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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Ms. GREENE of Utah].

MORNING BUSINESS

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

The Chair recognizes the gentleman from Colorado [Mr. HEFLEY] for 5 minutes.

FEDERAL REGULATION IS CONSTRICTING BUSINESS

Mr. HEFLEY. Madam Speaker, I come to the House floor today to talk about a recently released survey conducted by the U.S. Chamber of Commerce regarding Federal regulation and its effect on business. The results of the study are overwhelming and I commend the U.S. Chamber for their efforts.

When you look at the results of this study it's easy to see why so many freshman Republicans were elected in 1994 on the promise of less government.

Duplicative, burdensome regulation of business has caused job loss, lower wages, and in some cases increased the violation of the laws because employers are afraid to consult with the regulators and their gotcha mentality.

This country's largest employer is small business and what this study shows is if we relieve them of many of these unnecessary regulations, we will increase salaries, increase employment, increase productivity, and stimulate the overall economy.

As the study points out, currently the only people who are benefiting from overregulation are the attorneys, accountants, and compliance consultants.

It's kind of like the Federal Government's own form of trickle-down economics. We'll create more regulations which will then create a need for lawyers, bureaucrats, and inspectors. Never mind that we're ruining small businesses. Maybe that's why the trial lawyers are such major contributors to the reelection of the current President.

The most troublesome fact is one that many of us have been stressing for a long time, most recently during the debate over increasing the minimum wage. And that is, ultimately the costs incurred by the employer trying to comply with Federal regulations is passed on to the consumer which as we all know causes inflation.

Additionally, one in six survey respondents reported having to lay off employees in order to offset the costs of compliance. I sincerely hope the U.S. Chamber puts an asterisk or a star or something by that figure on the copies of the study provided to Members who support further necessary regulation.

Only 1 in 10 respondents reported learning about new regulations from the agency who enacted it. So all of the various trade associations and lobbyists are actually people who are simply trying to keep up with the hundreds of new regulations that affect their industry. In other words, the Federal Government is saying, "We'll come up with whatever we want, and it's your job to find out what that is."

Finally, I'd like to talk a little bit about some of the legislative efforts that I personally have, and will, be working on. In fact, when I saw the results of the study it felt as though I was looking at a mirror.

H.R. 707 is designed to reform OSHA in a manner that would move the agen-

cy's enforcement capabilities and efforts into more consultation and cooperation. Isn't it funny though how when the Democrats controlled the Congress and bills like mine were introduced the agency never even batted an eye. Now all of the sudden I've got Joe Dear, OSHA's Executive Director, calling my office saying, "We want to work with you." But isn't it amazing that when they are coming up with these regulations they don't want to work with the businesses they are affecting.

H.R. 1047 would encourage for voluntary compliance with environmental rules. Currently, if a company tried to police themselves and a potential environmental problem was found they can't even seek leniency from the Federal Government for trying to fix the problem.

Last, I will soon introduce legislation that will exempt small businesses from many of these unneeded regulations. In short, we need to unchain our system of regulation and let it prosper.

In closing, I think the Chamber is to be commended for their efforts on this study and I think it clearly shows how desperately we need to ease the regulation of our businesses. And I think it's very appropriate to bring this excellent study to the floor today because the other Chamber of this body will be considering raising the minimum wage today, a measure this Chamber passed regretfully I believe. Remember, the best thing about our Federal Government is, it's always there when it needs you.

PRESIDENTIAL CANDIDATE DOLE BOYCOTTING NAACP CONVENTION

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

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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Ms. NORTON. Madam Speaker, Mr. Bush and Mr. Reagan both went to the conventions of the National Association for the Advancement of Colored People. Why is Mr. Dole boycotting this organization?

I come to the floor not to castigate the putative nominee but to ask him to change his mind. Could it be that the Dole-Canady bill is what is keeping Mr. Dole from attending the convention? That bill, of course, would abolish virtually all forms of affirmative action, and it is a tough sell to the NAACP audience.

On the other hand, I am certain that Mr. Dole would get a very polite reception. After all, it was he who saved goals and timetables in the 1980's. Throughout his career he has been a strong supporter of civil rights. It is certainly important that anyone seeking the Presidency of the United States, upon the invitation of the premier grassroots civil rights organization in the country, accept that invitation.

To be sure, the Dole-Canady bill is a grave disappointment to civil rights supporters. The bill is unnecessary, given what the Supreme Court has done to affirmative action. In order to apply goals and timetables, for example, with respect to women and minorities, there has to be a compelling government interest and goals have to be narrowly tailored, and so far we have not come upon that case, although we surely hope we will soon.

The Dole-Canady bill would not even permit affirmative action when that very narrow test is met, and it would not even allow the Supreme Court to use goals and timetables, for example, if the Court finds that a company had deliberately excluded women because they were women or had deliberately excluded blacks because they were blacks. The Court would be shorn of the ability to monitor progress in making up for that discrimination through the use of goals and timetables.

Interestingly, business says it is going to continue to do affirmative action anyway because it knows that it lives in a country where increasingly women and minorities are the majority in the work force. And, of course, business has used goals and timetables precisely because they protect business from liability. To the extent that they are correcting their own discriminatory practices, they do not face the certain probability of a lawsuit.

Most disappointingly, the Dole-Canady bill would set us back decades because it would allow the exclusion of women for certain jobs based on privacy concerns. Been there, done that, overcome that hurdle, do not need to go there again.

This is a disquieting time for race relations in this country. There is a spate of torching of black churches. This is the time for any man or woman who wishes to lead this country to go to black people and reassure them and their premier organization that the

laws will be followed and that the laws will be executed fairly.

I come not to praise Mr. Dole and not yet to criticize him, because the convention is not over, but to say that I think there is still time to go and make an appearance before the NAACP to help dissolve some of the terrible racial polarization that is building up on both sides, because if he does become President, he will surely have to use that bully pulpit in order to try to do what he can on his watch, should it be his watch, to bring this country together racially.

We are all too comfortable in our black and our white sides of the country. This is one country. We have to come together and say that. Read my lips, we are all Americans. This is one country. Anyone who wants to be President of the United States should relish the opportunity to go before the NAACP and say those words.

FREEDOM RALLY IN OMAHA, NE

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

Mr. CHRISTENSEN. Madam Speaker, I would like to take a moment to talk about an event we had this week in Omaha, NE, over the Fourth of July holiday. We celebrated what was called the Freedom Rally.

In a day of increasing cynicism, the Freedom Rally was intended to bring people together in a moment of faith. It was intended to honor our Nation, and it was also intended to honor a very special man, Pastor Elmer Murdoch. Pastor Murdoch and his wife Nancy founded Trinity Interdenominational Church over two decades ago. That church has grown to the ministry size of over 3,000 people.

The event was led by Pastor Al Toledo of Glad Tidings Church. We heard inspirational music by Wayne Watson and the uplifting words of African-American Kay James, who rose from the projects of Richmond, VA, to the corridors of the White House, where she last worked, and currently serves the State of Virginia as secretary of Health and Human Services there.

The Freedom Rally was a great success. The Governor of Nebraska was there, the mayor, myself, local officials. It was truly a bipartisan event where pastors and people of all of Nebraska came and prayed together for our country, prayed over the elected officials. It was truly an inspiring opportunity for all of us.

During that time Kay James had an opportunity to read during her speech a poem called "I Am a Nation," which formed the central theme of the Freedom Rally. I would like to enter into the RECORD "I Am a Nation." I do not know who it was written by, but I believe it echoes the sentiment of our country.

As a nation we face tremendous challenges. We face ever mounting debt

that is strangling our future. We face terrifying crime that is dominating our streets. That is why on the Fourth of July we come together to commit to work hard to change our country.

We came together because we dream of the day when this country will no longer be spending away its children's futures. We dream of a day when out of control courts, and slick, rich criminal trial lawyers no longer seek to manipulate our justice system to free the guilty through legal loopholes. We want a country where children can play in parks again without fear and where adults can walk across those parks at night with ease, where working people are praised and not penalized by their Government. We want a country where the American dream is within everyone's reach.

At the Freedom Rally, we recognized that together we can put the country back on the right track. Together, with prayer, we can save the American dream. This Fourth of July our Nation came together to reaffirm its belief in its founding tenets. The Freedom Rally was one beacon of light in that great display. It was truly a privilege and an honor to be there and to serve the State of Nebraska and the Second District as its elected representative.

Madam Speaker, in addition to my thoughts on this past Independence Day weekend, today in the Senate they are discussing the minimum wage. I ran across a great article by a man from my district in the American Enterprise. Recently at a public hearing held by the Joint Economic Committee of the U.S. Congress, entrepreneur and Godfather chairman, Herman Cain, delivered an interesting argument against the minimum wage hike.

□ 1245

Herman Cain is probably most recognized for his taking on the Big Government health care, socialized health care program that Hillary and Bill Clinton tried to get through a couple of years ago. He took on the President in a debate that I think everyone recognizes as the keystone argument that probably defeated this bad idea to nationalize one-seventh of our economy.

Now Herman Cain has written this article about how forcing up the minimum wage hurts those who need the help the most. I would like to enter it into the RECORD, as well, so that everybody across this country would have an opportunity to read what Herman Cain says about the minimum wage.

Madam Speaker, I include the following for the RECORD:

I am a nation. I was born on July 4, 1776, and the Declaration of Independence is my birth certificate. The bloodlines of the world run in my veins, because I offered freedom to the oppressed. I am many things, and many people. I am the nation.

I am 250 million living souls—and the ghost of millions who have lived and died for me.

I am Nathan Hale and Paul Revere. I stood at Lexington and fired the shot heard around the world. I am Washington, Jefferson and

Patrick Henry. I am John Paul Jones, the Green Mountain Boys and Davy Crockett. I am Lee and Grant and Abe Lincoln.

I remember the Alamo, the Maine, and Pearl Harbor. When freedom called I answered and stayed until it was over, over there. I lift my heroic dead in Flanders Fields, on the rock of Corregidor on the bleak slopes of Korea, in the steaming jungle of Vietnam, and in the desert sands of Saudi Arabia.

I am the Brooklyn Bridge, the wheat lands of Kansas and the granite hills of Vermont. I am the coal fields of the Virginias and Pennsylvania, the fertile lands of the West, the Golden Gate and Grand Canyon. I am Independence Hall, the Monitor and the Merrimac.

I am big. I sprawl from the Atlantic to the Pacific . . . my arms reach out to embrace Alaska and Hawaii . . . 3 million square miles throbbing with industry. I am more than 5 million farms. I am forest, field, mountain and desert. I am quiet villages and cities that never sleep.

I am Eli Whitney and Stephen Foster. I am Tom Edison, Albert Einstein and Billy Graham. I am Horace Greeley, Will Rogers and the Wright brothers. I am George Washington Carver, Daniel Webster and Jonas Salk.

Yes, I am the nation, and these are the things that I am. I was conceived in freedom and God willing in freedom I will spend the rest of my days.

May I possess always the integrity, the courage and the strength to keep myself unshackled, to remain a citadel of freedom and a beacon of hope to the world.

This is my wish, my goal, my prayer in this year of 1996, two hundred and twenty years after I was born.

HOW FORCING UP THE MINIMUM WAGE HURTS THOSE WHO NEED HELP MOST

My name is Herman Cain. I am President of Godfather's Pizza, Inc., a 525-unit pizza restaurant chain headquartered in Omaha, Nebraska. I am also President of the National Restaurant Association.

There are nearly 740,000 food service units in this country, including everything from fast-food chains to fine-dining restaurants. We are an industry dominated by small businesses, and we employ a diverse workforce of over nine million people. Our employees are white, African-American, Hispanic-American, Asian-American, and more. We expect to employ 12.5 million by the year 2005, with the fastest growth coming in the category of food service managers. More than 30 percent of Americans under age 35 had their first job in the restaurant industry. Restaurants offer an important boost into the job market for millions, as well as a clearly defined career path for those willing to work hard and stay in the business.

There are numerous reasons why I firmly believe a minimum-wage increase is attacking the wrong problem. Allow me to list the three reasons I believe to be most important.

First, mandated wage increases reduce entry-level job opportunities.

A few weeks ago, a colleague in Oregon told me about a homeless 17-year-old he hired in the mid-1980s. He gave the teenager a job chopping lettuce, deveining shrimp, and sweeping floors. That 17-year-old has worked his way up: He's now the executive chef at the restaurant. But the job that brought him into the business no longer exists. When Oregon raised its minimum wage a few years ago and the restaurant owner looked for ways to cut costs, this job was one of the first to go. Now, my colleague buys lettuce already chopped from a nearby automated facility.

It's a good example of the split personality of the minimum wage. When you make it

more expensive to hire people who lack basic work skills and experience, you risk shutting them out of the workforce.

My second point: A minimum-wage increase jeopardizes existing jobs by threatening businesses that may be marginally profitable. In my case, for example, Godfather's Pizza, Inc., has nearly 150 company-owned and operated units, and a few of them are either marginally profitable or not profitable at all. If you raise costs for the many thousands of enterprises like these, you risk shutting their doors permanently.

When you're running a restaurant that's on the edge, you're scrutinizing every penny. Can ninety cents an hour put me under? It could. Maybe not by itself—but when labor accounts for about 30 percent of my expenses, second only to my food costs, a mandated wage increase is one more factor tipping the balance. A mandated wage increase triggers wage inflation by rippling up through the entire wage spectrum and by causing increases in payroll-related expenses like FICA taxes.

Some people would say "Just raise your prices." It doesn't work that way. In a competitive market, that's the fastest way to drive away customers with limited discretionary income. That can close a business fast.

My third point: A minimum-wage increase is an ineffective way to raise someone out of poverty. Most minimum-wage earners are part-time workers under age 25—mostly first-time workers, students, people holding down second jobs or supplementing the income of their household's primary earner. In my restaurants, for example, nine out of ten of my hourly employees choose to work less than 35 hours a week—even though full-time work is available. These are not the poor people policymakers most want to help. By shooting wide and hoping to hit the right target, you're taking a gamble with harmful side effects.

The best way to lift a family out of poverty is to get people into the job market and give them a chance to acquire skills. I think of my father, who worked three jobs until he was skilled enough to cut back to two jobs, and who kept going until his skills were good enough that he could support us on one hourly job.

There are other dangers with a minimum-wage increase. Like the fact that a federal mandate prescribes the same wage for a mom-and-pop restaurant in rural Nebraska as it does for a restaurant located in a high-cost-of-living metro area. It's not a good idea to try to overrule the laws of supply and demand that do a pretty good job of setting local wages according to the specific conditions of specific markets.

Congress has recently been playing close attention to the state and local officials—Democrats and Republicans alike—who say "enough is enough" when it comes to picking up the tab for unfunded federal mandates. Please give businesses the same hearing: An increase in the minimum wage is also an unfunded federal mandate. Someone has to pay—and it's usually the entry-level employee.

I urge you to look deeper for solutions. Some people lack the skills to make them competitive for entry-level employment. This is why we have tax credits to encourage businesses to hire employees who typically have a hard time gaining a foothold in the job market. This is why politicians are setting up empowerment zones to help businesses hire in impoverished areas. These programs rightly recognize that some workers may be overlooked if it gets too expensive for a business to hire them. Congress should be looking for ways to encourage people to work, and businesses to hire, instead of mak-

ing it more expensive for employers to give the low-skilled a job.

You're getting a good dose of information lately on the theories behind successful welfare reform. In businesses like ours, real life crowds out theory. While our main expertise is in getting out good meals at good prices, as entry-level employers we've also become fairly expert at finding ways to help millions of troubled teens and troubled adults get beyond some daunting barriers to employment. We see that real entry-level jobs provide training in the fundamentals—reliability and teamwork, to name just two—and thereby yield long-term social payoffs that don't come in any other way.

Right now we have more than four million people earning the minimum wage in this country, 7½ million unemployed persons, and nine million adults receiving welfare payments. Tackle the right problems first. Focus on creating more jobs, not on raising the cost of entry-level employment and eliminating existing jobs. A minimum-wage increase doesn't attack the right problem. I urge you to reject it.

FACT AND FICTION ON THE MINIMUM WAGE

Minimum-wage workers are the most vulnerable Americans, right?

Actually, more adults who earn the minimum wage live in families with over \$30,000 in annual income than live in families making under \$10,000. Over all 22 percent of minimum wage earners are poor. The majority of poor Americans don't work at all, at any wage.

Minimum-wage work is undignified.

Fifty-five percent of minimum-wage workers are youths age 16-24. Many of these live with their parents. Only 2 percent of workers age 25 or older are paid the minimum wage.

You can't raise a family on the minimum wage.

Few have to: 89 percent of all workers now making less than the proposed minimum have no spouse or child depending on them as sole breadwinner. Of these, 44 percent are single individuals living with their parents or other family member, 22 percent are single individuals living alone, and 23 percent have a spouse with a paying job.

Minimum-wage jobs are a dead end.

Sixty-three percent of minimum-wage workers earn higher wages within 12 months. Seventy percent of the restaurant managers at McDonald's, plus a majority of the firm's middle and senior management, began in hourly positions. (This includes CEO Ed Rensi, who started at 85 cents an hour in 1965.)

Sources: U.S. Bureau of Labor Statistics; Employment Policy Foundation; Wall Street Journal; industrial Relations and Labor Review.

INCREASE THE MINIMUM WAGE

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

Mr. PALLONE. Madam Speaker, I just wanted to make reference to my colleague, who I greatly respect, who just spoke from the other side of the aisle to point out that we continue to see many Republicans, and most importantly I would say the Republican leadership here in the House, and to some extent also in the Senate, that continue to oppose raising the minimum wage. Although I respect what my colleague from Nebraska has said, I

think it is very wrong to suggest that somehow raising the minimum wage is not going to help the average American wage earner who lives on it.

The bottom line is that we have seen over and over again, and most importantly in my home State of New Jersey, where the minimum wage was raised a few years ago to the level that we are now or somewhat close to the level that we are now proposing in Congress, and the result was that minimum wage workers actually had their wages increased, were able to go out and buy more goods, and more services had to be provided to them. Jobs in the State of New Jersey actually increased so that there were more economic opportunities, more work opportunities for jobs created in our State because of the increase in the minimum wage.

So this notion that somehow raising the minimum wage is going to decrease jobs and put people on the street and not help those who are now dependent on the minimum wage, I think is just a false issue. Clearly, the statistics show that that is a false issue.

I think this is important today because on the other side of the Capitol, in the Senate, they will be taking up the minimum wage. I am hopeful that crippling amendments that are being proposed again by various Republicans, that would create huge loopholes in the increase in the minimum wage for certain workers, that these crippling amendments do not pass, because over the last 6 months and over the last year the American people have basically been petitioning Congress and stating over and over again they they want an increase in the minimum wage.

That is the only reason that this is being brought to the floor of the Senate today, not because of the Republican leadership, who consistently opposed it here in the House and in the Senate, but because the American people have spoken out and said they want an increase. They want a livable wage for people who are working at a minimum wage level.

It would be a shame if crippling amendments, mostly coming from big business, were to pass. That would exempt a lot of workers in various categories from this minimum wage increase. I hope that that does not happen.

Madam Speaker, I have been outraged from the very beginning at the constant effort by the Republican leadership here in the House to deny millions of working Americans the opportunity to earn a livable wage. We have had a debate in the House, and now the same debate is happening in the Senate, with two constant themes.

First is that Republicans will do everything they can to fight for big business special interests and try to water down a minimum wage increase. It is the Democrats who continue to fight for the hard-working Americans who need an increase in the minimum wage to provide for their families.

Madam Speaker, the Republican leadership has used many different schemes and ploys to fight an increase in the minimum wage. First was the majority leader in the House who proposed doing away with the minimum wage altogether. Then in March of this year Republicans in the House used a parliamentary procedure to stop a vote calling for a modest increase in the minimum wage.

But gradually, Americans all over the country began to put pressure on the Republican leadership here in the House to at least have a vote on the issue, to let the vote occur. The Republican leadership, however, continued to persist as long as they could in preventing a vote. But finally the so-called moderate wing of the Republican party, many of whom were from my home State or from the Northeast, broke with their leadership and expressed support for the Democratic proposal on the minimum wage.

So we finally did have a vote, but if you listen to some of the dialog on the other side, if you listen to some of the ideology—as I said, some of it was expressed by my colleague from Nebraska today—you hear this constant theme that somehow this is not good for the average American.

