disappeared with Zvi Feldman and Yehudah Katz.

Zachary's parents Yoni and Miriam Baumel have been relentless in their pursuant of information about Zachary and his compatriots. I have worked closely with the Baumels, as well

as the Union of Orthodox Jewish Congregations of America and the American Coalition for Missing Israeli Soldiers. These groups have been at the forefront of this pursuit of justice. I want to recognize their good work and ask my colleagues to join me in supporting their efforts. For 14 years, these families have been without their children. Answers are long overdue.

JUNETEENTH CELEBRATION JUNE 21, 1996

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. KENNELLY. Mr. Speaker, I rise to celebrate one of Connecticut's most treasured African-American celebrations to be held in Hartford, CT, on June 21, 1996—the Annual Juneteenth Celebration.

Juneteenth is celebrated traditionally on June 19th and is this Nation's oldest African-American celebration. Originally celebrated in Texas, whereas in 1865 that enslaved Africans were formally notified of their freedom, literally 2½ years after the signing of the Emancipation Proclamation by President Lincoln.

This Texas celebration has become the model to similar events in other States. Held annually at the Wadsworth Antheneum, Juneteenth attracts thousands to the museum and proudly preserves and furthers the rich heritage and traditions of Connecticut's African-Americans. A 2-day celebration, Juneteenth offers a parade, historical perspectives, the Discovering Ellis Ruley exhibition, family day festivities, vibrant musicians, and benefits the Wadsworth Atheneum Amistad Foundation's African-American collection. Viewed by some as one of the Nation's outstanding records of the black experience in America, this 6,000 piece collection illuminates the brilliance of African-American artists and their contributions to American art and culture.

This gala affair is presented jointly by the Wadsworth Antheneum's Amistad Foundation director and curator Deirdre Libby and the 1996 Juneteenth Jubilee Committee. Thanks should be given to all the members of the 1996 Juneteenth Committee, who have worked so hard to make this year's event a wonderful success. Special thanks goes to: 1996 cochairs Barbara Alleyne and Peter Roach, and members Sylvia Alexander, Charles Barrow, Alvin Bingham, Sondra Brittain, Carolyn H. Burney, Kristen Clark, C. Jeanne Costley, Diane Jackson, Ann Jennings, Darlene Leak, Winnie Johnson, Bunny Jones, Alice and Duane Luster, Claire Odoms, Genie Odoms, Loretta Pair, Joyce Peoples, Kelly Pittman, Alyce T. Rawlins, Randolph Ricketts, Sara Roach, Andrea B. Seldon, Tanya Sharpe, Mildred Smith, Marilyn Strong, Carolyn Thomas, Patricia Wiggings, and Alberta Mendenhall.

All Americans are enriched by the African-American experience. The courage, the faith, the fortitude in the face of enormous obstacles, and above, all, the dedication to freedom should inspire all of us. The Juneteenth celebration is a joyful and uplifting community event, one that will strengthen our ties to our fellow Americans.

TRIBUTE TO STATE REPRESENTATIVE SHARON L. GIRE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to my good friend and my State representative, Sharon Gire. I am pleased and proud to have Sharon represent the district that I served in the 1970's. Sharon will be honored on Friday, June 14, at the Daughters of Isabella, Queen of the Skies Circle No. 683 annual testimonial dinner in Mount Clemens. This event is held each year to recognize a community leader or outstanding service and to raise funds for charity.

Sharon has always been a strong advocate for victims of domestic abuse and a staunch supporter of children's rights. Her long commitment to children is apparent when you consider her background. She has served as the Macomb area supervisor of the Big Brothers/Big Sisters organization, and was also the program director at the YWCA. As a State legislator, she continues to focus on the immediate concerns of women and children. One of her proudest moments was the development of a 14-bill package aimed at reforming domestic violence laws. Recently, she assisted members of the Macomb Domestic Violence Council with legislation regarding personal protection orders.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Sharon has dedicated much of her life to this endeavor. I deeply admire her strong values and outstanding example of civic involvement. Among the many organizations that she is currently serving are the Clinton Township Goodfellows, Catholic Social Services Advisory Committee, and Citizen's for Better Care. Her time, talents, and energy are appreciated by all of us. I thank Sharon for all her efforts and commend her for her good work.

I applaud the Daughters of Isabella for recognizing Sharon Gire. She has provided outstanding leadership to our community and I know she is proud to be honored by this fine organization. On behalf of the Daughters of Isabella Queen of the Skies Circle No. 683, I urge my colleagues to join me in saluting State Representative Sharon L. Gire.

TRIBUTE TO PIA HARRIS, SAN MARCOS, CA, TEACHER OF THE YEAR

HON. RANDY ''DUKE'' CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. CUNNINGHAM. Mr. Speaker, I would like to pay tribute to Mrs. Pia Harris, a teacher at Alvin Dunn Elementary School in my congressional district, who has been named San Marcos, CA, Teacher of the Year.

Excellent education gives our young people a fighting chance at the American dream. Our communities and our country benefit from the work of outstanding teachers. As a former teacher and coach, as a dad, and as chairman of the House Subcommittee on Early Childhood, Youth and Families, I am thankful for Mrs. Harris' work.

I ask that the permanent Record of the Congress of the United States include the following article, from the May 1, 1996, North County Times, in appreciation for the honor bestowed upon Pia Harris by the San Marcos Unified School District.

[From the Northern County Times, May, 1996]

DUNN ELEMENTARY INSTRUCTOR NAMED SM TEACHER OF YEAR

(By Sandra San Agustin)

SAN MARCOS.—After raising 10 children, Pia Harris decided he had enough practical experience to become a teacher.

She had been a PTA member, a Brownie leader and a school aide.

When she hit her 40s, she went back to school and obtained a college education and her teaching credential.

On Friday, the Alvin Dunn Elementary School teacher received the ''Teacher of the Year'' award at the San Marcos Unified School District's employee recognition dinner.

''I'm very, very honored to be chosen for such a wonderful award,'' said the Swedish native. ''There are so many excellent teachers out there that also deserve it.''

Harris' husband. Pat Ebert and a handful of parents surprised the fifth-grade teacher with a small party in her classroom on Tuesday morning.

Former students joined Harris' class in congratulating her for winning the award.

''It was because of each of you that I was chosen (Teacher of the Year),'' a teary-eyed Harris told the group.

Parents and students alike said Harris deserved the award because she makes learning fun and sincerely cares for the children.

''If you always complete your work and forget something one day, she lets you slide by,'' said Kyle Dodson, 11. ''She always gives you a chance.''

When Kathy Rocha's 10-year old daughter, Caity, entered the fifth grade, Rocha pushed to have her placed in Harris' class.

Her other daughter, Lisa, had been Harris' student a few years back.

''(Harris) loves her students with all her heart and is always hugging them,'' Rocha said. ''At this age, the children are usually standoffish, but they love her.''

Harris moved to the United States when she was 21 and settled in Southern California.

A champion of higher education, she decided to become a teacher because of the influence she would have on children.

''Education doesn't stop within the classroom,'' said the 26-year San Marcos resident, ''I often encourage students and their parents to get involved in the community.''

Besides teaching, Harris is also president of the San Marcos teacher's union, a member of the San Marcos Educational Foundation, direct of the North County Transit District board, and is serving her fourth term as a San Marcos City Council member.

IN HONOR OF THE BRAVE CREW OF THE RB–29 #44 61810

HON. JON D. FOX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. FOX. Mr. Speaker, on June 13, 1952, alone, unarmed, and unafraid, a crew of 12 men flying a sensitive reconnaissance mission over the Sea of Japan was engaged and shot down by two Soviet MIG–15 jet fighters, near

the coast of Russia. This crew of RB–29 #44 61810 was part of the 91st Strategic Reconnaissance Squadron stationed at Yokota Air Base, Japan during the Korean war.

For more than 40 years family members of this crew believed that the plane had an air accident. This is what the Government had told them. These men received no medals or recognition for their mission because ''the plane was not flying in a combat zone.'' The Russians had denied that they shot down the plane.

In 1992, President Yeltsin came forth and admitted that the Russians did indeed shoot down this plane, and that some airmen may have been taken prisoner and may still be alive. The fate of this crew is still under investigation.

Because of outstanding heroism and devotion to duty displayed by this crew, in October of 1995 the Air Force honored these men by posthumously awarding the Distinguished Flying Cross and the Purple Heart.