According to the majority whip in the House, no one is actually raising a family on the \$4.25 an hour that is currently the minimum wage law. The majority whip used the addition of food stamps and the earned income tax credit to show that a single parent with two children could earn much more than the \$8,800 a year that is provided for in the minimum wage.

But the bottom line is that even with food stamps, even with the earned income tax credit, which many in the House Republican leadership oppose, it is very, very difficult if not impossible for someone today to live and raise a family on the minimum wage. That is why we need to have a vote on this issue, and that is why we need to have it passed in the Senate today, sent back to the House, and signed into law by the President, who supports the increase.

RECESS

The SPEAKER pro tempore (Ms. GREENE of Utah). Pursuant to clause 12 of rule I, the House stands in recess until 2 p.m.

Accordingly (at 12 o'clock and 51 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

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

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, that our prayers can express the essential emotions and ideas of the human spirit, that we are free to call upon You in all the moments of life—for better or worse, for richer or poorer, in sickness and in health. And so we call upon You this day from the secret places of our own hearts asking that You would bless us when we need blessing and forgive us when we need forgiving. Above all else, we pray for Your presence in our lives day by day and for Your spirit that nurtures us with the good graces of life. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

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

Mr. JONES 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.

APPOINTMENT OF EMPLOYEE TO REVIEW PANEL OF THE OFFICE OF FAIR EMPLOYMENT PRACTICES

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of rule LI, the Chair announces the Speaker's appointment to the review panel of the Office of Fair Employment Practices the following employee of the House of Representatives to fill the existing vacancy thereon:

Mr. Alan F. Coffey, Jr., General Counsel and Staff Director of the Committee on the Judiciary.

There was no objection.

COMMUNICATION FROM THE HONORABLE C.W. BILL YOUNG, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable C.W. BILL YOUNG, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, July 8, 1996.

Hon. NEWT GINGRICH,
Speaker of the House, 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 Congressman BILL YOUNG has been served with a subpoena issued by the United States District Court for the Middle District of Florida.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedence of the House.

With best wishes and personal regards, I am

Very truly yours,

C.W. BILL YOUNG,
Member of Congress.

BILL CLINTON IS AWOL IN WAR ON DRUGS

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

Mr. HEFLEY. Mr. Speaker, several surveys over the last few months have shown a steep increase in drug use by teenagers over the last 3 years. The Household Survey on Drug Abuse shows a 137-percent increase among 12- and 13-year-olds. LSD and crack cocaine use among teens has also gone through the roof. More children are becoming addicted to drugs earlier and in larger numbers than ever before.

Republicans have responded to this problem. Through appropriations, we have provided law enforcement agencies with the resources to combat the war on drugs. Bill Clinton, on the other hand, has turned a blind eye. In 1993, just days after taking office, Clinton fired 80 percent of the staff at the Office of National Drug Policy; he slashed interdiction efforts by 25 percent; and he appointed left-wing judges far outside the mainstream of American life.

In this election year, Bill Clinton will say anything to hide the fact that he has been AWOL in the war on drugs.

CABLE'S HIGH SPEED EDUCATION CONNECTION

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

Mr. MANTON. Mr. Speaker, I rise today to salute the cable television industry for its latest educational initiative to provide elementary and secondary schools across the country with access to the Internet using high speed cable modems. Demonstrating its ongoing commitment to education, the industry is providing this extraordinary service free of charge.

Cable modems can provide data transmission up to 1,000 times faster than transmission over ordinary twisted copper phone lines. Information that takes more than one hour to download using a typical modem can be done in just seconds using a cable modem.

This high-speed digital access to the information superhighway will provide enormous benefits to our Nation's schoolchildren. As cable rolls out this technology in communities across the country, your local school library will be electronically transformed into the Library of Congress, the National Archives, and a source of unlimited information—and at no cost to the school or the taxpayer.

In conclusion, I want to commend the cable industry for its efforts to make certain that America's educational system has the benefit of the

most advanced telecommunications technology.

THE WAR ON DRUGS NEEDS MORE THAN A 2-DAY SUMMIT

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

Mr. JONES. Mr. Speaker, my fellow colleagues and I are well aware of the danger and tremendous problems that drugs pose on our society.

What America needs is a sound and tough drug policy to fight this threat to society. Mr. Speaker, what America doesn't need is more election-year political posturing.

Today and tomorrow, the Clinton administration is sponsoring a 2-day summit. This is just one way the White House is attempting to fool the American public, that they are committed to the war on drugs.

Mr. Speaker, if the Clinton administration was actually serious about fighting drugs, they would have asked their New York judge to resign after he freed an admitted drug runner and refused to allow 75 pounds of cocaine to be used as evidence.

Mr. Speaker, the Republican commonsense approach to the war on drugs is simple and effective. Give law enforcement the funding for resources necessary to fight this problem, not a 2-day summit on border patrols.

LEAN AND MEAN RIPOFF

(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, we know there is big money in health care, but this deal breaks the bank. U.S. Healthcare is merging with Aetna, a \$9 billion deal that they say will make the company lean and mean and they will be able to pass on huge savings to consumers. Spare me, Mr. Speaker. I do not see any lean and mean in sight. What I see is fat, fat and filthy rich.

Check this out. The new chairman, Len Abramson, will make \$1 billion, \$1 billion in cash and stocks. If that is not enough to irritate your gallbladder, he will have two copresidents, and they will make millions of dollars more so they make sure the company is lean and mean. Beam me up. These nickel slicks must think that all Americans were born yesterday.

The truth is these big fat cats are simply mean, and the only lean out there will be the downsized laid-off health care workers trying to make a mortgage payment.

I yield back the balance of any more of this ripoff.

THE PRESIDENT AND THE WAR ON DRUGS

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

Mr. FUNDERBURK. Mr. Speaker, Bill Clinton is using tobacco as a politically correct whipping boy while he ignores marijuana, cocaine and heroin trafficking and the crime associated with it. Teenage marijuana use has more than doubled on Bill Clinton's watch, but it is no surprise that kids are inhaling under this administration.

Just days after taking office, the President cut the office of the drug czar by 80 percent. In its first 3 years he eliminated 227 agent positions for the DEA. We all remember his Surgeon General, Joycelyn Elders, who talked about legalizing cocaine.

I would say to the President, Mr. Speaker, Mr. President, you can continue to attack an adult legal product which is the livelihood of thousands of hard-working farmers in North Carolina, but you cannot hide the fact that illegal drug use among teenagers have skyrocketed. You have proven to the Hollywood elite you are serious about stopping smoking. Now, Mr. President, convince the American public you are serious about stopping drugs.

ONE STEP CLOSER TO INCREASING THE MINIMUM WAGE

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

Mr. GENE GREEN of Texas. Mr. Speaker, today millions of working Americans can come one step closer to earning a livable wage. The Senate will finally vote on increasing the minimum wage. After months of blocking Democratic attempts to vote on raising the minimum wage, the Senate Republican leaders will finally allow a vote.

But this vote for working Americans does not come easy. As payment, the Senate Republicans will attempt to attach an amendment that will destroy this minimum wage increase. The Republican amendment would delay the implementation in the increase, freeze the minimum wage for those people who work in restaurants and also exempt millions of people from having any increase.

Republicans have no real interest in helping the millions of working Americans because these exemptions will prevent millions of hard-working Americans from earning a livable wage.

American families are working harder than ever. It is tough to get by when working full time for minimum wage does not put enough money in your pocket to put bread on your table.

I ask my colleagues in the other Chamber not to prevent these hard-working American families from earning a livable wage. Support work, not welfare.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members should refrain from making references to proceedings in the other body.

THE MINIMUM WAGE VOTE

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

Mr. PALLONE. Mr. Speaker, I wanted to make reference today that the other body is going to be voting today on this much overdue increase in the minimum wage.

I just wanted to point out some of the lessons we learned in the House while debating this issue. No. 1 is that the American people want a raise in the minimum wage for everyone and they want it now. We learned that lesson every time the Republicans proposed amendments in the House to defeat the bill.

Now the Senate is trying to resurrect some of the same amendments defeated in the House. One amendment offered by the Senate Small Business Committee chairman will delay implementation of the wage hike by 6 months. His amendment will also exempt small business from the increase, denying 6,000,000 American workers a living wage. This is a cruel hoax to play on those who need an increase in the minimum wage the most.

Mr. Speaker, the President will veto this bill if it comes to his desk with these poison pill amendments. I urge the Republicans in the Senate to learn from the House. The American people want an increase in the minimum wage, and it will save us a lot of time and money if they simply vote for an increase in the minimum wage and leave out all the destructive amendments.

FOREIGN ASSISTANCE ACT OF 1961 AND ARMS EXPORT CONTROL ACT AMENDMENTS

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3121) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions under those acts, to authorize the transfer of naval vessels to certain foreign countries, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 2, in the table of contents relating to Chapter 1, strike out "AND" and insert: "AND"

Page 2, in the table of contents relating to Chapter 4, after "4—" insert: "INTERNATIONAL"

Page 2, in the table of contents, strike out: "Sec. 148. Certification thresholds." and insert:

"Sec. 148. Annual military assistance report."

Page 2, in the table of contents relating to section 152 strike out "arms export control act" and insert: "Arms Export Control Act"

Page 3, in the table of contents relating to section 154 after "under" insert: "the"

Page 3, in the table of contents, after the line relating to section 154 insert:

"Sec. 155. Publication of arms sales certifications."

"Sec. 156. Release of information."

"Sec. 157. Repeal of termination of provisions of the Nuclear Proliferation Prevention Act of 1994; Presidential determinations."

Page 4, lines 24 and 25, strike out "the second"

Page 4, line 25, after "25" insert: ", as added by section 112(b) of Public law 99-83"

Page 5, line 20, strike out "new paragraph"

Page 9, after "TRANSFERS.—" insert: "(1)"

Page 10, line 1, strike out "(1)" and insert: "(A)"

Page 10, line 3, strike out "(2)" and insert: "(B)"

Page 10, line 6, strike out "(3)" and insert: "(C)"

Page 10, line 9, strike out "(4)" and insert: "(D)"

Page 10, line 17, strike out "(5)" and insert: "(E)"

Page 10, line 24, strike out "(6)" and insert: "(F)" Page 11, after line 2, insert:

"(2) Accordingly, for the four-year period beginning on October 1, 1996, the President shall ensure that excess defense articles offered to Greece and Turkey under this section will be made available consistent with the manner in which the President made available such excess defense articles during the four-year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990."

Page 12, line 11, strike out "part II" and insert: "this part"

Page 13, line 5, strike out "15" and insert: "30"

Page 16, line 4, after "1961," insert: "as added by this Act."

Page 18, line 17, after "2761" insert: "(a)(1)(C)"

Page 21, line 4, after "4—" insert: "INTERNATIONAL"

Page 21, line 15, strike out "new subparagraph"

Page 24, line 7, strike out "2394" and insert: "2394-1"

Page 25, line 2, strike out "2394" and insert: "2394-1"

Page 32, line 8, strike out "out the"

Page 32, line 11, strike out "in lieu thereof"

Page 35, line 10, strike out "(a)" and insert: "(A)"

Page 37, strike out all after line 18, over to and including line 21 on page 38

Page 38, after line 21, insert:

"SEC. 148. ANNUAL MILITARY ASSISTANCE REPORT.

"Section 655 of the Foreign Assistance Act of 1961 (22 U.S.C. 2415) is amended to read as follows:

"SEC. 655. ANNUAL MILITARY ASSISTANCE REPORT.

"(a) REPORT REQUIRED.—Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30.

"(b) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military education and training authorized by the United States, excluding that which is pursuant to activities reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

"(1) were furnished by grant under chapter 2 or chapter 5 of part II of this Act or under any other authority of law or by sale under chapter 2 of the Arms Export Control Act; or
"(2) were licensed for export under section 38 of the Arms Export Control Act.

"(c) INFORMATION RELATING TO MILITARY IMPORTS.—Each such report shall also include the total amount of military items manufactured outside the United States that were imported into the United States during the fiscal year covered by the report. For each country of origin of the report shall show the type of item being imported and the total amount of the items."

Page 38, line 24, strike out "as amended by this Act."

Page 39, line 1 strike out "further"

Page 49, line 16, after "UNDER" insert: "THE"

Page 49, after line 21, insert:

SEC. 155. PUBLICATION OF ARMS SALES CERTIFICATIONS.

Section 36 of the Arms Export Control Act (22 U.S.C. 2776) is amended by adding at the end the following new subsection:

"(e) The President shall cause to be published in the Federal Register, upon transmittal to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, the full unclassified text of each numbered certification submitted pursuant to subsection (b) and each notification of a proposed commercial sale submitted under subsection (c)."

SEC. 156. RELEASE OF INFORMATION.

Section 38(e) of the Arms Export Control Act (22 U.S.C. 2778(e)) is amended by inserting in the first sentence before the period at the end the following: ", except that the names of the countries and the types and quantities of defense articles for which licenses are issued under this section shall not be withheld from public disclosure unless the President determines that the release of such information would be contrary to the national interest".

SEC. 157. REPEAL OF TERMINATION OF PROVISIONS OF THE NUCLEAR PROLIFERATION PREVENTION ACT OF 1994; PRESIDENTIAL DETERMINATIONS.

"(a) REPEAL.—Part D of the Nuclear Proliferation Prevention Act of 1994 (part D of title VIII of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995; Public Law 103-236; 108 Stat. 525) is hereby repealed.

"(b) JUDICIAL REVIEW.—Section 824 of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C. 3201 note) is amended—

"(1) in subsection (c), by striking "in writing after opportunity for a hearing on the record";

"(2) by striking subsection (e); and

"(3) by redesignating subsections (f) through (k) as subsections (e) through (j), respectively.

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from New York?

Mr. HAMILTON. Mr. Speaker, reserving the right to object, I do not intend to object but I would like to yield to the chairman from an explanation of the bill.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I appreciate the gentleman yielding to me to express my strong support of H.R. 3121 to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, as amended by the Senate, and to urge that the House pass this bill and send it on to the President for his signature.

This legislation represents the first comprehensive revision of the basic authorities of U.S. security assistance programs in over 10 years. It will improve the way in which the President conducts security assistance programs. It is long overdue.

I want to express my appreciation to the ranking Democratic member, the gentleman from Indiana [Mr. HAMILTON], for his long-standing support for this legislation. As we both know, we have endeavored over the years on many legislative fronts to enact these provisions and it is gratifying that we finally have a bill that will become public law.

I also want to thank the chairman of the Senate Foreign Relations Committee and the ranking minority members for shepherding this measure through the Foreign Relations Committee and then the Senate floor. I would particularly like to commend two of their staff, Chris Walker and Diana Ohlbaum, for their good work.

On April 16, 1996, the House approved H.R. 3121 by voice vote. The Senate passed the measure on June 27, 1996 by voice vote, following consideration by the Senate Foreign Relations Committee on June 26, 1996.

The Senate amendments entail seven substantive modifications to the bill, all but two in the form of additional executive branch reporting requirements on military assistance and sales. I support the increased congressional reporting requirements and public disclosure provided by the Senate amendments, as they will help to improve the transparency of arm transfers and aid the Congress' oversight role with regard to such transfers.

I do recognize however that these additional reporting requirements place increased burdens upon the executive branch and therefore the benefits of the new reporting requirements must justify the costs they impose. I believe that the Senate amendments meet this test. I therefore urge my colleagues to approve this bill with the Senate amendments.

I do want to indicate that the Department of Defense has expressed reservations about the utility and costs of complying with the reporting requirement established by section 148 of the bill. DOD interprets the language as requiring a report on defense articles and services authorized to foreign governments and international organizations for any purpose and under any authority of law.

I want to assure DOD that the purpose of the reporting requirement in

section 148, as negotiated with the Senate and as suggested by the title of the section "Annual Military Assistance Report," is to obtain a report which details defense articles and defense services provided for military assistance purposes. I would like to make clear that I would support efforts subsequent to enactment of this bill to modify the provision to ensure the language of the provision squares with the its intent as agreed to by its authors, should that be necessary.

In addition to the new reporting requirements, the Senate made two additional modifications. The first would renew for another 4-year period the current law requirement that the President, when offering excess defense articles on a grant basis to Greece and Turkey do so in accordance with the 7-to-10 ratio. This same requirement as included in the fiscal year 1997 foreign operations appropriations bill passed by the House on June 11, 1996.

The second modification to the bill was to add a provision to the bill which permanently extends the Nuclear Proliferation Prevention Act of 1994 thereby ensuring that this important law remains in place as a much needed part of our sanctions regime.

The purpose of title I of this bill is to amend authorities under the Foreign Assistance Act [FAA] of 1961, as amended, and the Arms Export Control Act [AECA] to revise and consolidate defense and security assistance authorities, in particular by updating policy and statutory authorities. The genesis of this effort began nearly 7 years ago with H.R. 2655, the International Cooperation Act of 1989. Subsequent legislation by the then Committee on Foreign Affairs, including H.R. 2508, the International Cooperation Act of 1991, and later bills, continued efforts to amend and update these important authorities.

On June 8, 1993, the House of Representatives passed H.R. 1561, the American Overseas Interests Act of 1995, by a vote of 222 to 192. Title XXXI of division C, the Foreign Aid Reduction Act of 1995, was dedicated to defense and security assistance provisions. On March 12, 1996, the House of Representatives agreed to the conference report on H.R. 1561 by a vote of 226 to 172. The conference report did not include provisions from division C of the House-passed bill.

This legislation, H.R. 3121, continues the effort by the Committee on International Relations to amend the FAA and AECA to make improvements to defense and security assistance provisions under those acts. The provisions included in title I of this bill are nearly identical to title XXXI of H.R. 1561 and are the product of bipartisan effort and cooperation and enjoy the strong support of the Departments of State and Defense.

Central to consideration of this bill is the committee's view that this legislation fulfills its responsibilities as an authorizing committee. Specifically,

this legislation codifies in permanent law authorizing language which has been too long carried on annual appropriation measures. In that regard, I would like to express my appreciation to the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, Committee on Appropriations, the Congressman from Alabama, Mr. CALLAHAN, for his cooperation in working with the Committee on International Relations to ensure that authorizing provisions contained in this bill were not included in the fiscal year 1997 House-passed foreign operations measure. I would particularly like to single out Bill Inglee of Chairman CALLAHAN's staff for his help and cooperation.

Title I of this bill is organized by chapter as follows:

Chapter 1 modifies applicable provisions on terms and criteria of financing assistance, including drawdown authorities and a rewrite of the excess defense article authority.

Chapter 2 modifies terms of assistance for the international military education and training [IMET] program and includes language limiting Indonesia to E-IMET assistance.

Chapter 3 clarifies current law authorities under which Antiterrorism assistance is provided.

Chapter 4 modifies authorities under which assistance for international narcotics is provided.

Chapter 5 deals with general provisions regarding military assistance including approval of third-country transfers, standardization of congressional review procedures for arms sales, definitions, arms sales certification thresholds, designation of major non-NATO allies, end-use monitoring, and other miscellaneous issues.

The purpose of title II of this bill is to authorize the transfer of naval vessels to certain foreign countries pursuant to the administration's request of January 29, 1996.

Legislation authorizing the proposed transfer of these ships is required by section 7307(b)(1) of Title 10, United States Code, which provides in relevant part that "a naval vessel in excess of 3,000 tons or less than 20 years of age may not be sold, leased, granted * * * or otherwise disposed of to another nation unless the disposition of that vessel is approved by law * * *." Each naval vessel proposed for transfer under this legislation displaces in excess of 3,000 tons and/or is less than 20 years of age and therefore the Committee must act.

Title II of this bill authorizes the transfer of 10 naval vessels—8 sales, 1 lease, 1 grant—to the following countries:

To the Government of Egypt: One *Oliver Hazard Perry* class frigate *Gallery* (FFG 26); sale, \$47.2 million.

To the Government of Mexico: Two *Knox* class frigates: *Stein* (FF 1065) and *Marvin Shields* (FF 1066); sale, \$5.9 million.

To the Government of New Zealand: One *Stalwart* class ocean surveillance

ship: *Tenacious* (T-AGOS 17); sale, \$7.7 million.

To the Government of Portugal: One *Stalwart* class ocean surveillance ship: *Audacious* (T-AGOS 11); grant, \$13.7 million.

To Taiwan (the Taipei Economic and Cultural Representative Office in the United States): Three *Knox* class frigates: *Aylwin* (FF 1081), *Pharris* (FF 1094), and *Valdez* (FF 1096); sale, \$8.2 million. One *Newport* class tank landing ship: *Newport* (LST 1179); lease, no rent lease.

To the Government of Thailand: One *Knox* class frigate: *Ouellet* (FF 1077); sale, \$2.7 million.

According to the Department of Defense, the Chief of Naval Operations has certified that these naval vessels are not essential to the defense of the United States.

As detailed above, the United States plans to transfer eight naval vessels by sale pursuant to section 21 of the Arms Export Control Act; one of the vessels will be transferred as a lease pursuant to chapter 6 of the Arms Export Control Act; and one of the vessels will be transferred as a grant pursuant to section 519 of the Foreign Assistance Act of 1961, as amended.

The United States will incur no costs for the transfer of the naval vessels under this legislation. The foreign recipients will be responsible for all costs associated with the transfer of the vessels, including maintenance, repairs, training, and fleet turnover costs. Any expenses incurred in connection with the transfers will be charged to the foreign recipients.

Through the sale of these naval vessels, this legislation generates \$71.7 million in revenue for the U.S. Treasury. In addition, through repair and reactivation work, service contracts, ammunition sales, and savings generated from avoidance of storage/deactivation costs, the Navy estimates this legislation generates an additional \$525 million in revenue for the U.S. Treasury and private U.S. firms.

Accordingly, I commend this bill to the Members of the House and ask for their support for its final step in the legislative process prior to sending it to the President.

Mr. HAMILTON. Mr. Speaker, continuing my reservation of objection, I want to join the distinguished chairman of the House Committee on International Relations in expressing appreciation to Senators HELMS and PELL and SARBANES for their work in moving this bill forward.

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I also want to thank the chairman, the gentleman from New York [Mr. GILMAN], for his outstanding leadership on this bill. It is a good bill. It makes improvements in the current law, as the chairman has said. It is supported by the administration. It is a bipartisan bill.

Mr. BROWNBAC. Mr. Speaker, let me begin by congratulating Chairman GILMAN for

the hard work he and his staff have done in reforming the defense and security assistance provisions incorporated in H.R. 3121.

H.R. 3121 represents a commonsense approach to advancing our foreign policy goals of promoting global stability, ensuring the security of U.S. citizens and U.S. allies around the world, and encouraging democracy.

However, the bill achieves these goals while effectively reducing the amount of excess defense articles that will be transferred to our allies on a grant or no-cost lease basis.

We need to use the grant and no-cost lease options sparingly so that these programs recover as much money for the taxpayers as possible.

H.R. 3121 will force the Defense Department to drastically reduce the number of no-cost leases and grants that are used to transfer excess defense articles to our allies.

The bill creates a national security interest determination that the President will have to invoke in order to provide a no-cost lease for excess defense articles.

H.R. 3121 also requires the Pentagon to evaluate whether excess defense articles should be transferred on a grant basis or on a sales basis, depending upon what the potential proceeds would be from a sale, what the likelihood of selling a defense article would be, and what the foreign policy benefits of a transfer would be?

This is a good bill and I am glad that this body has adopted it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SHAW). Is there objection to the original request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the legislation just considered.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Such rollcall votes, if postponed, will be taken on Wednesday, July 10, 1996.

ARMORED CAR INDUSTRY RECIPROCALITY IMPROVEMENT ACT OF 1996

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

H.R. 3431, to amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain requirements and to improve the flow of interstate commerce.

The Clerk read as follows:

H.R. 3431

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 "Armored Car Industry Reciprocity Improvement Act of 1996".

SEC. 2. CLARIFICATION OF STATE RECIPROCALITY OF WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.

(a) IN GENERAL.—Section 3(a) of the Armored Car Industry Reciprocity Act of 1993 (15 U.S.C. 5902(a)) is amended to read as follows:

"(a) IN GENERAL.—If an armored car crew member employed by an armored car company—

"(1) has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum requirements under subsection (b); and

"(2) has met all other applicable requirements to act as an armored car crew member in the State in which such member is primarily employed by such company;

then such crew member shall be entitled to lawfully carry any weapon to which such license relates and function as an armored car crew member in any State while such member is acting in the service of such company."

(b) MINIMUM STATE REQUIREMENTS.—Section 3(b) of such Act (15 U.S.C. 5902(b)) is amended to read as follows:

"(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if—

"(1) in issuing an initial weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

"(A) the crew member has received classroom and range training in weapons safety and marksmanship during the current year; and

"(B) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year; and

"(2) in issuing a renewal of a weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

"(A) the crew member has received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry; and

"(B) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency."

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 shall take effect 30 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. OXLEY] and the gentleman from New York [Mr. MANTON] each will control 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. OXLEY].

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

Mr. Speaker, I rise in strong support of H.R. 3431, the Armored Car Industry Reciprocity Improvement Act. All we need to do is watch the evening news to be aware of the problems faced by the Nation's law enforcement and security personnel. We live in increasingly dangerous times where a badge is a target, and the lives of people wearing those badges are placed in grave danger on a daily basis.

Those who guard armored cars are no exception. During fiscal year 1995, the violent crime section of the FBI investigated 68 robberies or attempted robberies of armored vehicles. My subcommittee received testimony that there were well over 100 such incidents during the 1995 calendar year. Over the past several years, just one of the major armored car companies has had five armored car crewmembers killed in the line of duty, four of whom were slain here in the Washington, DC area.

There is no question that there is a strong need for these individuals to be armed. When this committee reported the Armored Car Industry Reciprocity Act in the 103d Congress, it recognized that fact. However, it also recognized that we need to keep weapons out of the hands of criminals and the untrained. While most States require substantial training in the safe and legal use of their weapons before they issue crewmembers weapons permits, we reiterated that sentiment when we required regular training and criminal background checks before a State's weapons permit would be entitled to reciprocity.

Mr. WHITFIELD's legislation, H.R. 3431, the Armored Car Industry Reciprocity Improvement Act of 1996, simply makes some technical changes in the original statute to better conform its requirements to the procedures in place in the majority of States today. It still requires regular training and criminal background checks for armored car crewmembers, but allows States the necessary flexibility to issue permits according to their own procedures and their own timetable.

It is a little known fact that the single largest interstate customer of the armored car industry is the Federal Government. Private companies annually transport billions of dollars in currency, coin, food stamps, and other negotiable documents. Because we entrust these companies with the Nation's valuables, we have an obligation to ensure that their job in protecting those valuables is as easy as possible. That is why we need to enact H.R. 3431.

Mr. WHITFIELD should be commended for his hard work in seeing this bill through. I would also like to thank my distinguished ranking member for all of his support in bringing this legislation to the floor. I urge all of my colleagues to support this legislation.

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

Mr. MANTON. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise today in strong sup-

port of this bipartisan legislation that will help solve many problems currently confronting the armored car industry. These vehicles, privately or federally owned, are often subject to violent crime that results in the loss of crewmembers' lives, not to mention untold amounts of valuable property.

Armored cars provide an essential service in this country by transporting millions of dollars in currency and other valuables belonging to both the Federal Government and private entities. Because these vehicles are often the target of crime, it is crucial that we provide armored car guards with the ability to protect themselves and their cargo without risk of criminal liability for simply doing their job.

Mr. Speaker, 5 years ago an armored car crewmember by the name of John Hirdt was shot to death while loading cash into a van outside of Macy's department store in Elmhurst, Queens. Mr. Hirdt was 65 years old and a retired New York City police officer employed by a private armored car service. Such incidents highlight the importance of providing armored car crewmembers with adequate protection.

This bill, ensures that crewmembers can carry their weapons across State lines so long as they have met all the requirements of their primary State and have passed a criminal background check. Without this modification in current law, crewmembers could be in violation of State weapons licensing laws when performing their job and traveling across State lines. This legislation does not in any way change Federal requirements for possession of a weapon or make it easier for anyone to receive a weapons license.

Mr. Speaker, I would like to thank my colleague, Mr. WHITFIELD, for crafting this legislation. I believe that H.R. 3431 will solve the problems of inconsistent application of license requirements and renewal processes among the States. As the ranking minority member of the Commerce, Trade, and Hazardous Material Subcommittee which originally considered this bill, I urge all of my colleagues to support this commendable legislation.

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

Mr. OXLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. WHITFIELD], the author of this important legislation.

Mr. WHITFIELD. Mr. Speaker, I am pleased that today the House is taking up this legislation, the Armored Car Industry Reciprocity Improvement Act of 1996. This is important legislation for many reasons. As we all know, armored cars and their crews have long been targets of crime, and it is imperative that these highly trained and dedicated men and women be armed to protect their cargo and, more importantly, their own lives.

The Federal Government is the single largest customer of the armored car industry, and we are obligated to ensure

that efforts to protect the taxpayers' cargo and the lives of the armored car crews are as unhindered as possible.

This legislation addresses the problems encountered by the States in three ways: First, it grants reciprocity for both weapons licenses and any other permits or licenses required in a particular State so long as the crew member has met all of the requirements in the State he or she is primarily employed.

Second, it makes clear that it is the State which should conduct criminal background checks and permits the States to do so in whatever manner they deem appropriate.

Third, it eliminates the requirement in the original act that renewal permits be reissued annually and permits States to follow their own timetables.

These changes represent a significant step forward in achieving the objectives of the original act. Under the act, as originally signed into law, only Illinois, Louisiana, Maryland, North Carolina, and Virginia met the requirements for reciprocity. With the changes under this bill, 28 other States will qualify, truly easing the flow of these valuable goods in interstate commerce.

This legislation has been supported in the past by the armored car industry and numerous State, national, and local law enforcement associations. Further, neither the NLRA nor Handgun Control had any objections to the original legislation. Since H.R. 3431 does not change the original intent of the legislation at all, I see no reason why this legislation would not enjoy similar support.

Mr. Speaker, I wish to thank the gentleman from Ohio, Chairman OXLEY, the gentleman from Florida, Mr. STEARNS, the gentleman from New York, Mr. MANTON, and the gentlewoman from Illinois, Mrs. COLLINS, for their work on this legislation in years past. I urge my colleagues on both sides of the aisle to support this legislation.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. OXLEY] that the House suspend the rules and pass the bill, H.R. 3431.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3431.

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

There was no objection.

PROVIDING EXPANDED STUDIES AND INNOVATIVE PROGRAMS FOR TRAUMATIC BRAIN INJURY

Mr. GREENWOOD. Mr. Speaker, I move to suspend the rules and pass the bill (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, and for other purposes, as amended.

The Clerk read as follows:

H.R. 248

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

SECTION 1. PROGRAMS OF CENTERS FOR DISEASE CONTROL AND PREVENTION.

Part J of title III of the Public Health Service Act (42 U.S.C. 280b et seq.) is amended by inserting after section 393 the following section:

"PREVENTION OF TRAUMATIC BRAIN INJURY

"SEC. 393A. (a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may carry out projects to reduce the incidence of traumatic brain injury. Such projects may be carried out by the Secretary directly or through awards of grants or contracts to public or nonprofit private entities. The Secretary may directly or through such awards provide technical assistance with respect to the planning, development, and operation of such projects.

"(b) CERTAIN ACTIVITIES.—Activities under subsection (a) may include—

"(1) the conduct of research into identifying effective strategies for the prevention of traumatic brain injury; and

"(2) the implementation of public information and education programs for the prevention of such injury and for broadening the awareness of the public concerning the public health consequences of such injury.

"(c) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(d) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary."

SEC. 2. PROGRAMS OF NATIONAL INSTITUTES OF HEALTH.

Section 1261 of the Public Health Service Act (42 U.S.C. 300d-61) is amended—

(1) in subsection (d)—

(A) in paragraph (2), by striking "and" after the semicolon at the end;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following paragraph:

"(4) the authority to make awards of grants or contracts to public or nonprofit private entities for the conduct of basic and applied research regarding traumatic brain injury, which research may include—

"(A) the development of new methods and modalities for the more effective diagnosis, measurement of degree of injury, post-injury monitoring and prognostic assessment of head injury for acute, subacute and later phases of care;

"(B) the development, modification and evaluation of therapies that retard, prevent or reverse brain damage after acute head injury, that arrest further deterioration following injury and that provide the restitution of function for individuals with long-term injuries;

"(C) the development of research on a continuum of care from acute care through rehabilitation, designed, to the extent practicable, to integrate rehabilitation and long-term outcome evaluation with acute care research; and

"(D) the development of programs that increase the participation of academic centers of excellence in head injury treatment and rehabilitation research and training.";

(2) in subsection (h), by adding at the end the following paragraph:

"(4) The term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary."

SEC. 3. PROGRAMS OF HEALTH RESOURCES AND SERVICES ADMINISTRATION.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end the following section:

"SEC. 1252. STATE GRANTS FOR DEMONSTRATION PROJECTS REGARDING TRAUMATIC BRAIN INJURY.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States for the purpose of carrying out demonstration projects to improve access to health and other services regarding traumatic brain injury.

"(b) STATE ADVISORY BOARD.—

"(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State involved agrees to establish an advisory board within the appropriate health department of the State or within another department as designated by the chief executive officer of the State.

"(2) FUNCTIONS.—An advisory board established under paragraph (1) shall advise and make recommendations to the State on ways to improve services coordination regarding traumatic brain injury. Such advisory boards shall encourage citizen participation through the establishment of public hearings and other types of community outreach programs. In developing recommendations under this paragraph, such boards shall consult with Federal, State, and local governmental agencies and with citizens groups and other private entities.

"(3) COMPOSITION.—An advisory board established under paragraph (1) shall be composed of—

"(A) representatives of—

"(i) the corresponding State agencies involved;

"(ii) public and nonprofit private health related organizations;

"(iii) other disability advisory or planning groups within the State;

"(iv) members of an organization or foundation representing traumatic brain injury survivors in that State; and

"(v) injury control programs at the State or local level if such programs exist; and

"(B) a substantial number of individuals who are survivors of traumatic brain injury, or the family members of such individuals.

"(C) MATCHING FUNDS.—

"(1) IN GENERAL.—With respect to the costs to be incurred by a State in carrying out the purpose described in subsection (a), the Secretary may make a grant under such subsection only if the State agrees to make available, in cash, non-Federal contributions toward such costs in an amount that is not less than \$1 for each \$2 of Federal funds provided under the grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—In determining the amount of non-Fed-

eral contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(d) APPLICATION FOR GRANT.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary and 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.

"(e) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(f) REPORT.—Not later than 2 years after the date of the enactment of this section, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings and results of the programs established under this section, including measures of outcomes and consumer and surrogate satisfaction.

"(g) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated \$5,000,000 for each of the fiscal years 1997 through 1999."

SEC. 4. STUDY; CONSENSUS CONFERENCE.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary"), acting through the appropriate agencies of the Public Health Service, shall conduct a study for the purpose of carrying out the following with respect to traumatic brain injury:

(A) In collaboration with appropriate State and local health-related agencies—

(i) determine the incidence and prevalence of traumatic brain injury; and

(ii) develop a uniform reporting system under which States report incidents of traumatic brain injury, if the Secretary determines that such a system is appropriate.

(B) Identify common therapeutic interventions which are used for the rehabilitation of individuals with such injuries, and shall, subject to the availability of information, include an analysis of—

(i) the effectiveness of each such intervention in improving the functioning of individuals with brain injuries;

(ii) the comparative effectiveness of interventions employed in the course of rehabilitation of individuals with brain injuries to achieve the same or similar clinical outcome; and

(iii) the adequacy of existing measures of outcomes and knowledge of factors influencing differential outcomes.

(C) Develop practice guidelines for the rehabilitation of traumatic brain injury at such time as appropriate scientific research becomes available.

(2) DATES CERTAIN FOR REPORTS.—

(A) Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of carrying out paragraph (1)(A).

(B) Not later than 3 years after the date of the enactment of this Act, the Secretary shall submit to the Committees specified in subparagraph

(A) a report describing the findings made as a result of carrying out subparagraphs (B) and (C) of paragraph (1).

(b) **CONSENSUS CONFERENCE.**—The Secretary, acting through the Director of the National Center for Medical Rehabilitation Research within the National Institute for Child Health and Human Development, shall conduct a national consensus conference on managing traumatic brain injury and related rehabilitation concerns.

(c) **DEFINITION.**—For purposes of this section, the term “traumatic brain injury” means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

(d) **AUTHORIZATIONS OF APPROPRIATIONS.**—For the purpose of carrying out subsection (a)(1)(A), there is authorized to be appropriated \$3,000,000 for each of the fiscal years 1997 through 1999. For the purpose of carrying out the other provisions of this section, there is authorized to be appropriated an aggregate \$500,000 for the fiscal years 1997 through 1999. Amounts appropriated for such other provisions remain available until expended.

SEC. 5. TECHNICAL AMENDMENTS.

Title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq.), as amended by Public Law 104-146 (the Ryan White CARE Act Amendments of 1996), is amended—

(1) in section 2626—

(A) in subsection (d), in the first sentence, by striking “(1) through (5)” and inserting “(1) through (4)”; and

(B) in subsection (f), in the matter preceding paragraph (1), by striking “(1) through (5)” and inserting “(1) through (4)”; and

(2) in section 2692—

(A) in subsection (a)(1)(A)—

(i) by striking “title XXVI programs” and inserting “programs under this title”; and

(ii) by striking “infection and”; and

(B) by striking subsection (c) and all that follows and inserting the following:

“(c) **AUTHORIZATION OF APPROPRIATIONS.**—

“(1) **SCHOOLS; CENTERS.**—For the purpose of grants under subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 through 2000.

“(2) **DENTAL SCHOOLS.**—For the purpose of grants under subsection (b), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 through 2000.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GREENWOOD] and the gentleman from New Jersey [Mr. PALLONE] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GREENWOOD].

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

Mr. Speaker, I am pleased to report that the legislation before us is the result of a strong bipartisan effort in both Chambers over the past 3 years. I especially want to thank chairmen BILLEY and BILIRAKIS, and Congressmen DINGELL, WAXMAN, and PALLONE for their willingness to work with me to secure enactment of this important bill. The beneficiaries of this cooperation are the millions of individuals who sustain severe brain trauma each year.

Traumatic brain injury has become the No. 1 killer and cause of disability

of young people in this country. We now have enhanced abilities to respond rapidly to the scene of vehicle accidents and other mishaps with highly trained personnel to airlift victims to state-of-art trauma centers and provide them with miraculous lifesaving procedures during the critical post injury “golden hour.” As a result, thousands of our sons and daughters, and fathers and mothers have survived serious brain injury and now must be cared for humanely.

Our challenge now is to develop in-home residential and long-term-care facilities where those recovering from head injury can receive physical therapy, occupational therapy and cognitive rehabilitation so that, whenever possible, they may resume their places at home with their loved ones.

In 1989, the Department of Health and Human Services issued an interagency task force report that recommended development of a national strategy to address prevention of traumatic brain injuries, and to provide for acute and long-term care and community reintegration of traumatic brain injury survivors. This legislation does just that.

The bill would authorize \$3 million for each of the fiscal years 1997 through 1999 for the Centers for Disease Control and Prevention [CDC] to carry out projects to prevent traumatic brain injury; authorize the National Institutes of Health [NIH] to conduct research into the prevention and treatment of traumatic brain injury; and authorize grants to States equal to \$5 million for each of the fiscal years 1997 through 1999 for the establishment of demonstration projects to improve access to health and others services regarding traumatic brain injury. States are required to contribute \$1 for every \$2 of Federal funds.

Require the Secretary of Health and Human Services to conduct a study to determine the incidence and prevalence of traumatic brain injury; develop a uniform reporting system concerning the reporting of incidents of such injuries; and identify common therapeutic interventions used for the rehabilitation of injured individuals; and require the Secretary of Health and Human Services to conduct a consensus conference on managing traumatic brain injury and related rehabilitation concerns. An aggregate of \$500,000 is authorized for these purposes.

Enactment of this legislation is an important step toward preventing, understanding, and effectively beating these devastating brain injuries. I urge my colleagues to support this important legislation.