I would like to insert these men's names into the CONGRESSIONAL RECORD to ensure that they are forever a part of our history: Maj. Samuel Busch, Philadelphia, PA, 1st Lt. James Sculley, Philadelphia, PA, Capt. Samuel Service, Berkeley, CA, 1st Lt. Robert J. McDonnell, Oceanside, NY, M. Sgt. William B. Homer, Jeannette, PA, M. Sgt. David L. Moore, Yokota, Japan, S. Sgt. William Blizzard, Arlington, CA, S. Sgt. Miquel W. Monserrat, Philadelphia, PA, S. Sgt. Eddie Berg, Blackduck, MN, S. Sgt. Leon Bonura, Beaumont, TX, S. Sgt. Roscoe G. Becker, Tillamook, OR, A1c Danny Philsbury, Orange, TX.

Daily Digest

HIGHLIGHTS

Senate passed Congressional Budget Resolution.

Senate

Chamber Action

Routine Proceedings, pages S6167–S6254

Measures Introduced: Ten bills and five resolutions were introduced, as follows: S. 1869–1878, S. Res. 262–264, and S. Con. Res. 64 and 65. **Page S6225**

Measures Reported: Reports were made as follows:

H.R. 3286, to help families defray adoption costs, and to promote the adoption of minority children, with amendments. (S. Rept. No. 104–279)

H.R. 419, for the relief of Benchmark Rail Group, Inc.

H.R. 1533, to amend title 18, United States Code, to increase the penalty for escaping from a Federal prison, with an amendment in the nature of a substitute.

S. Res. 226, to proclaim the week of October 13 through October 19, 1996, as ''National Character Counts Week''.

S. 1559, to make technical corrections to title 11, United States Code, with an amendment in the nature of a substitute. **Page S6223**

Measures Passed:

Congressional Budget Resolution: By 53 yeas to 46 nays (Vote No. 159), Senate passed the conference report on H. Con. Res. 178, establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002. **Pages S6167–86**

U.S. Fire Administration Positions: Senate passed S. 1488, to convert certain excepted service positions in the United States Fire Administration to competitive service positions. **Page S6253**

Nomination Considered: Senate began consideration of the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.

Pages S6186–87, S6197–S6216

A unanimous-consent time-agreement was reached providing for further consideration of the nomination on Friday, June 14, 1996, and Thursday, June 20, 1996, with a vote to occur thereon. **Page S6187**

A further consent agreement was reached providing for votes to occur on the nominations of Laurence H. Meyer, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System, and Alice M. Rivlin, of Pennsylvania, to be a Member and Vice Chairman of the Board of Governors of the Federal Reserve System, following disposition of the nomination of Mr. Greenspan. **Page S6187**

DOD Authorizations—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1745, to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, and to prescribe personnel strengths for such fiscal year for the Armed Forces, on Tuesday, June 18, 1996, at 10 a.m. **Pages S6253–54**

Committee Authority To File: Special Committee to Investigate the Whitewater Development Corporation and Related Matters was granted authority to file any reported items until 12 Midnight on Monday, June 17, 1996. **Page S6253**

Messages From the House: **Pages S6219–20**

Measures Referred: **Pages S6220, S6243–46, S6248**

Measures Held at Desk: **Page S6246**

Communications: **Page S6220**

Petitions: **Pages S6220–23**

Executive Reports of Committees: **Pages S6223–25**

Statements on Introduced Bills: **Pages S6226–43**

Additional Cosponsors: **Page S6243**

Notices of Hearings: **Page S6248**

Authority for Committees: **Pages S6248–49**

Additional Statements: **Pages S6249–53**

Record Votes: One record vote was taken today. (Total—159) **Page S6186**

Adjournment: Senate convened at 10 a.m., and adjourned at 7:28 p.m., until 9:30 a.m., on Friday, June 14, 1996. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S6254.)

Committee Meetings

(Committees not listed did not meet)

FAA AUTHORIZATION

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported an original bill to authorize appropriations for fiscal year 1997 for the Federal Aviation Administration and the Airport Improvement Program.

NATIONAL RECREATION LAKES STUDY ACT

Committee on Energy and Natural Resources: Committee concluded hearings on S. 1844, to increase recreational opportunities on American lakes and rivers, after receiving testimony from John H. Zirschky, Principal Deputy Assistant Secretary of the Army for Civil Works; Patricia J. Beneke, Assistant Secretary of the Interior for Water and Science; Janice McDougle, Associate Deputy Chief, National Forest System, Forest Service, Department of Agriculture; Kathryn Jackson, Senior Vice President, Resource Group, and Bob Herbst, Washington Representative, both of the Tennessee Valley Authority; Marshall Funk, Scotts Marina, Dallas, Texas, on behalf of the Marina Operators Association of America; Tom Stidham, Norris Marine, Norman, Oklahoma, on behalf of the Marine Retailers Association of America; Ray Gardiner, Snowbird Ski and Summer Resort, Snowbird, Utah, on behalf of Recreation Roundtable; and Ron Stone, States Organization for Boating Access, Washington, D.C.

WELFARE AND MEDICAID REFORM

Committee on Finance: Committee held hearings to examine proposals to reform the welfare and Medicaid system, focusing on S. 1795, to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence by requiring work, meet the health care needs of America's most vulnerable citizens, control welfare and Medicaid spending, and increase State flexibility, receiving testimony from Donna E. Shalala, Secretary of Health and Human Services.

Hearings were recessed subject to call.

NOMINATIONS

Committee on Finance: Committee ordered favorably reported the nominations of Raymond W. Kelly, of New York, to be Under Secretary of the Treasury, and Marcia E. Miller, of Indiana, to be a Member of the United States International Trade Commission.

Prior to this action, the committee concluded hearings on the aforementioned nominations, after the nominees testified and answered questions in their own behalf. Mr. Kelly was introduced by Senators D'Amato and Moynihan, and Ms. Miller was introduced by Senators Chafee and Moynihan.

PLO COMPLIANCE

Committee on Foreign Relations: Committee met in closed session to receive a briefing on Palestine Liberation Organization (PLO) compliance from Dennis Ross, Special Middle East Coordinator, Department of State.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following bills:

H.R. 1533, to increase the penalty for escaping from a Federal prison, with an amendment in the nature of a substitute;

H.R. 419, to require the Federal Emergency Management Agency to compensate Benchmark Rail Group, Inc. for certain emergency work and services performed by them;

S. 1559, to make technical corrections to Federal bankruptcy law, with an amendment in the nature of a substitute; and

S. Res. 226, to proclaim the week of October 13 through October 19, 1996, as "National Character Counts Week".

CHALLENGES OF THE ELDERLY

Committee on Labor and Human Resources: Subcommittee on Aging resumed hearings to examine the scope of challenges facing America's aging society, focusing on whether working Americans are adequately preparing for retirement and what may impede their ability to do so, receiving testimony from Laurence J. Kotlikoff, Boston University, Boston, Massachusetts; Gary Burtless, Brookings Institution, and Karen Ferguson, Pension Rights Center, both of Washington, D.C.; Peter M. Kelly, Murphy, Smith and Polk, Chicago, Illinois, on behalf of the U.S. Chamber of Commerce; Alan Sklar, Gleeson, Sklar, Sawyers, and Cumpata, Skokie, Illinois, on behalf of National Small Business United; and Phillip J. Longman, St. Petersburg, Florida.

Hearings were recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 26 public bills, H.R. 3634–3659; and 5 resolutions, H.J. Res. 182, H. Con. Res. 185–188 were introduced. **Pages H6413–14**

Reports Filed: One report was filed as follows:

H.R. 3237, to provide for improved management and operation of intelligence activities of the Government by providing for a more corporate approach to intelligence, to reorganize the agencies of the Government engaged in intelligence activities so as to provide an improved Intelligence Community for the 21st century (H. Rept. 104–620, Part I). **Page H6413**

Committees to Sit: The following committees and their subcommittees received permission to sit today during proceedings of the House under the 5-minute rule: Committees on Agriculture, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, International Relations, National Security, Resources, and Transportation and Infrastructure. **Page H6293**

Shipbuilding Trade Agreement: By a recorded vote of 325 ayes to 100 noes, Roll No. 238, the House passed H.R. 2754, to approve and implement the OECD Shipbuilding Trade Agreement. **Pages H6293–H6325**

Agreed to the committee amendment in the nature of a substitute, as amended. **Page H6325**

Agreed to the Bateman amendment that delays the effective date of Title XI loan guarantee amendments until January 1, 1999, establishes that the Jones Act or other provisions of U.S. law set forth in Annex II of the agreement will not be affected, provides that national security interests can be invoked, defines and excludes military reserve vessels from the agreement, and establishes a remedy for U.S. shipbuilders who lose a sale to a foreign shipbuilder (agreed to by a recorded vote of 278 ayes to 149 noes, Roll No. 237). **Pages H6315–25**