□ 1430

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

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

Mr. Speaker, I rise in support of this legislation. H.R. 248 authorizes funds to develop and create and operate a spec-

trum of critically important programs to prevent and treat traumatic brain injury and to educate the public, health care providers, and the patients about the nature of these injuries and the most appropriate ways to deal with them.

Traumatic brain injury is the primary cause of death and disability among young people in the United States. By anyone’s definition, these injuries have reached epidemic proportions, affecting nearly 2 million Americans each year, with severe and devastating consequences. Five hundred thousand are injured so severely that they must be hospitalized; 90,000 suffer irreversible loss of function; 50,000 people, many in the prime of their lives, die as a result of an injury or blow to the head from a fall, a violent crime, or a motor vehicle or sports accident. The cost to care for people with brain injuries is astronomical, over \$98 billion a year. But this is not an epidemic that we have read about in novels or seen in movies. It is a silent epidemic, quietly claiming its young victims without the sort of public alarm that would accompany any infectious disease outbreak of this magnitude.

People living with the consequences of severe brain injury require health care, rehabilitative care and social services that differ substantially from services needed by individuals with other kinds of disabilities. Ensuring that such specialized services are available requires that health care providers and others recognize and understand these injuries as unique, learn how to take appropriate action to minimize the damage from head injury, and take aggressive approaches to preventing such injuries.

My colleague, and the prime sponsor of this bill, the gentleman from Pennsylvania [Mr. GREENWOOD], basically went through how this bill authorizes an excellent approach toward accomplishing the goals that he mentioned that we are trying to achieve here. The bill authorizes the Centers for Disease Control and Prevention carry out programs to identify strategies for preventing traumatic brain injury. In addition, the NIH [National Institutes of Health] is authorized to award grant funds for various purposes relating to traumatic brain injury.

The bill also authorizes the Health Resources and Services Administration to award grants to States. And, finally, H.R. 248 requires that the Secretary determine the incidence and prevalence of traumatic brain injury and develop a uniform reporting system; analyze common therapies and conduct a consensus conference that brings together all interested parties to discuss treatment, management, and rehabilitation.

Mr. Speaker, this bill goes a long way toward shedding critical light on the darkness of the silent epidemic of traumatic brain injury. The House has passed similar legislation in the past, only to see it encumbered by unrelated

provisions and bogged down in complicated processes. Today, we have another chance to do the right thing.

Mr. Speaker, I know that the gentleman from Pennsylvania [Mr. GREENWOOD] has been out there trying to urge that we move this bill as a freestanding measure and get it to the President as quickly as possible, and I know that he joins with me and many others in hoping that this time the legislative journey will have its final destination on the President's desk.

The millions of people whose lives are touched each day by devastating tragedies that result from traumatic brain injuries need to know that we care about them and we will try to help them.

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

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

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

Mr. SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. GREENWOOD] that the House suspend the rules and pass the bill, H.R. 249, as amended.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GREENWOOD. 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. 248.

The SPEAKER pro tempore (Mr. SHAW). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COST OF GOVERNMENT DAY

Mr. CLINGER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 193) expressing the sense of the Congress that the cost of Government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn.

The Clerk read as follows:

H. CON. RES. 193

Whereas the total of Government spending and regulations (total cost of Government) has increased from 48.2 percent of the net national product (NNP) in 1989 to an estimated 50.4 percent of NNP in 1996;

Whereas the total cost of Government now exceeds \$3,380,000,000,000 annually;

Whereas Federal regulatory costs now exceed \$730,000,000,000 annually;

Whereas the cost of Government in general and excessive regulations in particular have placed a tremendous drain on the economy in recent years by reducing worker productivity, increasing prices to consumers, and increasing unemployment;

Whereas if the average American worker were to spend all of his or her gross earnings

on nothing else besides meeting his or her share of the total cost of Government for the current year, that total cost would not be met until July 3, 1996;

Whereas July 3, 1996, should therefore be considered Cost of Government Day 1996; and

Whereas it is not right that the American family has to give up more than 50 percent of what it earns to the government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, as part of balancing the budget and reevaluating the role of government, Federal, State, and local elected officials should carefully consider the cost of Government spending and regulatory programs in the year to come so that American families will be able to keep more of what they earn.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Virginia [Mr. MORAN] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

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

Mr. Speaker, I rise today to urge my colleagues on both sides of the aisle to strongly support a resolution introduced by Congressman DELAY and 37 other original cosponsors. This resolution expresses a sense of Congress that Government officials should carefully consider the costs of Government and reduce those costs so that Americans will be able to keep more of their income. This is something I believe we all can and should support.

The timing of this resolution is appropriate since last week on July 3, 1996, was the Cost of Government Day. What does that mean? It means that if the average American worker were to spend all of their gross earnings on nothing else besides meeting his or her share of the total costs of Government, then this amount would not be paid off until July 3, 1996. At a time when private industry is rightsizing and becoming more efficient, we are also looking to the Federal Government to do the same.

The facts speak for themselves. The total cost of Government is estimated at \$3.38 trillion. That's \$13,000 for every man, woman, and child in America. Federal income tax receipts from individual income taxes are more than 13 times the size they were in 1960. The Federal regulatory burden that private businesses and citizens must shoulder is estimated to be over \$400 billion a year. We also recognize that the Federal Government should be performing only essential functions; however, we have seen the Government continue to mushroom. In 1985, there were 1,013 Federal programs; today there are 1,390 Federal programs administered by 53 Federal entities.

However, even more troubling is the billions of wasted tax dollars. It is estimated that about 10 percent of every health care dollar in this country is lost due to fraud and abuse. Using that assumption, it is estimated that combined total losses for Medicare and Medicaid due to fraud amount to ap-

proximately \$32.6 billion, or \$89 million each day. We must put a stop to this kind of wasteful hemorrhaging of our precious tax dollars and I am hopeful that health reform legislation will be enacted shortly.

Mr. Speaker, I would like to emphasize that the Republican led Congress has been keenly aware of the need to rightsize the Federal Government. In fact, this issue has been the major focus of our agenda from day one of the 104th Congress.

Without a Republican led Congress, we would never have passed line-item veto authority which provides the President with the power to eliminate unnecessary Federal spending.

Without a Republican led Congress, we would never have had unfunded mandates legislation enacted which will prevent the Federal Government and Congress from imposing new requirements on State and local governments without the necessary funds. This should help with lessening the burden on State and local governments and in turn ease State and local tax increases.

Without a Republican led Congress, we would never have had the Small Business Regulatory Fairness Act which now provides for congressional review of major regulations to ensure that they make sense.

Without a Republican led Congress, we would never have had a complete overhaul of the Federal procurement system to allow the Government to cut through unnecessary redtape and increase efficiencies in purchasing goods and services to save the Government billions.

Mr. Speaker, the list goes on and on but the point is that this Republican led Congress is committed to ensuring that taxpayers will be able to keep more of what they earn. We have proven that we can do just that. It is important to note that many of these initiatives have been supported in a very bipartisan manner.

This resolution is important because it reaffirms that message. Many of us on both sides of the aisle are deeply troubled that this Government costs too much. It is time to put our money where it belongs—back into the pockets of taxpayers. I urge that every Member support this resolution and show our commitment to a less expensive but more effective Government.

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

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

Mr. Speaker, I know that the chairman of the committee is disappointed that the gentlewoman from Illinois [Mrs. COLLINS] is not able to be here, but I am sure the gentleman wants me to share with him what the gentlewoman have said had she been here.

Mr. Speaker, this resolution was never considered in the Committee on Government Reform and Oversight, so we never had an opportunity to discuss it or amend it. It was put on today's

calendar apparently because the Republican leadership wants to show that they want to reduce Government spending and the size of government.

I have to say that after reading the text of the resolving clause, there is little with which anyone in Congress would disagree. All of us were elected to carefully consider every bill we pass, whether it is a spending bill, a tax bill, or a regulatory bill. We don't need a resolution to tell us to do our job.

In fact, the deficit has been going down every year under President Clinton. The difference between our two parties has been in our priorities. We have attempted to protect spending on important areas such as education, health care and the environment, while others have pursued spending cuts without considering their human costs.

Had we agreed to carefully consider every bill that spends money, we probably would not be considering this resolution today, because it is a waste of taxpayer dollars. The printing of this resolution and the printing of this debate in the CONGRESSIONAL RECORD is a waste of spending.

We should instead be doing exactly what the resolution calls for—carefully considering appropriations bills, which should have all been passed by the House last month. Instead, we are woefully behind in the appropriations process, as we were last year, in part because we are wasting our time on resolutions like this.

Had the bill been considered in the committee, we might have considered some amendments. For example, instead of just considering the costs of regulation, we might also have resolved to carefully consider the benefits of regulation. However, I am not surprised that the sponsor of this resolution does not care to consider the benefits of regulation. He has sponsored a bill to repeal the Clean Air Act. In sponsoring that bill, did he consider the benefits of clean air?

The chief sponsor of this resolution also was the chief sponsor of a bill last year that passed the House. It would have imposed a yearlong moratorium on all new regulations, such as the recently adopted meat inspection regulation. That regulation, which will require testing for deadly bacteria, could save hundreds of lives and prevent thousands of diseases, but the gentleman's bill would have stopped the regulation in its tracks. Fortunately, the Senate refused to go along with the extremist antiregulatory bill.

As Nancy Donley, whose son died of the deadly *E. coli* bacteria in a hamburger, said last week when the new rule was adopted, we must understand that all regulations are not bad. However, this resolution would have us only carefully consider the costs of regulation, and not the benefits.

The same Republican sponsors of this resolution also attempted to cut the regulatory budget of the Environmental Protection Agency by a third. Perhaps they were carefully consider-

ing the costs of regulation, but I doubt they were carefully considering the costs to public health and the environment from their reckless cuts.

Earlier this year, the Republican sponsors of this resolution would have required every agency to hold a new rulemaking to re promulgate all of their existing regulations. That proposal would have added billions in regulatory costs, but the sponsors of that bill apparently wanted to let polluters continue to pollute while the agencies were tied up in knots re promulgating their existing regulations.

Soon we will be considering appropriations bills that will make large cuts in the President's budget for education. While the House considers the costs of these spending bills, as it should, I would expect it to also consider the costs of not adequately spending on our children's education.

When we had military spending bills before us this year, we had rules that prevented us from cutting spending, even for weapons that the Pentagon did not ask for. If we are committing ourselves to carefully consider Government spending, defense spending bills should not be immune to cost-cutting.

Mr. Speaker, it is my hope that the anti-environment, antiregulatory, extreme agenda in this House will come to a close soon. It appears to have run out of steam. All that is left of it for the time being is this silly resolution that says Congress should carefully consider the costs of Government spending and regulatory programs.

It is about time that this Congress began to carefully consider all of its bills. We constantly face bills that have never been considered in committee, and this is one of them. Fortunately, it is just a resolution, and it is innocuous. Its worse crime is that it is a waste of our time and the taxpayer money.

Its attempt to designate July 3, 1996 as "Cost of Government Day" is already out of date. Apparently the rule that ended bills to designate days of the year for certain worthwhile causes, such as charities to cure diseases, does not apply to resolutions designating days for Republican propaganda purposes.

I would urge my Republican colleagues to stop wasting time on meaningless resolutions and get on with the Nation's business. We have appropriations bills as far as the eye can see, and just a few weeks to complete our work. The American people want to see us complete the Nation's business without another Government shutdown. Resolutions such as this only distract us from the real work ahead of us.

□ 1445

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

Mr. CLINGER. Mr. Speaker, I yield 4 minutes and 30 seconds to the distinguished gentleman from Texas [Mr. DELAY], majority whip.

Mr. DELAY. Mr. Speaker, I thank the Chairman for yielding time to me.

I am truly shocked by the gentleman from Virginia's remarks about calling this resolution an innocuous resolution. I think it gets to the crux of the matter of why we wanted to bring this resolution to the floor, to highlight to the American people something that obviously the Democrats think is insignificant, innocuous, does not mean anything, that the American family today started on July 4 working for itself. That is what this resolution is about. They know that. They are trying to cover it up.

For 40 years they have built the Federal Government to such a huge size and taking money from the American family that now we work until July 3 for the Federal Government and start on July 4 working for ourselves. No one is talking about their bad regulations. What we are talking about is rushing to regulations, rushing to judgment without cost-benefit analysis and taking a commonsense approach to regulations.

USA Today newspaper yesterday was talking about the number of kids that had been killed by airbags, airbags, rushed to put into cars without the kind of commonsense, thoughtful regulations that may have created an airbag system in cars that would not have killed those kids.

So I rise in support of this resolution. I think it is a very important resolution that shows the American people that the cost of government day is July 3. It is altogether appropriate that we let the American people know how much they are spending for their Government. This year the average American family did not gain its freedom from the cost of government until July 3. July 4 may have been the day that we celebrated the anniversary of our Declaration of Independence from British tyranny, but this year it was July 3 when Americans actually gained their freedom from paying off their own Government.

Thomas Jefferson once said, a wise and frugal government shall restrain men from injuring one another, shall leave them free to regulate their own pursuits of industry and improvement and shall not take from the mouth the labor of bread it has earned. This is the sum of good government.

My friends, while that description may sum up good government, it certainly does not describe our Federal Government. Far too often the Federal Government takes, through direct and indirect taxes, the bread the American people have earned. As a former small business owner, I have felt the very real sting of Federal regulations and its costs on my business.

More people need to realize that government is a cost of doing business. Government is also a cost to the American family. If you add up the cost of regulations and taxes on the local, State and Federal level, the average family involuntarily donates over 50 percent of its income to the government. Today one parent is forced to

work for the government while the other one works to support the family.

According to the Commerce Department figures, Federal, State and local governments last year consumed 31.3 percent of all national output, the highest level in the history of the United States. That is the real legacy of the Clinton administration: the tax trap; higher taxes on working families.

On the other hand, the Republican Congress has made great strides toward reducing the size and cost of government. This 104th Congress has already cut spending by \$43 billion. We have cut our staff by a third. We have passed legislation to reduce taxes on middle-class families. We have signed into law unfunded mandates reform. And we have enacted the Paperwork Reduction Act, and we have passed two balanced budgets, two balanced budgets, the first budgets that balance in a generation. We are moving in the right direction. In fact, 2 years ago it was 52 percent of a family's income. We have it down to 50 percent and moved the days back a day or two.

This resolution serves as a simple reminder that the Government is too big and it costs too much. So I urge my colleagues to vote for this resolution and to work with me to make the Government work better and at less cost to the American family.

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

Since the gentleman was shocked at the fact that we questioned this bill and suggested it was somewhat innocuous, I have to ask how the American people are better off for our having passed this resolution, particularly when its purpose is to designate July 3 as the "Cost of Government Day," this being July 9.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, that is a very good question. They are better off because most Americans do not realize that over 40 years we have built the Federal Government to the point that it takes 52 percent of their income to survive.

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a member of the committee.

Mr. BLUTE. Mr. Speaker, I thank the chairman for yielding the time.

I rise today in strong support of this concurrent resolution expressing the sense of Congress that the cost of government is too high and should be reduced. It is outrageous that Americans must now work until July 3 to pay for the cost of Federal, State, and local governments plus the cost of government regulatory redtape.

The total 1996 cost of the Government is \$3,381 billion. My goodness, that is \$13,000 for every man, woman, and child in America. In 1995, the University of Stanford Decisions and Ethics Center compiled data on the burden

of taxation on all households in the United States. The results of this study are shocking. According to Stanford, government depletes at least 45 to 60 percent of all income earned by individual households, regardless of income level.

But taxes are not the only cost of government. Regulations also impose financial burdens on Americans. According to the Washington University Center for the Study of American Business, rulemaking agencies of the Government employ almost 131,000 people, the highest level in American history, and a 28-percent jump from the 1983 level of 102,000. As we know in Massachusetts, new drug approvals can take upward of 15 years, denying needed therapies to patients who need them but also forcing our companies in biotechnology and other innovative sciences to lose the competitive edge that they need to compete with their European and Japanese competitors.

Mr. Speaker, some Americans are lucky enough to have a 40-hour work week. Indeed, this has become a luxury. But for the majority of Americans, the day begins earlier and earlier in the morning and ends later and later in the week. Why? So that American workers can make enough money to support two families. Yes, you have to support two: your own family plus Uncle Sam who has an uncontrollable appetite. That means that Americans will spend 184.6 days out of the entire year working for the government at all levels.

Mr. Speaker, I strongly support this concurrent resolution.

Mr. MORAN. Mr. Speaker, I yield myself 1 minute and 15 seconds to suggest that there is good reason why America did not have the mad cow disease that occurred in Europe. In fact, we hear of so many things that occur in other countries that were prevented here. All we are asking is for a balance.

The majority whip, the gentleman from Texas [Mr. DELAY], criticized the use of airbags in his speech. But he did not mention the number of lives that have been saved by the use of airbags. We think on this side of the aisle that the American people want things like airbags and we ought to present a balance.

Mr. BLUTE. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Massachusetts.

Mr. BLUTE. Mr. Speaker, the majority whip was referring to the USA Today article yesterday which was very extensively researched. It was referring to the passenger-side airbags and the regulations that were imposed a number of years ago that were not well thought out, that was a rush to judgment in the bureaucratic mindset of some of our transportation officials and has been an unmitigated disaster for children and has killed far more children than it has saved. I think what we are saying is, we need regulations. We certainly do. They need to be well thought out.

Mr. MORAN. Mr. Speaker, to clarify for the gentleman from Massachusetts, he is not suggesting nor is his side suggesting we ought not require airbags to be included in the manufacture of U.S. automobiles.

Mr. BLUTE. I am suggesting, if the gentleman will continue to yield, that we look at, for example, passenger-side airbags as to whether that is well thought out for the safety of our children in automobiles. It has been a disaster, as most observers have agreed, that that regulation was not well thought out.

Mr. CLINGER. Mr. Speaker, I yield 3 minutes and 15 seconds to the gentleman from California [Mr. HORN], a member of the committee, chairman of the Subcommittee on Government Management, Information, and Technology.

Mr. HORN. Mr. Speaker, I thank the chairman of the full committee for yielding time to me.

Mr. Speaker, the Government costs—and the Government taxes that back up those costs—are spotlighted by July 3d as Cost of Government Day. These costs and taxes are siphoning money away from family resources. They are robbing millions of our citizens and those who want to be citizens of achieving the American dream.

The 104th Congress is working to give higher incomes and lower taxes to all Americans. We have eliminated more than 200 unnecessary Federal programs and agencies. We have downsized the Washington bureaucracy as well as the congressional bureaucracy. We have moved government funds and programs to the States, and hopefully they will be even further decentralized to the communities and counties where real life occurs and real government occurs.

Members of the 104th Congress approved a balanced budget plan, but it was vetoed by President Clinton.

We tried to provide tax relief to the middle class through a \$500 per child tax credit, but it was vetoed by President Clinton. We tried to provide marriage penalty relief and estate tax relief. We did get relief for seniors by phasing out the Social Security earnings limitation from which they have long suffered. We have tried to provide a deduction for families caring for elderly parents, an adoption tax credit, long-term care insurance tax reforms. Again, the President used his veto. He likes big government.

Our Nation was founded on the principle of working hard and enjoying the fruits of one's labors. But as seen by the Cost of Government Day, this is simply no longer true. Instead, our fellow taxpayers work over 6 months to pay the bills. Congress and the President must continue to rethink and work together to cut Government spending and many of our outdated regulatory programs. We must ensure that America's workers are able to keep more of what they earn.

I listened to my good friend from Virginia [Mr. MORAN] earlier claim that if

we had been in control of the executive branch and gotten our way, we would not have issued these recent regulations. Well, if my good friend will recall, since he and I are both members of the Committee on Government Reform and Oversight, we always had an exemption to issue health and safety regulations. The President was never limited in that area. If you can find some other health and safety things to do in the next couple of weeks, you can issue regulations whether our laws had been on the books or not.

I think my good friend will recall that health and safety regulations were exempt from the downsizing of many other regulations which, as the gentleman from Massachusetts [Mr. BLUTE] said, were simply not well thought out. If the gentleman wonders if I am for airbags, you bet I am for airbags. I am for airbags that work, not just from the front but also from the side door. I want to protect the children as well as the parents.

Mr. MORAN. Mr. Speaker, will the gentleman yield?