DOD Appropriations: By a yea-and-nay vote of 278 yeas to 126 nays, Roll No. 247, the House passed H.R. 3610, making appropriations for the Department of Defense for the fiscal year ending September 30, 1997. **Pages H6333–89**

Agreed To:

The Young amendment that conforms the bill to allocations contained in the FY 1997 Budget Resolution and reduces funding by $508 million accordingly (agreed to by a recorded vote of 396 ayes to 25 noes, Roll No. 239); **Pages H6337–39, H6341–42**

The Furse amendment that makes reductions to Army, Navy, Marine Corps, Air Force, and Defense-Wide Operation and Maintenance accounts totaling $35 million; **Pages H6340–41**

The Smith of New Jersey amendment that prohibits funds to contractors for restructuring costs associated with a business combination that were incurred on or after August 15, 1994. **Pages H6346–49**

The Hoke amendment that limits procurement of aircraft landing gear to equipment manufactured and assembled in the United States unless the procurement will create a significant adverse technical, cost, or schedule impact on the aircraft production program; **Page H6379**

The Kennedy of Massachusetts amendment that stipulates that funding for the DOD specimen repository may only be used in accordance with DOD policy; **Pages H6379–80**

The Bereuter amendment, as modified, that provides that the Air National Guard may assume responsibility for providing fire fighting and rescue services in response to aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, Nebraska; and **Pages H6384–85**

The Solomon amendment that prohibits expenditures to any contractor, subject to the requirement in section 4212(d) of title 38, United States Code, that has not submitted an annual report to the Secretary of Labor concerning the employment of Veterans. **Pages H6387–88**

Rejected:

The Obey amendment that sought to reduce Navy Shipbuilding and Conversion procurement by $404 million (rejected by a recorded vote by 143 ayes to 285 noes, Roll No. 240): **Pages H6345–46, H6252–53**

The Obey amendment that sought to reduce Air Force Aircraft Procurement by $314.1 million (rejected by a recorded vote of 126 ayes to 299 noes, Roll No. 241); **Pages H6349–50, H6353**

The Obey amendment that sought to reduce Air Force Research, Development, Test, and Evaluation by $1 billion (rejected by a recorded vote of 119 ayes to 307 noes, Roll No. 242); **Pages H6351–54**

The Obey amendment that sought to prohibit funding for any acquisition program that has no DOD documented military requirement and has a cost per job created of more than $100,000 according to documentation submitted to the staff of the House National Security Committee by the military services (rejected by a recorded vote of 101 ayes to 319 noes, Roll No. 243); **Pages H6361–64, H6377**

The Schroeder amendment, as modified, that sought to reduce total appropriations by $6.5 billion

(rejected by a recorded vote of 148 ayes to 265 noes, Roll No. 244). **Pages H6364–68, H6377–78**

The Shays amendment that sought to limit FY 1997 DOD budget authority to the amount provided in the FY 1996 DOD Appropriations Act (rejected by a recorded vote of 194 ayes to 219 noes, Roll No. 245). **Pages H6370–79**

The DeFazio amendment, as amended by the Dicks amendment, that sought to prohibit any funding in the National Missile Defense program for the deployment of space-based interceptors or space-based directed energy weapons (rejected by a recorded vote of 190 ayes to 208 noes, Roll No. 246). **Pages H6380–84, H6388–89**

The Skelton amendment was offered, but subsequently withdrawn, that sought to limit funding available for National Missile Defense. **Pages H6385–87**

H. Res. 453, the rule providing for consideration of the bill was agreed to earlier by a voice vote. **Pages H6326–33**

Legislative Program: The Majority Leader announced the legislative program for the week of June 17. Agreed to adjourn from Thursday to Monday. **Pages H6389–90**

Meeting Hour: Agreed that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday, June 17. **Page H6390**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of June 19. **Page H6390**

Order of Business: It was made in order that the Committee on the Judiciary be discharged from further consideration of H. Con. Res. 187; that it be in order for its immediate consideration in the House; that debate on the concurrent resolution be limited to fifty minutes, to be equally divided and controlled by Representative Watts of Oklahoma and Representative Clayton; and that the previous question be considered as ordered on the concurrent resolution to final adoption without intervening motion. **Pages H6390–91**

African-American Church Burnings: The House agreed to H. Con. Res. 187, expressing the sense of Congress with respect to recent church burnings. **Pages H6391–99**

Senate Messages: Message received from the Senate today appears on page H6341.

Quorum Calls—Votes: One yea-and-nay vote and ten recorded votes developed during the proceedings of the House today and appear on pages H6324–25, H6325, H6341–42, H6352–53, H6353, H6354, H6377, H6378, H6378–79, H6388–89, and H6389. There were no quorum calls.

Adjournment: Met at 10 a.m., and adjourned at 12 midnight.

Committee Meetings

BUDGET RECONCILIATION—FOOD STAMP AND COMMODITY DISTRIBUTION REFORM

Committee on Agriculture: Approved Food Stamp and Commodity Distribution Reform reconciliation recommendations to be transmitted to the Committee on the Budget for inclusion in the Omnibus Budget Reconciliation Act for fiscal year 1997.

VA, HUD AND INDEPENDENT AGENCIES APPROPRIATIONS; REVISED BUDGET ALLOCATIONS

Committee on Appropriations: Ordered reported the Veterans Affairs, Housing and Urban Development and Independent Agencies appropriations for fiscal year 1997.

The Committee also approved revised Budget allocations for fiscal year 1997.

BUDGET RECONCILIATION; MISCELLANEOUS MEASURE

Committee on Commerce: Ordered transmitted to the Committee on the Budget for inclusion in the Budget Reconciliation Act the following reconciliation recommendations: Title II, Subtitle A—Medicaid Restructuring Act of 1996; and Title II, Subtitle B—Other Provisions.

The Committee also ordered reported amended H.R. 248, to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury.

DEPARTMENT OF ENERGY: TRAVEL EXPENDITURES AND RELATED ISSUES

Committee on Commerce: Subcommittee on Oversight and Investigations continued hearings on the Department of Energy: Travel Expenditures and Related Issues. Testimony was heard for the following officials of the Department of Energy: Hazel R. O'Leary, Secretary; Donald Pearman, Acting Chief Financial Officer; and Eric Fygi, Deputy General Counsel.

VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1996

Committee on Government Reform and Oversight: Subcommittee on Civil Service approved for full Committee action H.R. 3586, Veterans Employment Opportunities Act of 1996.

FEDERAL INFORMATION POLICY

Committee on Government Reform and Oversight: Subcommittee on Government Management, Information and Technology held on oversight hearing on

Federal Information Policy. Testimony was heard from Senator Leahy; the following officials of the Department of Justice: Roslyn A. Mazer, Deputy Assistant Attorney General, Office of Policy Development; and Kevin O'Brien, Section Chief, Freedom of Information/Privacy Acts Section, FBI; Anthony H. Passarella, Director, Directorate for Freedom of Information and Security Review, office of the Assistant Secretary (Public Affairs), Department of Defense; the following officials of the GSA: G. Martin Wagner, Associate Administrator, Office of Policy, Planning and Evaluation; and James L. Dean, Director, Committee Management Secretariat Staff; and public witnesses.

WHITE HOUSE COMMUNICATIONS AGENCY

Committee on Government Reform and Oversight: Subcommittee on National Security, International Affairs, and Criminal Justice continued hearings on White House Communications Agency, Part II. Testimony was heard from the following officials of the Department of Defense: Emmett Paige, Jr., Assistant Secretary, Command, Control, Communications and Intelligence; and Col. J. Simmons, IV, USA, Commander, White House Communications Agency.

U.S. ASSISTANCE PROGRAMS IN RUSSIA, UKRAINE, ARMENIA AND OTHER NEW INDEPENDENT STATES

Committee on International Relations: Held a hearing on the effectiveness of U.S. assistance programs in Russia, Ukraine, Armenia, and the other New Independent States. Testimony was heard from Ambassador Richard Morningstar, Special Advisor to the President and the Secretary of State on Assistance to the Newly Independent States and Coordinator of U.S. Assistance to the Newly Independent States, Department of State; Thomas Dine, Assistant Administrator for Europe and the Newly Independent States, AID, U.S. International Development Cooperation Agency; John Ruberto, Deputy Assistant to the Secretary for Nuclear, Chemical and Biological Defense Programs for Defense Conversion, Department of Defense, Joan Rohlfing, Director, Office of Non-Proliferation and National Security, Department of Energy; and Anne Sigmund, Director, Office of East European and Newly Independent States Affairs, USIA.