Mr. HORN. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Speaker, I am not surprised the gentleman is for airbags. He is a very thoughtful member of the committee and of this body. We did have an issue on meat and poultry inspection.

□ 1500

Mr. HORN. Mr. Speaker, my colleagues will recall that we have fought consistently to get decent standards for frozen chicken, which, when it is thawed and then frozen again, creates tremendous bacteria. The Department of Agriculture has a lower standard than the State of California. The Department of Agriculture does not want to accept the higher California standard. And guess who is most influential with the Department of Agriculture? It is known as Tyson's Foods.

Mr. MORAN. Mr. Speaker, I yield myself 30 seconds to underscore a point that we have been trying to make, and I think it is consistent with some of the rhetoric that we have been hearing today. The gentlewoman from New York [Ms. SLAUGHTER] had an amendment that we would maintain our standards on meat and poultry inspection, which is a very relevant one, particularly when we see what has happened with mad cow disease in England and other situations that have endangered peoples' lives and health, and 220 Republicans voted against that amendment.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds to respond, and I would underscore what the gentleman from California [Mr. HORN] said, and that is that there is a clear exemption in the unfunded mandates law and others which says the President has the right to waive that where health and safety is involved and clearly can do that without being limited to the law.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank my friend for yielding, and I appreciate the debate here on the floor today.

As I see it, in a nutshell, the problem is this: that our Government has gotten too big and our Government costs too much, and the American people have expressed that sentiment time and time again, and that is why I think this legislation before us, this resolution, is so important.

Mr. Speaker, last Thursday our Nation celebrated its 220th birthday. We recalled the enormous sacrifices our Founding Fathers made to leave us a Nation founded on individual freedom. We remembered all the past generations of Americans who gave so much and suffered so much in many times and places to preserve this most precious legacy that we have.

Unfortunately, thanks to a government that has grown too big and costs too much, Americans also marked their first full freedom, day of freedom, from paying for the Federal Government, as July 3. After 185 long days Americans are finally able to work for themselves, not the Federal Government.

Today the total cost of government, that is Federal, State and local, in terms of spending and regulation, comes to more than \$3 trillion a year. Let me repeat that. The Federal, State and local government taxes costs the American people over \$3 trillion a year. Federal regulations alone, remember, Federal regulations alone, amounts to \$600 billion. That is more than we need to easily balance our budget.

This hidden regulatory tax costs each family in my congressional district \$6,000 of their hard-earned income each year, and this tax continues to rise. So for all the people in America, not only in mine, but for my colleagues' constituents, too, each household, \$6,000 a year for Federal regulations.

In fact, since November 14, 1994, this administration, the Clinton administration, has issued 4,300 new rules; 4,300 new rules since November 14, 1994. I just want to say that since November 14, 1994 this administration has issued 4,300 new rules, and no one has said that we need more rules. That is thousands and thousands of more pages of red tape for our small businesses. Remember, defunct businesses do not create jobs.

Finally, think of what a family could do with the extra \$6,000. Perhaps they could set aside some money for their sons' or daughters' college tuition. Perhaps they could afford their first new home, down payment for that. Perhaps they could open their own small business. The possibilities are endless.

It is time to lift the regulatory burden that is smothering the American dream. Excessive regulation is not only wasteful, it is mortally wrong. Now is the time, Congress, to act, because America is patiently waiting.

Mr. MORAN. Mr. Speaker, I yield myself a minute and a half.

Mr. Speaker, in the first place a lot of the regulations that have been cited

have not, in fact, been new regulations. They have been rescissions and modifications. That grandiose number is misleading because it would be implied that those are all new regulations. They certainly are not. But the fact is we do have too many regulations, and I personally believe that the Federal Government too often imposes cookie-cutter compliance on States and localities and private businesses.

I think we would be far better off if we moved to an outcome-based approach, particularly to environmental regulation where we told the private businesses and the States and localities: "This is the goal; we want you to achieve this in the most effective and efficient manner possible. But you know your demography, you know your geography, and we think that you have the best understanding as to how to reach this goal," and we do not really argue, I hope, on the goals of clean water and clean air and safe meat and poultry.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding, and he is more than gracious in yielding. I just pointed out the fact that the gentleman earlier was criticizing the moratorium on regulations.

The SPEAKER pro tempore (Mr. SHAW). The time of the gentleman from Virginia has expired.

Mr. MORAN. Mr. Speaker, I yield myself another 2 minutes and yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, take time to look at the excessive regulations the gentleman just said that we ought to be looking at, and the gentleman was criticizing the riders on our appropriations bill last year that does exactly what the gentleman just said that we ought to be doing: set the standard allowing local and State governments and private industries to come up with the solutions.

That is all we are talking about.

Mr. MORAN. Mr. Speaker, I reclaim my time to explain our objection.

It was not an objection to reviewing many of our regulations, but we object to suspending those regulations in the meantime while we are reviewing them. We think that the American people want and need that kind of protection, but we also think that we should continue to be scrutinizing those regulations to make sure that they function in the most efficient reasonable manner possible.

I yield to the gentleman from Texas.

Mr. DELAY. I am sure the gentleman does not want to mislead the people watching C-SPAN. The only moratorium we were talking about is suspending any new regulations, not suspending existing regulations.

Mr. MORAN. Mr. Speaker, as the gentleman knows, because I know he does not want to deceive the American people certainly, the fact is these regulations were up for reauthorization,

and they would have expired. That is why we needed to continue the regulations in effect while we were reviewing them.

But our principal point with regard to this resolution is that we should be balanced in the information we present to the American people. We ought to review the costs. Absolutely we ought to review how it is tying up States and localities and private businesses. But we also need to balance that with an estimate, an understanding of the benefits, so we give the American people the cost and the benefits, let them decide, and that is the way we can make the best judgment as well. This resolution does not address benefits; it only addresses the costs. And I think to act responsibly we need to look at both.

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

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

I just want to underscore. I think this deserves bipartisan support, as the gentleman from Virginia said. I think we are in agreement that we have too many regulations, that they need to be carefully considered before we impose additional burdens on the American people. We have taken, I think, substantial steps in this direction with the passage of the unfunded mandates law, which passed overwhelmingly on a bipartisan basis, to suggest that there needs to be a close look taken to regulations that are imposing tremendous new, additional financial burden on States and local government. So this resolution really is in keeping with that.

I would suggest to the gentleman from Virginia [Mr. MORAN] that it is—I think our point has been in the past too often all we looked at was the benefit and all we looked at was what was proposed to be accomplished by that regulation. We never looked at the cost, and that was one of the things I think that has become a part of this now, is that we do try to take a balance.

Yes, sure, we have to consider what is going to be the impact on people, but we have to consider what the cost is going to be as well. I would hope that that is implicit in this resolution that we really do not have a balance. I would suggest that in the past we did not have that balance because the only thing that was required to be considered was the benefit to be derived from it.

So I would hope that this resolution would achieve broad bipartisan support, I think it should not be seen as a partisan measure at all.

Mr. MORAN. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Virginia.

Mr. MORAN. Would it be possible to amend this to where it says in the third to last line, consider the costs and benefits of government spending, two words, and we can make all the Democrats happy?

Could we get unanimous consent to do that?

Mr. CLINGER. I do not believe that this can be amended on the floor.

Mr. MORAN. By unanimous consent, I am told, it can actually, I say to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I think, as I say, my view is that the resolution has drafted, and implicit in that is the fact that it would indeed cover, as the gentleman knows clearly, we are going to consider the benefits that are going to be derived from any resolution. So I would think that what this does is add the additional component that the costs should be considered as well.

Mr. MORAN. I hope we are not paranoid, but that was not our implicit assumption. It only refers to costs, but not benefits. If it included benefits, we will not have any problem whatsoever.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 193.

The question was taken.

Mr. DELAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1515

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHAW). 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 New York [Mrs. MALONEY] is recognized for 5 minutes.

[Mrs. MALONEY 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. EHLERS] is recognized for 5 minutes.

[Mr. EHLERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE MONTGOMERY GI BILL, THE ARMED FORCES' BEST RECRUITMENT TOOL

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, recently the Chairman of the Joint Chiefs of

Staff stated that, "we remain committed to maintaining quality personnel, and recruiters from all Services have stated the Montgomery GI bill is the best recruitment tool they have."

I have had the great pleasure of serving on the Veterans' Affairs Committee with the Honorable G.V. (SONNY) MONTGOMERY, the principal author and sponsor of the newest GI bill. It is no surprise that the Department of Defense's latest evaluation of the Montgomery GI bill strongly supports this program's continuation. Sonny designed the new GI bill with great care and after extensive hearings which included more than 200 witnesses. Because of his careful attention to program structure, the Montgomery GI bill has been uniquely successful and has fulfilled all of its intended purposes. As noted in a recent report, the percentage of new recruits choosing to enroll in the GI bill has risen from 50 percent at the program's inception in 1985 to a remarkable 95 percent in fiscal year 1995. Since the implementation of the Montgomery GI bill, more than 2 million active-duty recruits have elected to participate in the program—vividly demonstrating the attractiveness of this GI bill to the young people entering the Armed Forces.

Further, Mr. Speaker, the Department of Defense notes that the percentage of GI bill participants who are using their benefits following military service continues to rise, from 40 percent in 1991 to 46 percent at the end of 1993. This is a promising and important trend, but we must continue to watch these numbers closely. We all want these men and women, who earn their education benefits through honorable military service, to make full use of their GI bill education assistance.

Regarding the adequacy of the Montgomery GI bill benefit as a recruitment incentive, the Department of Defense noted that during fiscal year 1995 all services met their recruiting objectives. Some 96 percent of new recruits were high school diploma graduates, 71 percent had above-average scores on the aptitude tests administered to new recruits, and fewer than 1 percent were in the lowest acceptable aptitude category. In spite of these impressive statistics, the Department of Defense cautions, "With recent recruiting successes, current basic benefits appear to be adequate as an enlistment incentive. However, if college costs, especially tuition and fees, continue to rise significantly above inflation, the offset provided by the Montgomery GI bill benefits will require close monitoring to keep the program competitive." I urge my colleagues to pay close attention to this serious concern raised by the Department of Defense. SONNY MONTGOMERY has struggled to keep the GI bill basic benefit competitive, and I hope to ensure that the program that carries his name is maintained and strengthened in the 105th Congress.

I know SONNY would want me to emphasize that the first and primary purpose of the Montgomery GI bill is to

assist in the readjustment of members of the Armed Forces to civilian life. The Department of Defense reports that total cost—tuition, fees, room and board—for a 4-year education rose 31 percent between 1985 and 1993. During the same time period, average tuition and fees at 4-year institutions increased 43 percent. Because of these increases in the cost of education, the GI bill benefit covered only 39 percent of the total costs and 70 percent of tuition and fees in 1993–94. The men and women who volunteer and honorably serve our Nation through military service more than earn their educational assistance benefits—and they deserve a benefit level that will significantly assist them in their efforts to pursue further education.

In the early years of the program, enrollment rates differed somewhat based on demographic groups such as gender, race/ethnicity, or education level. In fiscal year 1995, however, there were virtually no differences in enrollment rates among demographic groups, clearly demonstrating the broad appeal of the Montgomery GI bill.

Preliminary numbers show that, although there is little difference in the GI bill enrollment rates based on aptitude levels, the usage rates differ dramatically. The young people with the highest scores on aptitude tests are far more likely to use their GI bill benefits than those whose scores were in the average to below-average range. This early information is a useful warning that special efforts may be necessary to ensure that all GI bill participants take advantage of their earned benefits.

There is little difference in usage rates among the race/ethnicity groups. Usage rates by gender differ more than do enrollment rates with male usage below female usage, and married veterans use their benefits at a lower rate than their single counterparts. The next Department of Defense report to Congress on the Montgomery GI bill, due in 1998, will include more veterans who have passed their time limit for benefit usage. Consequently, we will then have a more accurate idea of usage trends.

Mr. Speaker, I would like to remind my colleagues that the Montgomery GI bill was enacted in 1984 in spite of powerful opposition. Because SONNY MONTGOMERY and his supporters were tenacious and committed they prevailed and won a long, hard battle. America's best and brightest young women and men have the opportunity to earn education assistance benefits through honorable military service. I want to thank SONNY MONTGOMERY and all those who participated in and supported this remarkable effort and hope we continue to support it in the future.

THE NEED TO PRESERVE MEDICARE AND MEDICAID PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I want to address the House about the fact that increasingly and persistently we see efforts on the part of the Republican leadership, in the past in 1995, again this year, and I suspect, unfortunately, to continue through the rest of 1996, efforts to cut Medicare and Medicaid. I also want to remind my colleagues on the Republican side, and particularly the GOP leadership, about the need to pass health insurance reform.

My colleagues on the Democratic side are aware of the fact that we have within our Caucus a Democratic health care task force. Part of our effort has been to try to preserve Medicare and Medicaid and to oppose the drastic cuts in Medicare and Medicaid that would negatively impact America's seniors if the Republican proposals were to go forth in the House of Representatives and in the Senate.

Similarly, our Democratic health care task force has been supportive of legislation that was originally introduced by Senator KASSEBAUM, who is a Republican, and Senator KENNEDY, who is a Democrat, and here in the House by one of my colleagues on the Republican side, the gentlewoman from New Jersey, Mrs. ROUKEMA, that would try to reform the health care system to provide coverage, insurance coverage, for those people who lose their jobs or have to change jobs, and also those Americans who suffer from preexisting medical conditions, who are unable to get health insurance now because of restrictions in the private health insurance market.

I just wanted to say very briefly, before I went into a few details about why it is necessary to keep up this battle against cuts in Medicare and Medicaid, to say very briefly that on the issue of Medicare, the Republican plans have basically been to eliminate provider choice to seniors, to allow doctors to overcharge seniors, to force seniors to pay more out of pocket and to get less under Medicare, and basically to cut Medicare and Medicare programs for seniors in order to use the money for tax breaks primarily for wealthy Americans.

On the issue of Medicaid, most of the Republican plans have been to eliminate benefit guarantees to seniors for the disabled children and also many other American families, and to allow States to cut an additional \$178 billion on top of the congressional Republican cut of \$72 billion.

I wanted to start out this evening, though, by talking about the Kennedy-Kassebaum bill and the effort to provide health insurance reform this year that has basically been spearheaded here in the House of Representatives not only by Democrats, but also some Republicans who feel that modest health insurance reform is the way to go in this Congress, before we adjourn.

The President, President Clinton, pledged his support for the bipartisan Kennedy-Kassebaum bill in his State of the Union address earlier this year, and congressional Democrats have tried to work with moderate Republicans to get the bill on its way to the President's desk. The Senate passed the Kennedy-Kassebaum bill 100 to 0, unanimously. But what is holding up this bipartisan health insurance reform bill is the Republican leadership's insistence here in the House on adding medical savings accounts, a special perk for the healthy and wealthy, that lets them opt out of traditional health plans and drives up costs for everyone else who remains in traditional health plans.

The Senate voted not to include the medical savings account perk in their version of the bill, but House Republicans and right-wing Senate Republicans still demand that it be included in the final version sent to the President. I am asked over and over again, why is that the Speaker, Speaker GINGRICH, and his Republican colleagues in the leadership, are so determined to include MSA's or medical savings accounts in an otherwise bipartisan bill.

The reason, I believe, is because of the \$1.2 million in political contributions to the GOP over the past year, I should say over the past 5 years, that have come from J. Patrick Rooney and other executives of the of the Golden Rule Insurance Co. which will reap massive profits if the Republican medical savings accounts plan becomes law.

A few weeks ago the Consumers Union, which is a group that puts out reports from time to time on health care issues, issued a report, actually on June 26 of this year, that is entitled "Medical Savings Accounts: A Growing Threat to Consumers' Health Care Security." I am not going to get into all the details of this Consumers Union report here this afternoon, but I just wanted to touch on the executive summary which begins the report and explains why MSA's or medical savings accounts are harmful to most consumers.

It says in the executive summary of this Consumers Union report that the medical savings accounts would basically not only be a roadblock to congressional enactment of modest health insurance reform that addresses the issue of portability when people change jobs or when they have a preexisting medical condition, but basically would devastate consumers in the health care system.

So here we have a situation where we are moving or we are trying to move, those of us who support this Kennedy-Kassebaum bill, in a way that would include more people who now do not have health insurance. We know that many Americans have no health insurance, and we are trying to get more of them coverage. So we are saying if you lose a job or you transfer a job or you have a preexisting medical condition, we want you to be able to get health insurance.

But MSA's or the inclusion of MSA's in this bill would do just the opposite. It would drive up the costs of health insurance and make it more difficult for more Americans to get insured because of the increased costs that health insurance would have.

A key conclusion of this Consumers Union report says, and there are three; one, that the proposed MSA's will mean severe financial hardships for families that use MSA's because they are devoid of essential consumer protections. Families with average income would have to pay 9 percent to 23 percent of annual income for health care before MSA coverage kicks in. Now, understand that when you talk about MSA's, it is a high deductible policy. It basically says when you have a catastrophic problem, that your health care needs would be taken care of. But if you have anything less than that, your ordinary daily medical needs, then you have to pay out of pocket. The Consumers Union report says, second, that millions of consumers will find that the health insurance that they want the most, the traditional low-deductible comprehensive coverage, is no longer available to them, and third, that MSA's are likely to increase the already large number of uninsured and underinsured Americans, making it even harder for Congress to make health care affordable and accessible. I wanted to cite 10 ways that the Consumers Union mentions why MSA's harm consumers. They list them as follows.

First, MSA's expose individuals to paying the first \$5,000 for health care each year before insurance coverage kicks in. This is the high deductible. For families it is \$7,500.

Second, MSA's allow insurance companies to charge consumers 30 percent on all covered expenses after the deductible is met. So even after you go beyond the deductible you are talking about a 30 percent out-of-pocket cost.

Third, MSA's allow insurance companies to include low lifetime limits in their policies, leaving families unprotected against the cost of catastrophic illness.

Fourth, MSA's do not provide a cap on out-of-pocket costs.

Fifth, MSA's would lead to drastic premium increases for traditional comprehensive policies, ultimately promoting the elimination of these policies in some markets.

What you are doing here, if you are healthy or you are wealthy, you buy this high deductible MSA, but because the healthy and wealthy people are now taken out of the insurance pool, the costs for those who are left in the insurance pool goes up, premiums go up, and a lot of people simply cannot afford traditional health insurance anymore.

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The sixth point that Consumer Union makes is that MSA's leave benefit design up to insurance companies, allow-

ing policies that exclude preventive care and conditions such as pregnancy.

Seventh, MSA's do not require insurance companies to accept all individuals who apply for coverage or to charge them a fair price.

Eighth, MSA's do not require employers to contribute to the high deductible insurance policy or the employee's MSA. In other words, contributions from your employer are voluntary.

Ninth, MSA's do not require employers who offer them to also offer employees a choice of a traditional low deductible comprehensive health insurance plan, your traditional health insurance plan; and, lastly, tenth, MSA's do not require employers to continue to spend the same amount on health care coverage that they do today.

Essentially the conclusion in brief that the Consumer Union report makes is that Congress should keep MSA's out of health insurance reform legislation. I could not have said it better. If we are going to see comprehensive health insurance reform passed this year in the House, in the Senate, and be signed by the President that addresses the issues of portability and makes it possible for people with preexisting conditions to get health insurance that they need, MSA's cannot be included. I have to hope that between the House and the Senate over the next few weeks or the next few months before we adjourn that an effort is made on a bipartisan basis to simply move the original Kennedy-Kassebaum bill without MSA's. Otherwise there will be no health insurance reform passed in Congress and signed into law this year, which I think would be a tragedy for so many millions of Americans who need health insurance and cannot get it now because of the restrictions that exist under existing law.

I wanted to spend a little time on the Medicare issue and also a little bit on the Medicaid issue, because Medicare and Medicaid are so important not only to senior citizens, not only to low-income people but also hospitals because so many of our hospitals and our health care institutions are heavily Medicare and Medicaid dependent and if we make the kind of drastic cuts in Medicare and Medicaid that the Republican leadership has been proposing for the last 18 months, our hospitals and our health care institutions in general will suffer, many of them will actually close, because they will not have sufficient funds to continue to operate.

Medicare right now provides quality health care benefits for over 32 million senior citizens. But again the Republican leadership wants to transform Medicare into a program of substandard care.