CHALLENGES BY RUSSIA TO U.S. NATIONAL SECURITY INTERESTS

Committee on National Security: Held a hearing on challenges posed by Russia to U.S. national security interests. Testimony was heard from R. James Woolsey, former Director, CIA; Richard Pipes, former National Security Advisor; and Clifford G. Gaddy, The Brookings Institution.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Fisheries, Wildlife and Oceans held a hearing on the following bills: H.R. 3287, Crawford National Fish Hatchery Conveyance Act; H.R. 3546, Walhalla National Fish Hatchery Act; and H.R. 3557, Marion National Fish Hatchery Conveyance Act; to be followed by an oversight hearing on Mitchell Act Hatcheries, Management of Atlantic Bluefin Tuna. Testimony was heard from Representatives Barrett of Nebraska; Graham and Hilliard; William Knapp, Chief, Division of Fish Hatcheries, U.S. Fish and Wildlife Service, Department of the Interior; Rolland Schmitten, Assistant Administrator, Fisheries, National Marine Fisheries Service, NOAA, Department of Commerce; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Forests and Lands approved for full Committee action the following bills: H.R. 2292, amended, Hanford Reach Preservation Act; H.R. 3534, Mineral King Act of 1996; H.R. 3006, to provide for disposal of public lands in support of the Manzanar Historic Site in the State of California; H.R. 2636, to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia; and H.R. 3127, amended, Southern Nevada Public Land Management Act of 1996.

COMMITTEE BUSINESS

Committee on Standards of Official Conduct: Met in executive session to consider pending business.

MISCELLANEOUS MEASURES

Committee on Ways and Means: Ordered reported the following bills: H.R. 3107, amended, Iran Oil Sanctions Act of 1996; and H.R. 3161, to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

COMMITTEE MEETINGS FOR FRIDAY, JUNE 14, 1996

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, Subcommittee on Legislative Branch, to hold hearings on proposed budget estimates for fiscal year 1997 for the General Accounting Office, and the Architect of the Capitol, 10 a.m., S–128, Capitol.

Committee on Foreign Relations, Subcommittee on Western Hemisphere and Peace Corps Affairs, to hold hearings to examine the status of the hemisphere, 1 p.m., SD–419.

House

Committee on Government Reform and Oversight, Subcommittee on Government Management, Information and Technology, hearing on the following: H.R. 2181, War Crimes Disclosure Act; the Health Information and Privacy Protection Act; and S. 1090, Electronic Freedom of Information Improvement Act of 1996, 2 p.m., 2154 Rayburn.

Next Meeting of the SENATE

9:30 a.m., Friday, June 14

Senate Chamber

Program for Friday: After the recognition of five Senators for speeches and the transaction of any morning business (not to extend beyond 12 Noon), Senate will continue consideration of the nomination of Alan Greenspan, to be Chairman of the Federal Reserve System.

Next Meeting of the HOUSE OF REPRESENTATIVES

2 p.m., Monday, June 17

House Chamber

Program for Monday: No legislative business is scheduled.

Extensions of Remarks, as inserted in this issue

HOUSE

Barrett, Bill, Neb., E1088
Bonior, David E., Mich., E1089
Cunningham, Randy ''Duke'', Calif., E1089
DeLauro, Rosa L., Conn., E1080
Dornan, Robert K., Calif., E1085
Edwards, Chet, Tex., E1079, E1084
Ensign, John E., Nev., E1087
Fields, Jack, Tex., E1081
Fox, Jon D., Pa., E1089
Hoke, Martin R., Ohio, E1080
Jacobs, Andrew, Jr., Ind., E1087
Kennedy, Joseph P., II, Mass., E1087
Kennelly, Barbara B., Conn., E1089
LaFalce, John J., N.Y., E1081
Levin, Sander M., Mich., E1088
Lofgren, Zoe, Calif., E1084
Maloney, Carolyn B., N.Y., E1081
Manzullo, Donald A., Ill., E1085
Markey, Edward J., Mass., E1079
Martinez, Matthew G., Calif., E1086
Packard, Ron, Calif., E1086
Payne, Donald M., N.J., E1088
Schumer, Charles E., N.Y., E1081, E1088
Spence, Floyd, S.C., E1086
Tejeda, Frank, Tex., E1086
Torricelli, Robert G., N.J., E1083
Upton, Fred, Mich., E1087
White, Rick, Wash., E1087
Young, Don, Alaska, E1084

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