The Republican leadership says that Medicare is in crisis. We hear that time and time again on the floor of this House. They say that that is because it is running a deficit. But I would argue that minor adjustments, not a major overhaul, could insure Medicare solvency.

When Democrats were in the majority we made sure that Medicare was being adequately funded. In 1982 the Medicare trustees predicted that the Medicare trust fund would run out of money by 1986, but obviously that did not happen. Democrats protected Medicare and maintained a level of quality care for senior citizens into the 1990's. Now that the Republicans are in the majority, they are scaring senior citizens by saying that Medicare is again going to go bankrupt in the early part of the next decade and using words like "reform" to disguise their efforts to destroy the Medicare Program.

If you listen to Speaker NEWT GINGRICH, I would maintain that his real motives lie in a speech he gave during last year's Medicare debate where the Speaker said he wanted to see Medicare wither on the vine. That is a sign. I would say, of the misguided Republican leadership that Medicare would be led to wither on the vine.

So many of those who are now in the leadership, Speaker GINGRICH, Mr. Dole, now the Republican Presidential candidate in particular, did not support Medicare when it was first voted on the floor here of the House of Representatives 30 some odd years ago.

I think it is a sign of the misguided Republican leadership that Medicare has run its first ever deficit in its 31 years as a health care program for senior citizens now when the Republicans are in control of Congress.

The Republican budget that was passed just a few weeks ago, or perhaps a month ago now, calls for over \$168 billion in cuts, reductions or whatever you want to call them, in the Medicare Program. I do not want to get into this debate on whether it is a real cut or a cut in the growth of the program, but in any case it is a \$168 billion cut. Basically the Republican leadership is proposing to take money out of the Medicare Program in order to pay for tax breaks for wealthy Americans. Although the amount of money being taken from Medicare is significant, I do not want to downplay that, the devil is really in the details because the Republican leadership is proposing a major overhaul of Medicare to make it less efficient and more costly for seniors.

As much as we decry as Democrats the cuts in Medicare, more significant is what the Republicans are trying to do to restructure the Medicare Program. Basically their proposal calls for co-opting senior citizens into managed care. I do not have a problem with managed care per se, but I do not believe in Speaker GINGRICH's attempts to force seniors into managed care and somehow say that that is giving senior citizens more choices.

The only choice that the Republican leadership is giving to seniors under their Medicare plan is the choice to receive substandard health care. Where Medicare historically offered patients their own choice of doctors, protected against high out-of-pocket costs and

offered a guaranteed level of coverage, the Republican leadership proposal would essentially take that all away.

In addition, and this goes back to what I was saying before, the Republicans are proposing to incorporate the medical savings accounts, what we discussed before in the context of health care reform, they want to incorporate the MSA's also into the Medicare overhaul.

Last year the nonpartisan Congressional Budget Office stated that these tax breaks, the MSA tax breaks, would actually cost Medicare several billion dollars. Again an effort to restructure Medicare and, I would maintain, overhaul it in a way that has a very negative impact on America's senior citizens.

I would urge really that senior citizens again take notice of what is happening here and what is being proposed by the Republicans and call on Congress to protect Medicare from any further raids by Speaker GINGRICH and the Republican leadership.

Lastly this afternoon I want to talk a little bit about Medicaid. Medicaid many people think of as the program for poor people. But it also pays about 50 percent of all nursing home care for senior citizens. The Republican budget makes extreme cuts, \$72 billion over 6 years, to the Medicaid program and allows States to cut an additional \$178 billion for a grand total of \$250 billion in Medicaid cuts. These Medicaid cuts are over and above the Medicare cuts I discussed before.

Without Medicaid, many middle-class adult children of nursing home parents will have to pay for their parents' expensive care while trying to send their own children through college. So keep in mind, and I say that to those Americans who would have parents or grandparents that are in nursing homes, if you have to end up paying for a lot of their care, that means less money out of your pocket that you might not have available to pay for your own children, your own children's education or other programs.

Recently the Commerce Committee voted on the Medicaid Repeal Act, the Republican Medicaid proposal. I am a member of the Committee on Commerce and I fought very hard against this bill when it came to our committee. The Republican Medicaid Repeal Act will eliminate all current guarantees of health care coverage and eliminate current guarantees of nursing home benefits to the elderly.

I offered an amendment during the markup in the Committee on Commerce that would return these guarantees in this terrible legislation, but it was rejected by every Republican on the committee. Other Democrats offered similar amendments to continue health care coverage for the disabled, for children, for pregnant women. Again, all of these were defeated by the Republican members of the committee. On top of all this, the GOP Medical Repeal Act will sharply reduce payments to hospitals for care.

I said before, I do not think a lot of people realize how dependent many of America's hospitals and health care institutions are on Medicare and Medicaid. In New Jersey, my State, a lot of hospitals have the majority of their income from those two Federal and State programs. What I am concerned about is with these steep cuts that are being proposed in both programs, a lot of hospitals in New Jersey and throughout the country will simply have to close their doors. I think at a time when Congress should be seeking ways to decrease the number of uninsured and underinsured, the Republican leadership's answers will make these problems worse. What we are talking about here is an effort to try to provide quality health care for seniors and for all Americans.

The bottom line is that more and more Americans today, and you can make a comparison with last year, 2 years ago, 5 years, 10 years ago, every year more and more Americans and the percentage of Americans are uninsured and have no health insurance. If we make these drastic changes in Medicare and Medicaid, if we do not do what is necessary to reform health care insurance along the lines of what Senators KASSEBAUM and KENNEDY have proposed, then we are going to see more and more Americans be uninsured and not have health care. The consequences to our society are severe not only today but certainly tomorrow.

The irony really, too, of the Republican budget which was passed in this House not too long ago is that in addition to making these cuts in Medicare and Medicaid, it also increases the deficit. In the past Democrats were able to decrease the deficit and still preserve Medicare and Medicaid. I think that this is just a strong indication of the misplaced priorities and values of the Republican leadership, if they find it necessary to cut Medicare and Medicaid and in the same context are actually increasing the deficit.

I remain committed to fighting these Republican efforts that would raise the deficit while slashing Medicare and Medicaid, and I know that myself and many of my Democratic colleagues will continue to speak out over the next few weeks and the next few months until this session ends to remind American seniors that we cannot make these drastic changes in the Medicare and the Medicaid program and that we need to pass health insurance reform now and certainly before the end of this session of Congress.

CLINTON ATTACKS ON REPUBLICAN BUDGET NOT BASED ON TRUTH OR REALITY

The SPEAKER pro tempore (Mr. SHAW). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized for 60 minutes as the designee of the majority leader.

Mr. STEARNS. Mr. Speaker, I came to the well of the floor to talk a little

bit about Medicare because I have had town meetings back in my district, and time and time again I hear from both my colleagues who have talked to the Democrats, perhaps in Florida, about the cuts in Medicare. I want to again present some information about this erroneous claim.

I know the President is continuing to run advertising claiming Republicans are cutting Medicare, which is not true. So I thought I would again just take a moment and talk about President Clinton, the budget cuts, and sort of defend what we are doing and put it in perspective.

The President has claimed that with his rhetoric about Medicare, he is saying, "When I talk about Medicare, there's no difference about what I say about Medicare than when the Republicans talk about defense." The reality, however, is that since 1987 there has been a steady decline in defense spending. In fact, it is at the lowest percent of our gross national product ever. This parallel between defense spending and Medicare is not quite there. I will go into that a little further along.

Recently, in response to a question from CNN's Wolf Blitzer, President Clinton admitted in fact that Republicans are not cutting Medicare. He is right about that because spending on this program will increase at almost 7 percent a year. So the spending not only is going up, but it is going up above inflation at roughly 7 percent a year.

How could spending which increases from \$5,200 a year in 1996 to \$7,200 a year for each beneficiary in the Medicare program in 2002 ever be called a cut? We always hear the expression, only in Washington is that considered a cut.

I think what has to be said to the people of this country who are in the Medicare program, We have increased it 7 percent a year to 2002. We think this is enough. We think if you allow us to continue this increased spending at 7 percent and allow some choices, we can prevent this program from going bankrupt.

Perhaps more than any other issue, President Clinton has hammered away at this Medicare issue by falsely accusing the GOP of, quote, cutting Medicare, when again it is going up at 7 percent a year to 2002.

When the President was trying to sell his health care package to the American people, his message was quite different. I would like to read exactly what he said when he was proposing in 1993 a new health care plan. He said:

Today, Medicaid and Medicare are going up at 3 times the rate of inflation. We propose to let it go up at 2 times the rate of inflation. That is not a Medicare or Medicaid cut. We are going to have increases in Medicare and Medicaid, but a reduction in the rate of growth.

So, frankly, there is the President of the United States saying exactly what we have heard Republicans say, yet the President is participating in this distortion of what is happening to Medicare.

□ 1545

Those who are quick to criticize or condemn what we are trying to do to save Medicare and Medicaid should exercise a little caution. It is wrong to scare our senior citizens this way. No one has proposed cutting any benefits. This will not happen. In fact, as the budget goes along, we are increasing it 7 percent a year.

Now, let us talk about the First Lady. During the debate on the ill-fated Clinton health care bill, this is what she said. "We feel, confident that we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients."

For the past year, the administration officials have been singing a different tune, it appears. So both the President in 1993, and the First Lady in 1993, when they talked about their health care bill, they talked about we feel confident, "That we can reduce the rate of increase in Medicare without undermining quality by slowing the growth."

In fact, let us even look at one of their Cabinet officials, Secretary Shalala. What did she say about this? She said, "Our argument is that if you are slowing down growth here and that is below what is happening in terms of cost out there, it is a real cut." So when the President proposed slowing down the rate of growth in Medicare and Medicaid, it was not a cut, but now that our budget contains something similar, very similar, they say it is a cut. As I stated earlier, only in Washington could an increase of 7 percent a year be called a cut, a cut be called an increase.

Defense spending is misconstrued by the President. I heard the President say, well, you know the Republicans are slowing the growth of spending on defense and that argument is applicable to Medicare. But we really have reduced spending in defense. President Clinton describes defense spending as a slowdown in spending growth cuts. The reality is that since 1987, defense spending has not kept pace even with inflation, whereas the program that we have here with Medicare, what the Republicans proposed and passed on the House floor, is 7 percent, twice inflation.

I want to be sure that we all understand the President's position on Medicare and defense spending. Medicare will grow again at twice the rate of inflation, yet the President says that is a cut. Defense spending was 2 percent of the budget in 1987. Mr. Clinton has put it at 15 percent in his 1997 budget. Even though defense spending has sustained sharp decreases in spending since 1987, this is categorized as an increase by the administration; that is, the Republicans are increasing spending in defense when, in fact, if you look at 1987 compared to 1997, there have been sharp decreases.

How can anyone possibly who knows these facts want to believe what the President says? This is one time that

old saying "actions speak louder than words" could be applied.

On another issue, let us take a look at what President Clinton said during the 1992 Presidential campaign about welfare. One of his major campaign themes was, I want to change welfare as we know it today. Most recently in a radio address, he has said, quote, Wisconsin has submitted to me for approval the outlines of a sweeping welfare reform plan, one of the boldest yet attempted in America. All in all, Wisconsin has the makings of a solid, bold welfare plan. We should get it done. Those are his exact words. Well, what did President Clinton do? Well, he did veto two of the welfare bills that we submitted to him.

Why do we not take a look at the President's position on the need for a balanced budget? In his State of the Union Message in 1993, he made the following statement:

My budget plan will use independent budget office numbers, CBO. I did this so that no one could say I was estimating my way out of this difficulty. I did this so the American people will think we are shooting straight with them.

Well, what did he do? Well, after many other broken promises and with no proposal of his own, he vetoed the balanced budget that we presented to him in 1992. The President, while on the "Larry King Show," stated emphatically, I will balance the budget in 5 years. As we remember all too well, he could not decide whether to balance the budget in 5 years, 7 years, 10 years or somewhere in between. He also refused to negotiate with us for a 7-year balanced budget using real numbers scored by CBO. He finally agreed after many, many months of negotiations.

Previously during his State of the Union, he said that this budget that we offered was acceptable. Well, what did he do during the budget negotiations in the latter part of 1995? He said CBO numbers are unacceptable to us because it commits us to accepting Republican cuts. Let me read that again: CBO numbers are unacceptable to us because it commits us to accepting Republican cuts. First of all, the President said he wanted to abide by CBO numbers and, second, they are not Republican cuts that he talked about. It is increasing at 7 percent a year.

Now, when President Reagan took command of the White House, he kept his word and delivered on his promise to cut taxes. He believed, just as President Kennedy did, that tax cuts would stimulate the economy. It worked in the early 1960's, and he believed it was just what the economy needed. President Kennedy felt that way. In the 1980's, the American economy boomed. While President Reagan kept his side of the agreement, the Democrat Congress doubled spending during the same period. Ironically, President Reagan was constantly being accused by his critics of cutting the budget.

The President campaigned, President Clinton campaigned, for the Presidency

saying that he would give the middle class some much needed relief by lowering their taxes. Well, what did he do? He gave Americans the largest tax increase in the country's history, \$245 billion to be exact. Some of my colleagues and the people who are watching perhaps can remember that quiz show from the early 1960's which was hosted by Johnny Carson. The show was called "Who Do You Trust?" My colleagues, I bring this to your attention because we have heard during the early start of this campaign the cry that Republicans are cutting Medicare. This is far from the truth. We have heard the President say that we have defense spending going up when, in fact, it is decreasing as a percent of the gross national product.

We have heard the President say he wanted to balance the budget in 5, 7, and 10, and then finally came reluctantly to agree with our 7-year balanced budget. He talked about welfare, making it workfare, but he vetoed two welfare bills. He talks about a middle-class tax cut during his campaign, yet he has not provided the same. In fact, after he was elected, he gave us the largest tax increase in American history.

So Mr. Speaker, the 1996 Presidential race might be based on the same question that Johnny Carson issued when he hosted his show, a quiz show in the early 1960's. The show of course was called "Who Do You Trust?" Whom do you trust to lead this country for the next 4 years? I think it is clear that our candidate, Senator Dole, could be trusted and, based upon the information I have given to you today, I ask all the Members, who do you trust?

AMERICANS SUPPORT TERM LIMITS

The SPEAKER pro tempore (Mr. SHAW). Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, during the last campaign, many of us campaigned on the whole issue of term limits, and it is something that a lot of the American people have asked for. In fact, all the polling information demonstrates that between three-fourths and 85 percent of the American people support some form of term limits.

Earlier in this Congress, we had a vote for the first time in the history of this Congress, I think, we had a vote on term limits. Unfortunately, we were unable to get the two-thirds majority necessary to pass that by.

We went back to some of our offices, I went back to my office and talked to some of the people on my staff and said: What could we do in terms of if we can't get a term limits bill passed this year, what possibly can we do to take some of the fun out of it?

We also had heard a lot in our campaigns and we hear at our town meetings. I, for example, have had 75 town

meetings in my district, and another issue that comes up frequently is the whole issue of pension reform. We read about some of our retiring colleagues or some of the former colleagues that have retired from this body, and we hear about six-figure pensions which they will receive for the rest of their lives, adjusted for inflation, and, frankly, I think that is an outrage that a lot of the American people feel.

So we came up with a relatively simple bill, it is H.R. 1618, which would change the way that pensions for Members of Congress are accrued. That bill now has, I think, 57 different cosponsors. I am going to be going up to a meeting in the Committee on Rules in just a few minutes to see if perhaps we cannot get a modified version of that adopted or at least made in order for adoption onto the legislative appropriation bill.

But I want to talk a little bit tonight about legislative or congressional pensions and what has happened over the last number of years, because I think some of our Members do not quite understand that the whole history of congressional pensions is really not that old of a history. In fact, until January 1942, there was no pension for any Member of Congress. As a matter of fact, in January 1942, the Congress for the first time passed pensions for Congress into law, but it was repealed 2 months later. It was repealed because of the public outcry.

Again in 1946, the Congress came back and instituted a pension for Members of Congress, and I would like to read for the benefit of Members what they said in the preamble to that bill. They said that, and I quote, "It would contribute to the independence of thought and action. It would be an inducement for retirement of those of retiring age or with other infirmities, and it would bring into the legislative service a larger number of younger Members with fresh energy and new viewpoints concerning the economic, social and political problems of the Nation."

That was in 1946. Frankly, what we see today is an awful lot of Members who are staying long beyond their years and, frankly, we should encourage early retirement.

So my bill is relatively simple. It says that if Members stay longer than 12 years, they cannot continue to accrue additional pension benefits. We would limit pension accrual for Members of Congress to only 12 years.

Consider some of the annual pensions that some of our colleagues who have retired already are currently receiving, and I want to be bipartisan about this: Former Speaker of the House Tom Foley is currently getting a pension from the taxpayers of \$123,804; Dan Rostenkowski, who will soon become a constituent of mine in Rochester, MN, will be receiving a pension of \$96,462.

But I want to be bipartisan. Former Minority Leader Bob Michel will be receiving a pension of \$110,538, and that will be adjusted each year for inflation.

As a percentage of their last years' salaries, Mr. Foley will be getting 72 percent of his last year's salary, Mr. Rostenkowski, 73 percent, and Mr. Michel, 74 percent.

Now, according to Money magazine, the average private-sector employee gets a retirement of about 27 percent of their last year's income.

The National Taxpayers' Union calculates that the lifetime benefits for these retiring Members, for example, two of our Members who are retiring this year, one a congresswoman from Colorado, her lifetime benefit, if you accrue this over the lifetime of what she is assumed to receive, will be \$1,182,573. Another of our colleagues, a gentleman from Massachusetts who is retiring this year, the total cost of his accrued benefits amount to \$3,461,869.

Under the bill that we are introducing, H.R. 1618, and that we have introduced and the bill that we would hope to get offered as an amendment to the legislative appropriation bill, the maximum amount that a new Member of Congress, beginning with the 105th Congress, could receive at today's salary would be \$27,254. Now, compared to people in the private sector, that is still a generous benefit, Mr. Speaker. On the other hand, compared to what former Members and current Members of Congress are receiving, that certainly is a step in the right direction.

So if we cannot have term limits, I believe that we ought to take some of the fun out of staying here for long periods of time and go back to what the Congress said in 1946 when they introduced the whole notion of pensions for Members of Congress. There is tremendous public support for this basic idea. We have had national polling done by the Luntz Research Cos., and they concluded that 78 percent consider this a good idea or a top priority. Two-thirds would be more likely to reelect a Member who voted for this pension reform.

Mr. Speaker, I would like to perhaps take this issue up again tomorrow.

SAFEGUARD THE PROTECTIONS OF INTELLECTUAL PROPERTY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. FORBES] is recognized for the balance of the pending hour as the designee of the majority leader.

□ 1600

Mr. FORBES. Mr. Speaker, I take the floor this afternoon to speak of an issue of grave importance to all of us as Americans. If you like the North American Free Trade Act [NAFTA] and you like the General Agreement of Tariffs and Trades [GATT] you are going to love the upcoming reforms to one of the most important tenets of American ingenuity, the protection of intellectual property, our ability as a nation to protect our ideas, our inventions.

Ladies and gentlemen, this issue is of paramount importance. I rise to alert

millions of my fellow Americans about the importance of this Nation's patent system. It was so important that our Founding Fathers saw fit to include the protections of intellectual property in the U.S. Constitution.

The greatness of America has been defined largely by American ingenuity, by people like Henry Ford, Eli Whitney, the host of inventors who have made America number one in the world. Our dominance throughout the 20th century has largely been because American ideas have been protected from foreign intrusion. American inventors, who schemed at their kitchen tables or out back in their garage and came up with a new invention, those ideas were protected by patent law.

Mr. Speaker, I rise this evening because we are about to give away American ingenuity. This administration, in its move to provide for a one-world global economy, is about to forsake the uniqueness that is American ideas. The uniqueness that is American ideas. Our patent system is about to be changed if Americans do not come to the defense of the existing patent system that protects American ideas. We call it the Moorhead-Schroeder Steal American Ingenuity Act.

Mr. Speaker, this is not one of those glamorous subjects that so enthralls the public that they sit captivated on every word. But like the American Revolution, like the Civil War, like the movement from an agrarian society into an industrial society, if we do not step forward and protect our right as Americans to have new ideas, to invent the kinds of products and services that have made America unique, we will move into the 21st century a lesser nation, as Japan and China and every other industrial world moves to steal American ideas.

Specifically, what am I talking about? Mr. Speaker, for over 100 years that young individual who was out back in the garage working on that new idea, and once that idea took root, would send in all of the schematics and all of the parts of that idea that made it unique to that person and file it in Washington with the U.S. Patent Office. The U.S. Patent Office would then have one of its examiners review that patent, that unique idea, that notion that was just so individual to that individual and their ability to invent a new product that nobody else had come up with that idea.

Well, as the examiner looks to that invention and the uniqueness of that intellectual property of that American citizen, the presumption has always been that it is owned by that American individual who was out back in the garage coming up with a new product.

As they reviewed the uniqueness of this American idea, prior to giving the patent, it was protected. No foreign nation could sneak in and grab that idea and copy that idea. No multinational corporation with a legal department of 100 lawyers could sneak in there and grab that idea, certainly not with the

complicity of the United States. That small individual's idea, that individual's idea that was a small idea to start with was unique and protected.

Now, in this global economy, this administration's move to make it a one-world relationship, we are about to hand off the uniqueness of the American patent system so that we can lower the standards of American ingenuity so that other nations will have benefit of the unique ideas that are so American.

Imagine if Henry Ford, in inventing the model A, had taken those ideas and sent them off to Washington, DC to the Patent Office, thinking that it was a unique idea of his, that he had this great idea for a motor car, a horseless motor car. But imagine if Henry Ford were doing that under the new Clinton administration policy that they so want to push, where in 18 months, before the patent had even been issued, all of those notions about Henry Ford's new model A would be in the public domain.

Here is poor Henry Ford, long before he had become famous. He did not have the capability to hire a battery of lawyers to protect himself or his idea that was uniquely his. He did not have that protection. But along came that multinational corporation, with their legal staff of 100 lawyers and there was Henry Ford's model A, 18 months out, published, for all the world to see, to copy.

No longer was Henry Ford's model A uniquely American. No, now they are going to produce them in Japan and in China and all over the world, where governments finance efforts to steal American technology. Governments step in and finance it in other parts of the world.

So here we are, something so uniquely American, where the presumption has always been that if Henry Ford had come up with the idea for a model A that was uniquely Henry Ford's idea, it was to be protected and it said so in the U.S. Constitution. But now we have the Commissioner of the United States Patent and Trade Office, who in negotiations said, you know what, we have to lower American standards so that we are fairer to the Japanese, so that we are fairer to the Chinese, so that we are fairer to all the other nations of the world; and no longer will Henry Ford's model A be unique to Henry Ford because here is poor Henry Ford, he is not a big corporation yet, he is just a private guy working in his garage.

He had a great idea, but along comes that battery of lawyers from another nation. In the past, under the patent system, the idea was always presumed to be Henry Ford's. No foreign government could steal it, no multinational corporation could steal it. It belonged to Henry Ford. It was his intellectual property, protected under the U.S. Constitution.

Well, as I said, the Commissioner of the U.S. Patent Office is moving this

Nation into a new era. And it is a troubling era that I quite honestly believe, if it is allowed to stand, if the proposed legislation that will be coming to this floor in the next several weeks, the Moorhead-Schroeder Steal American Technology Act, if that is allowed to come to this floor and it is approved by this body, and approved by the other and signed into law, watch American ingenuity take a back seat, because it will no longer be protected.

The genius that has so defined this country in the last 100 years, that has been so uniquely American, will now be subject to invasion from abroad. No longer will that individual who came up with that great idea, once the Patent Office approved that person's application, no longer would there be a 17-year protection, because in 18 months, whether the patent has been approved or not, it will be published in the public domain for all to see, for all to copy, and we will be putting American ingenuity in jeopardy, as multinational corporations, as foreign governments are able to step forward and rob, and rob, Americans of their ideas.

Mr. Speaker, we have been discussing here the challenges that American ingenuity is facing: In 1868 the air brake, an American idea; 1911, air-conditioning; 1911, the self-starter automobile; 1972, the pocket calculator; 1925, the circuit breaker; 1852, the electronic brake, and we could go on and on and on about ideas that came about because a bright, forward thinking American sat down at their kitchen table and put their talent to work and came up with some creative ideas to make life easier in America, and those ideas were sold abroad.

A patent is an official document, Mr. Speaker, and it confers a right of privilege, ownership. It protects by a trademark or by a trade name so as to establish proprietary rights, private property. Someone's ideas belong to that someone. American ideas belong to Americans. The importance lies not in its definition but in the right we are protecting.

It is someone's right to own their idea, their invention or their innovation. When we think in terms of ownership, we tend to visualize land or some kind of durable good defined as property rights. Mr. Speaker, someone's idea, their invention, their innovation is also property. It belongs to them. It is their intellectual property. Perhaps it is our greatest property because the ideas of men and women are limitless. Limitless. They are our past, they are our present and they are, more importantly, our future.

The right to intellectual property was recognized, as I have said earlier, by the Founding Fathers and they made sure, specifically outlined in the U.S. Constitution, that the inventors are the only class of people, the only class of people who enjoy protection in the Constitution. In article I, section 8, clause 8 it reads as follows:

To promote the Progress of Science and useful Arts, by securing for limited Times to

Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

This is their intellectual property, Mr. Speaker. This is American ideas, American ingenuity. In the middle of the last century Americans were given a guaranteed patent term of 17 years. Since that time the United States has risen to become the leader in patents throughout the world.

Invention is one of the things that America does best, and we have plenty of those examples just in the last several decades alone. By offering the strongest patent protection in the world, the United States has stimulated more creativity and new industries than anywhere else, and an annual \$30 billion intellectual property surplus now exists. That is right, the United States is the leader in intellectual property.

For my colleagues that do not follow patent issues closely, and believe me, at first blush it seems rather dry, the importance of that statistic, however, cannot be lost.

□ 1615

Let me explain. We in the United States have more fundamental patents than any other country in the world. Fundamental patents are those patents most often cited in works worldwide.

In 1991, the United States had over 100,000 fundamental patents, basic patents. The 14 other industrialized countries combined barely matched that 100,000. Fundamental patents are used in measuring a nation's prosperity, because it is those patents that will continue to bring in income and those patents that will continue to generate new jobs for a nation.

This is no secret to the world. Foreign interests know that the United States has and will continue to have cutting-edge technology that adds to our Nation's economic power. They desperately want a piece of that action. They want our property for their prosperity.

Japan, for instance, acquired much of its base of technology, much of it American, perfectly legally through licensing, careful study of scientific papers and patents. But when the United States was not willing to share, some Japanese companies simply copied with little regard for our American patents and other intellectual property rights. IBM versus Fujitsu. Honeywell versus Minolta. Corning Glass versus Sumitomo Electric. These are just the latest complaints that Japan has stolen American technology.

I would be remiss if I did not talk about something that is even closer to home for this Member from New York State, privileged to represent Long Island in this House of Representatives.

About 25 years ago or so there was a university professor who came up with a technology. We know it commonly today as the MRI. Dr. Raymond Demadian, a man of very modest means who was a teacher, an educator, came up with this technology, and

working with his graduate students he perfected the technology called the MRI.

Because of commercial espionage, that MRI technology ended up in other hands. Dr. Demadian, for well over two decades, has been involved in a legal struggle to protect the rights of his own idea, the MRI. But he is a man, as I said, of modest means. He does not have the legal departments that multinational corporations had that went in there and stole his idea. He does not have the support of a whole government apparatus that foreign nations offered some of their own people when stealing the MRI technology.

So today, in what would be admittedly a several billion dollar industry, American exports have been stolen, and Dr. Demadian struggles to protect this intellectual property rights. It is a tragedy. It is a tragedy that this man who, like Henry Ford or Eli Whitney or so many of the other great Americans who sat down with a good idea and put it together, but because they did not have deep pockets to fund aggressive legal actions, because they were individuals of very modest means, some would say poor individuals, they were susceptible to the invasion by outsiders, multinational corporations that saw the promise of that American idea for their own companies, for their own nations, and they went in and they stole it.

What is going to happen with the Moorhead-Schroeder "Steal American Technology Act" is that no longer are we going to be able to protect American ideas. No longer.

If this legislation is allowed to become law, we are going to take American leadership in the world on the level of greatness, technological innovation, new and unique ideas, and we are going to hand it off to foreign nations that will fund the kind of espionage, the kind of stealing of American ideas that has been going on. We will be complicit in making it even easier for them to come in here and, after 18 months of an application being on file, we will publish for the whole world to see the wonderful ideas of Americans of modest means who came up with a good idea.

Within 20 years of having filed that application, even if it took 10 years of exhaustive examination on some of the more difficult patents, if it takes 10 years to examine that patent application and finally give that patent out, that inventor will only have 10 years of protection before the whole world can come in and steal American ideas.

In the war for global economic dominance the fiercest battles today are over intellectual property. Where nations once fought for control of trade routes and raw materials, they now fight for exclusive rights to ideas, innovations, and inventions. Economic power is what it is all about in today's world.

We are worried about the creation of jobs, about growing the American eco-

nomie, about providing for a stable work environment, and about ingenuity and growing this Nation into the future. If we do not protect the sanctity of American ideas, of the ability of unknown individuals of modest means to go out in their garage or down in their basement and put together a unique concept that they can market, if we do not provide that kind of protection to American citizens, we will be moving into the 21st century and the United States will lose its place as the greatest Nation on the face of the Earth because we will have handed off the technology that is uniquely American, that has made us the leader in the world for over a century. We will be handing off this kind of technology to Third World nations that fund the kind of commercial espionage that Dr. Demadian and his Fonar company were subjected to when they invented the MRI. We will be handing that off for others.

Let us talk a minute about small business and those who create opportunity for America. They are the inventors. They are the small business people, the entrepreneurs who leave that salaried job and they say, "You know what, I've got a great idea, and I'm going to invent something," and they go out and put it together.

They have to find something somebody who is going to market it for them and somebody who is going to produce it for them, and they need time. But time will not be with them if the Moorhead-Schroeder steal-American-technology legislation is allowed to become law, because that time will not be available to that inventor. No, it will not, Mr. Speaker, because in 18 months it will be published for the whole international community to look at, to copy, to steal.

I might add, Mr. Speaker, and there is so much we could say about this unfortunate move to water down American ingenuity and American technology, and it is troubling, but let me just say this:

In addition to forcing publication for all the world to see, we are also going to weaken the protections, because under the current system, if Henry Ford gets that patent, his idea is protected. The only basis on which anybody could go back in and reexamine the issuance of that patent, find out if Henry Ford was really entitled to it, is if it comes about published in some kind of periodical somewhere that somebody else had the idea before he did. It has to be some kind of empirical evidence that was published and that idea predated Henry Ford. That is the only way you could go in there, under the current system and reexamine that patent. So the onus is on others to prove that that was not there, that that patent, that good idea, did not exist in the marketplace before.

Under the changes of the Moorhead-Schroeder "Steal American Technology Act," the lawyers are going to have a field day because no longer will

the presumption be that the one who came up with the good idea, the Henry Ford of today, no longer will the presumption be that is his property; that is her property; that the American ingenuity that brought about that idea is protected. No longer. The onus now will be on the inventor to prove in all kinds of courts of law that they in fact have a right to that idea.

So when the multinationals step in and they say, "Oh, no, we are working on that back in our laboratory, and we have got a team of 100 lawyers here who will prove to you that Henry Ford did not invent the Model A. No, no, no, we were doing it out back. We just did not tell anybody,".

Henry Ford, with no money, no big corporation, just a little inventor back in his garage, he is going to have to fight the legal department of XYZ multinational corporation. Or he is going to have to fight the Japanese Government or the Chinese or whomever else has been able, within that very short time frame, within the 18 months when we publish it for all the world to see, the inventor is going to have to prove that it really was his or her idea.

Now, I ask you, Mr. Speaker, does that not put American ingenuity into jeopardy? I suggest it does, and I suggest it will be a full employment act for the legal community like we have never seen.

One other aspect of the Schroeder-Moorhead "Steal American Technology Act" that is most troubling is the notion of privatizing the Patent Office. No longer will the patent examiners have civil service protections so that they are insulated from the influences of corporate America, multinational corporations, the pressures of lawyers. No longer.

We are going to privatize the Patent Office, privatize it, if ever there was a wrong-headed way to go about protecting American ingenuity. We should not be privatizing the Patent Office. We should not be taking dedicated public servants and making them subject to the marketplace and the pressures of the marketplace.

Mr. Speaker, this is a matter of troubling consequences for all of us. I understand that the subject is not the most glamorous. It is rather dry.

But if we are to protect American ingenuity, if we are to provide for an American climate that allows future Henry Fords and Eli Whitneys and all the other great inventors who have made America great, we must ensure that the current patent law is not compromised, that we do not move into this global, one-world atmosphere in which American ingenuity takes a back seat, in which multinational corporations are able to benefit at the expense of budding entrepreneurs, small business people, that mom or dad or young person who is sitting at a kitchen table with a great idea or out back in the garage working at their table trying to come up with a great idea

that some day will create tens of thousands of jobs, grow the American economy, and continue the United States of America's rightful place as the most technologically proficient, highly educated and sophisticated Nation in the world, where new ideas are our currency. New ideas are what makes America great. New ideas will protect our freedoms and our democracy.

If we allow the Moorhead-Schroeder "Steal American Technology Act" to be passed into law, the United States will relinquish its first place status as we move into the 21st century, and we can look forward to a very troubling, troubling time in American history.

Mr. Speaker, I rise tonight to alert millions of my fellow Americans about the importance of our country's patent system. I realize that it is not one of those glamorous, sexy issues like military operations or missing FBI files. And that as I speak, millions of people may be grabbing for their remote controls, searching for something—anything else to watch. However, it is vital to the public that they are aware there is a movement in Congress to destroy our Nation's patent system as we know it. It comes in the form of a bill, H.R. 3460—the Moorhead/Schroeder Patent Reform Act. Before I go into the devastating effects this legislation will have on our economy, I want to take a moment to illustrate the significance of our patent system and what it means to the United States economic stability.

It is U.S. discoveries and U.S. inventions that dominate the cultures of every country in the world. The pocket calculator, the mini-computer, frozen food, motion pictures and the telephone are just a few of the patents granted for inventions that have made us smarter, our work easier and improved the quality of our lives. Who are the U.S. innovators that have created these modern miracles? The majority of the innovations are created by small independent inventors. People like you and me, who turned an idea into a product that we all can use and enjoy.

Examples of great U.S. inventions: 1868—the air brake; 1911—air conditioning; 1911—self-starter automobile; 1972—the pocket calculator; 1925—the circuit breaker; 1852—the electric brake; 1911—the gyrocompass; 1982—the artificial heart; 1928—the iron lung; 1937—nylon; 1868—the refrigerator rail car; and 1927—the television.

But, before I go any further, let me explain what a patent is. By definition, a patent is an official document, conferring a right or privilege. Ownership. It protects by a trademark or a trade name so as to establish proprietary rights—private property. The importance lies not in its definition but in the right we are protecting. It is someone's right to own their idea, invention or innovation. When we think in terms of ownership we tend to visualize land or some kind of durable good, defined as property rights. But someone's idea, invention or innovation is also property—it's called intellectual property. Perhaps it is our greatest property because the ideas of men are limitless. They are our past, our present, and more important, our future.

The right to intellectual property was recognized by our country's founders and specifically written into the Constitution. In fact, inventors are the only class of people who enjoy protection in the Constitution. It's found in arti-

cle 1, section 8, clause 8 and reads as follows: "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In the middle of the 20th century, Americans were given a guaranteed patent term of 17 years. Since that time, the United States has risen to become the leader in patents in the world. Invention is one of the things America does best. By offering the strongest patent protection in the world, the United States has stimulated more creativity and new industries than anywhere else—and an annual \$30-billion intellectual-property trade surplus. That's right, the United States is the leader in intellectual property. For my colleagues that do not follow patent issues closely, the importance of that statistic will be lost. Let me explain.

We, the United States, have more fundamental patents than any other country in the world. Fundamental patents are those patents most often cited in other works worldwide. In 1991, the United States had over 100,000 fundamental patents. The other 14 industrialized countries, combined, had only 127,000. Fundamental patents are used in measuring a nation's prosperity because it is those patents that will continue to bring in income and generate jobs for a nation.

This is no secret to the world. Foreign interests know that the United States has and will continue to develop cutting edge technology that add to a nation's economic power. They want a piece of the action. They want our property for their prosperity.

Japan, for instance, acquired much of its base of western technology, most of it American, perfectly legally through licensing, careful study of scientific papers and patents. But when the United States was not willing to share, some Japanese companies simply copied with little regard for patents or other intellectual property rights. IBM versus Fujitsu, Honeywell versus Minolta, and Corning Glass versus Sumitomo Electric—these are only the latest, best-publicized complaints that Japan has stolen American technology. A series of studies financed by the United States Government since 1984 warn that Japan has caught up with the United States or passed it in the development of integrated circuits, fiber optics, and computer hardware engineering.

Technology has been at the root of a number of recent diplomatic flaps between the United States and Japan: sanctions against Japanese electronic products in response to microchip dumping.

The Japanese buy patents rather than develop their own technology, which requires enormous investment. They buy the patent, perfect it, synthesize it, sell it, and reinvest the money in another patent. The numbers are there to prove it. The United States maintains a healthy and growing surplus with Japan in license fees and royalties. In 1986, Japanese companies paid \$697 million to United States firms, up from \$549 million in 1984.

Small wonder that foreign companies, particularly Japan and Europe dream of weakening patent laws and obtaining breakthrough technologies without rewarding American inventors. More alarming is the fact that many of my colleagues here in the House want to make it easier for foreign interests to get hold of U.S. technology. That's exactly what the Moorhead-Schroeder bill does.

Make no mistake, the American patent system is very different from the European and

Japanese systems. In Japan and in countries covered by the European patent convention, inventors receive patents good for 20 years from the date that the patent application is filed. American patents are kept confidential during the application process and cannot be contested until after issuance.

I quote "in the war for global economic dominance, the fiercest battles today are over intellectual property. Where nations once fought for control of trade routes and raw materials, they now fight for exclusive rights to ideas, innovations, and inventions." And, economic power is what it is all about in today's world.

America is under widespread economic attack from foreign predators. Technological espionage and patent infringement are serious problems.

Let me tell you about one of the most tragic stories of patent infringement—the MRI story. Dr. Raymond Damadian, president and chairman of the Fonar Corp. holds the first patent for the MRI scanning machine that was filed in 1972. He and his students built the first scanner and performed the first scan in 1977. However, Dr. Damadian's patent was not enforced and he was the victim of industrial espionage.

A gypsy company servicing medical equipment hired Fonar service engineers, thereby acquiring a full set of Fonar's top secret engineering drawings and multiple copiers of Fonar's copyrighted software. Fonar obtained a temporary restraining order from a Federal judge ordering this group not to use Fonar's schematics or software in the service of scanners. The judge's orders were ignored. Through a modem connection, Fonar secured hard proof that the gypsy service company was loading Fonar's diagnostic software onto a scanner, in clear violation of the judge's orders.

The judge cited the gypsy company for contempt of court. Fonar complained there were no sanctions beyond the citation. The judge said, "What do you expect me to do, put them in jail?" The irony is, if it had been someone's automobile instead of millions of dollars of technology, incarceration would have been automatic.

In another instance, a Japanese company reversed a sales contract for a Fonar scanner on which Fonar had already received a down-payment. The company site in Brooklyn was next to a large train track and they lacked the technology to cope with the trains. The passing trains were destroying the images. Fonar began receiving phone calls asking how Fonar coped with train interference. After about a year, the phone calls stopped and Fonar learned the customer's train problem was solved. Subsequently, a Fonar engineer visited the company site and found a copy of Fonar's train compensating apparatus installed on a Japanese scanner.

Altogether the conditions I have described do not portray a happy circumstance for the American inventor who must fend off gigantic foreign competitors engaged in a feeding frenzy on America's technology. In 1992 the United States suffered a medical equipment trade deficit with Japan of \$320 million. If Fonar's MRI patents had been enforced, this would have been a trade surplus instead of a deficit.

The MRI is an American invention with an American patent. Today MRI is a multibillion dollar industry. Because Fonar's patent was

not enforced, of the eight companies engaged in MRI technology, there are only two left that are American, Fonar and GE. All the rest are foreign.

Modern inventors, like Dr. Raymond Damadian, are now finding their constitutional right to patent protection threatened.

Our Founding Fathers would be rolling over in their graves if they knew that an inventor's rights were being violated. By enacting the Moorhead-Schroeder bill we will make this already bad situation worse.

That's why I can't understand why anyone would support this legislation. Before this horrendous bill comes to the floor for a vote, it is imperative that all of my colleagues, from both sides of the aisle, understand just how damaging it is. Essentially, all U.S. inventors and great American ingenuity will be penalized, if not completely stifled.

The Moorhead-Schroeder bill will grant foreign interests unrestricted access to the patent secrets of American inventors. It will give away our most sacred property—our ideas.

Put simply, the Moorhead-Schroeder bill will do the following:

First, it turns the Patent Office into a corporation where it is no longer subjected to congressional oversight. It removes patent examiners from civil service protection. This will rock the integrity of the entire U.S. patent system. Patent examiners should have civil service protection for the same reason that Federal judges have lifetime tenure. Their missions are quasi-judicial in nature, making them targets for pressure and influence.

Second, it destroys the confidential patent-pending relationship between the inventor and the Patent Office, exposing inventors' trade secrets to competitors before a patent is granted. Many companies keep an eye out for new ideas and new technology and then either steal it or design around it. Why should pending patent applications be one of the few areas where company confidential information must be published?

Third, it calls for publishing unissued patent applications at 18 months from filing. This is not in the U.S. interest. When the U.S. Patent System is a major reason that the United States is the most innovative country in the world, why would we want to expose our patents for the world to steal?

The Moorhead-Schroeder bill is so damaging to American technology, it begs the question, Why is Congress even considering it? The answer lies with the Patent Office Commissioner Lehman. In a 1994 agreement known as the Lehman-Asou Accord, Commissioner Lehman told the Japanese Ambassador that we would change our patent system to resemble the Japanese and European systems. Under the Constitution, Commissioner Lehman has no authority to make that promise. Now the Moorhead-Schroeder bill has been offered to clean up his mess. Never has the cliché "two wrongs don't make a right," been more appropriate.

The Moorhead-Schroeder bill contains several other provisions that discredit inventors and favor copiers and thieves.

Writing in *Electronic Design* in October 1995, patent columnist John Trudel made the following observation after speaking with an official from the U.S. Patent Office regarding the 1994 Lehman-Asou agreement "The administration promised the Japanese that we will make U.S. patent findings public informa-

tion after 18 months. If that sticks, all your competitors can copy your idea before you are even granted a patent. The worst news is hidden. Embedded in the middle of the official's talks was the phrase "reexamination rights." Alarm bells went off in my head. Did that mean that any U.S. firms fortunate enough to have patents will be subject to endlessly defending them against reexamination by the Japanese Keiretsu? Guarded in public, the official admitted that his worst fears were valid when he spoke privately with a patent official. He likened the event to Japan's World War II surrender on the *USS Missouri*. Some were gleefully calling Tokyo on their cellular phones to report, "The United States has given us its patent system." He was referring to 1994 agreement Lehman signed with the Japanese. It says that is all right there folks. We are giving away our Patent System. We who serve in Congress have an obligation to stop ill-conceived international agreements entered into by political appointees. Mr. Lehman had no right, under the law, to give away our property rights. Is it not enough that we have a \$40 billion trade deficit that he sees a need to give away any hope of future prosperity?

Three of Moorhead-Schroeder bill changes, when taken in combination, establish a disastrous scenario that illustrates why the Japanese are insisting that America adopt them.

The Moorhead-Schroeder bill weakens our Patent System by mandating that first, a patent term will be measured from the filing date—agreed to in the GATT Agreement. It scraps our 17-year patent protection in favor of a 20-year term extending from the day an application is filed. Under this arrangement, a patent that takes 15 years to grant—and many highly technical patents require an extensive review process—would be entitled to only 5 years of protection.

Second, patents—granted or not—will be made public within 18 months. Publishing patents 18 months after filing will allow companies, worldwide, to copy and to develop the breakthrough technology while the patent applications are still pending in the United States.

Third, three-party reexamination—the most egregious provision of the Moorhead-Schroeder bill may very well be this broadened reexamination proposal.

The broadened reexamination changes proposed in this legislation have the potential of being the most malignant of all the provisions. Let me explain the hidden consequences of changing the reexamination process.

Generally, the broadened powers of reexamination that the Moorhead-Schroeder bill grants now opens every patent holder to a full-scale litigation attack by lawyers anywhere in the world. H.R. 3460 says "Any person, at any time, may file a request for reexamination." Under present law litigation can only be initiated by a patent holder as part of his enforcement against an infringer. An infringer may not initiate litigation. Under the proposed changes of Moorhead-Schroeder bill, a series of attacks by several foreign corporations, in rapid succession, can be used to cause most American inventors to succumb and abandon their patents for lack of financial resources to defend themselves.

The United States has a 200-year-old policy of protecting the American inventor. Patent reexamination was only granted under very restricted conditions. The Patent Office con-

ducted the review on its own and the third party challenger was not involved in the review.

The Moorhead-Schroeder bill expands the reexamination process to question every component of the patent. At its best, the Moorhead-Schroeder bill invites all the world, and all of its lawyers, to repeat the process a second time and attempt to invalidate all U.S.-approved patents.

Furthermore, under the Moorhead-Schroeder bill foreign corporations are now given the right to appeal any decision they don't like. The international challengers and their attorneys are invited to enter the process and continue to the very end. This is the scenario the Moorhead-Schroeder bill creates. The challenger submits his patent challenge, which may be a several-hundred-page legal brief. There is no restriction. The patent applicant/holder then submits a written response. The challenger in turn submits a final response. The challenger can tactically reserve his most severe challengers for his final written response which the patentee cannot respond to. The reexamination process has become full blown litigation complete with attorneys. The Moorhead/Schroeder bill will make the re-examination process so difficult that no independent inventors will have the means or time to fight for his idea. The incentive to create will be lost the right of ownership will go to the highest bidder.

You've got to worry about American technology when everyone seems to tell you there's less of it everyday. What can be done to stop the invasion on our patents? Some people advocate altering our Patent System, arguing that we should do it to harmonize with the new world order. Those people support the Moorhead/Schroeder bill. Others, including myself, insist that the United States Government should work to identify and support critical technologies. We support the alternative piece of legislation to the Moorhead/Schroeder bill—we support H.R. 359.

H.R. 359, also known as the Rohrabacher substitute, has wide bipartisan support with over 200 cosponsors. The Moorhead/Schroeder bill has only 18 cosponsors.

Through the Rohrabacher bill we have the change to strengthen the U.S. patent term to 17 years from grant or to 20 years from filing, whichever is longer. All patentee's inventions will be published 60 months after initial application is filed. The Moorhead/Schroeder bill would publish it 18 months after the initial application is filed.

The Rohrabacher substitute maintains current law is regard to the term of the Commissioner. The Commissioner will continue to serve at the pleasure of the President. The Patent and Trademark Office will continue to be located in Washington, DC. This is the system that has worked for over a century. In that time, we have grown to become the leader in fundamental patents. The system obviously works. Why change it? If H.R. 3460 is passed, the Patent and Trademark Office could be established anywhere, even in Japan or China.

As I see it, all the evidence points to the Rohrabacher substitute being the better bill. It is in compliance with the GATT Treaty. Furthermore, Mickey Kantor in a letter to Senator Dole has pledged not to oppose it.

A piece of silicon may cost just a few dollars, but the knowledge of how to design and make complex integrated circuits is worth hundreds of millions. Fighting theft of intellectual

property is difficult, but the payoff can be calculable.

If the Moorhead/Schroeder bill passes, it will signal an open invitation for foreign corporations to come and take our property. That is why I implore my colleagues to vote down the Moorhead/Schroeder bill and support the Rohrabacher substitute measure, H.R. 359.

One who believed in the necessity of private property was Abraham Lincoln, who said: "Property is the fruit of labor; property is desirable; it is a positive good in the world. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise."

Giving away the property of our inventors is nothing short of killing the creative spirit that has made us the greatest country in the world. If you doubt this, ask yourself why foreign governments are now pressuring us to abandon our tried-and-true American Patent System?

Mr. Speaker, I submit the following for the RECORD:

FONAR CORPORATION,
Melville, NY, May 22, 1996.

The Honorable MICHAEL P. FORBES,
House of Representatives, Cannon House Office Building, Washington, DC.

MIKE, Moorhead's Intellectual Property Committee is marking up an extremely MALIGNANT omnibus anti-patent bill, H.R. 3460, for immediate introduction to the floor. It contains:

A: Forced publication to the world of all patentee patent applications before their patents are granted and whether or not they are ever granted (formerly Moorhead's HR 1733).

B: Broadened reexamination (formerly HR 1732) to broaden the powers of foreign entities to challenge (incognito) all existing patents in the hope of invalidating them. The new power now expands the power to challenge inventions and get them removed even before they become patents while they are in the application process. Eighteen month publication "cocks the trigger" for HR 1732 by advertising to all foreign entities what America's new patent applications are.

C: Privityize the patent office (formerly HR 1659) putting Corporate America in charge of the PTO and removing the government's traditional protection of America's inventors and their applications from Corporate mistreatment.

Please stop the bill.

Please talk to your friends in Judiciary to stop it.

Please talk to your fellow Congressmen on the Hill to stop it.

The bill is extremely dangerous to America's inventors and the American system of free enterprise.

Sincerely yours,

RAYMOND DAMADIAN,
President and Chairman.

TESTIMONY OF RAYMOND DAMADIAN, M.D.,
PRESIDENT AND CHAIRMAN, FONAR CORP.,
BEFORE THE HOUSE JUDICIARY COMMITTEE

Mr. Chairman, by way of introduction, I am the President of Fonar Corporation, a Long Island company that employs 300 and manufacturers MRI machines.

I hold the first patent for the MR scanning machine which was filed in 1972, and my students and I built the first scanner and performed the first scan in 1977.

The path has not always been easy, Mr. Chairman. My patent was not enforced. That, coupled with severe losses of the rest of our proprietary technology by industrial espionage, has made it impossible for us to build a prospering manufacturing company. Our experience has taught us that America's current industrial environment is not supportive of new companies trying to bring new inventions to market. Patent enforcement and freedom from espionage, the fundamental ingredients of such ventures, are all but non-existent.

A few examples from our company's experience make the point best.

A gypsy service company servicing medical equipment hired Fonar service engineers, thereby acquiring a full set of our top secret engineering drawings and multiple copies of our copyrighted software. We obtained a temporary restraining order from a federal judge ordering this group not to use Fonar's schematics or software in the service of scanners. They ignored the judge's order. Through a modem connection, we secured hard proof of them loading our diagnostic software on our scanner, in violation of the judge's order. The judge cited them for contempt of court. When we complained there were no sanctions beyond the citation, the judge said "What do you expect me to do, put them in jail?" The irony is, if it had been someone's automobile instead of millions of dollars of technology, incarceration would have been automatic.

In another instance, a Japanese manufacturer of MRI and a direct competitor of Fonar's hired one of our service engineers. We reminded the employee that he had signed a non-compete at the time of employment, in return for his training. He ignored his commitment and joined the Japanese company. When we brought an action to enforce our contract, we learned that the Japanese company had indemnified him and was paying all his legal bills.

In another case, we learned how we lost valuable technology to a German Company. To protect the technology of our magnets, which was precious to the company, we required that all of our magnet installations take place behind locked doors. An executive of the company proudly told me that that precaution was easily overcome. He reported that he took the technician out to dinner, filled him with alcoholic beverages and thereby secured an invitation to enter the room and inspect the scanner for as long as he wished, which he did.

In another case, a Japanese company reversed a sales contract on a scanner on which we had already received a downpayment. The Brooklyn scanner site was next to a large train track and the Japanese company lacked the technology to cope with trains. Our company began receiving phone calls asking how Fonar coped with trains. We learned the customer was angry that the passing trains were destroying his images. After about a year, the phone calls stopped and we learned the customer's train problem was solved. One of our engineers visited the site. He found a copy of our train compensating apparatus installed on the Japanese scanner.

Altogether the conditions described do not portray a happy circumstance for the American manufacturer who must fend off gigantic foreign competitors engaged in a feeding frenzy on America's internal markets. The combined effects of these adverse cir-

cumstances can be seen on the chart I have attached. In 1992 the U.S. suffered a medical equipment trade deficit with Japan of \$320,000,000. If my MRI patents had been enforced, this would have been a trade surplus instead of a deficit. Destructive espionage tilts the scales even more sharply against us.

The MRI is an American invention with an American patent. Today MRI is a multi-billion dollar industry. Because Fonar's patent was not enforced, of the eight companies taking sales out of the American market today, there are only two left are American, Fonar and GE. All the rest are foreign. They are Hitachi, Toshiba, Shimadzu, Siemens, Philips and Picker.

Our experience as a company has been that civil remedies are wholly inadequate in dealing with industrial espionage.

The proposed legislation for effective criminal sanctions appears to be the only means by which these noxious practices and the enormous economic destruction they bring upon America each year can be deterred.

Finally, Mr. Chairman, I wanted fervently in the development of the MRI to use my invention to build a great new multi-billion dollar manufacturing enterprise for America in the same way the Edison and Bell did. I have found that even though I have now labored diligently for more than a quarter of a century, the tools for doing what Edison, Bell, Eastman and others did, no longer exist. Indeed we have had the disheartening experience that no amount of toil at creating new innovations could reverse the process, but that by a combination of willful patent infringements and industrial espionage our innovations were stripped from us as fast as we could create them. Moreover, I believe you will not find my experience unique. Indeed I believe you will find it universal. I have sadly concluded, Mr. Chairman, that unless America quickly restores to its innovators the basic tools they need to build businesses, such as patent enforcement and protection from espionage, America will soon cease to exist as a manufacturing nation.

The economic cratering and threat to our national security that the loss of our manufacturing base to foreign nations will create, will be dire enough. The social upheaval that can be expected to follow in the wake of such a manufacturing demise can be expected to jeopardize the very republic on which we stand.

I have come to Washington not to regale Congress with this sad message on the unfortunate outcome of MRI, but to persuade Congress and the American people of the urgency of the matter and of the urgent need to restore the tools of patent enforcement and protection from espionage that our nation's manufacturers must have to compete.

A great host of foreign nations are helping themselves to the inventions of American innovators by means of industrial espionage and willful patent infringement. Through their use, they are devouring our internal markets and leaving us unemployed. America must rise up to protect her property. If she does not, it will be natural for foreign interests to construe that American puts little material value on these properties and that she can be counted on to look the other way as her properties are illegally devoured.

DIAGNOSTIC IMAGING AND THERAPY SYSTEMS—TRADE BALANCE—CALENDAR YEAR 1992

[In U.S. dollars]

Country	Exports	Percent share	Imports	Percent share	Balance
Germany	301,638,699	14.95	578,026,441	32.55	(276,387,742)

DIAGNOSTIC IMAGING AND THERAPY SYSTEMS—TRADE BALANCE—CALENDAR YEAR 1992—Continued
[In U.S. dollars]

Country	Exports	Percent share	Imports	Percent share	Balance
Japan	264,670,735	13.12	585,495,403	32.97	(320,824,668)
Canada	167,714,703	8.31	22,832,903	1.29	144,881,800
Netherlands	143,067,845	7.09	168,253,096	9.47	(25,185,251)
France	139,053,469	6.89	123,562,901	6.96	15,490,568
United Kingdom	112,547,658	5.58	75,174,628	4.23	37,373,030
Italy	90,432,792	4.48	25,967,958	1.46	64,464,834
Australia	68,713,260	3.41	3,955,211	0.22	64,758,049
China	65,697,608	3.26	230,093	0.01	65,467,515
Brazil	59,351,337	2.94	6,928	0.00	59,344,409
Mexico	58,427,919	2.90	3,873,607	0.22	54,554,312
South Korea	52,492,524	2.60	3,653,817	0.21	48,838,707
Hong Kong	38,993,025	1.93	12,000,784	0.68	26,992,241
Belgium	35,464,619	1.76	22,388,550	1.26	13,076,069
Switzerland	34,039,311	1.69	15,763,755	0.89	18,275,556
Taiwan	29,607,240	1.47	2,268,816	0.13	27,338,424
Spain	29,148,523	1.45	9,970,803	0.56	19,177,720
Sweden	26,178,428	1.50	23,025,472	1.30	5,152,968
Argentina	24,046,114	1.19	10,100	0.00	24,036,014
Austria	20,289,187	1.01	7,862,878	0.44	12,426,309

Data Source: U.S. Department of Commerce, Bureau of the Census.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

□ 1630

THE FAMILIES FIRST AGENDA AND A FURTHER DISCUSSION ON SUPREME COURT JUSTICE CLARENCE THOMAS

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

Mr. OWENS. Mr. Speaker, I would like to talk today about the families first agenda of the Democrats, recently announced. Of course we have between now and November to really get to understand and fully digest what this agenda is all about, but I am very excited about it because it does crystallize and place in one package some of the very important points that I have been trying to get across for the last 18 months.

I think the families first agenda is a good statement as to what is most important that is going on here in Washington at this point. It talks about what is happening with working families and workers in the workplace and what we need to do to deal with guaranteeing that we place families first by seeing to it that working families have an opportunity to survive with dignity and that people in the workplace have a fair chance to make a living. That is one very important part of it. Another part of the families first agenda, of course, deals with education. Nothing is more important than education at this particular point in the history of this Nation.

We are in a critical transition period. This is a period where high tech know-how has taken over. It is a period where skills that were relevant and useful and could command a great price in the marketplace 30, 40 years ago are no longer able to command that price. For that reason we have a

great gap in our income structure, and more and more people are sinking to lower and lower levels in terms of their income while the country is really prospering and a handful of people are getting richer and richer. The families first agenda was developed by the Democratic Caucus under the leadership of Minority Leader GEPHARDT. I think he did a great job, and we certainly would expect from Democrats that kind of agenda.

I want to start by indicating that there is an editorial that appeared in the Atlanta Constitution that was not developed by Democrats, was not developed by the Democratic Caucus. In fact I do not think you could ever accuse the Atlanta Constitution of being a group of wild-eyed liberals. This editorial, I think, could very well be an introduction to the families first agenda. The families first agenda could benefit greatly from this editorial, which is labeled the "Shrinking Middle Class." It appeared in the Atlanta Constitution of Friday, June 21. I am going to talk about this editorial and then move into the families first agenda.

Before I do that, I did want to make a few comments about the topic that I discussed just before we adjourned for the July 4th holiday. I got a lot of comments as a result of my last 60-minute presentation. I talked at that time about another subject which was close to education, educating children. I used the situation with respect to Clarence Thomas, Supreme Court Justice Clarence Thomas who has been the focus of a controversy in Prince George's County. There were some board members of the local school board who objected to Justice Thomas addressing a group of youngsters who were receiving awards.

Prince George's County and this particular school in particular is predominantly black, overwhelmingly black. The board member, Mr. Kenneth Johnson, had raised the issue of considering the kinds of positions that Justice Thomas has taken, which have hurt black people so much, have hurt the African-Americans in this country so very much, should he be allowed to come to a school of predominantly black children and not have a situation where he could be questioned or there

could be a discussion. Should he be allowed to come in and serve as a role model without anybody making any effort to see to it that youngsters understand that there is a controversy surrounding Mr. Thomas which definitely impacts on their lives and that you ought to have some different kind of format.

I praised Mr. Johnson's action, and he was not trying to deny Supreme Court Justice Thomas the right to speak. He wanted a different format. I think it was most appropriate.

I got a lot of criticism for that. A lot of people called in. One lady called in teary-eyed, saying that she never thought she would see the day where a black Congressman would sit on the floor of the House and criticize a black Supreme Court Justice. My answer to that is it is very difficult, I assure you, but these are very difficult times. These are very complex times. The world is not simple anymore with respect to civil rights. The fact is that everybody who fought in the civil rights struggle had a common goal and you had clear objectives, people were being denied the right to drink at water fountains. They were being denied hotel accommodations. They were being denied the right to take a job even when they were qualified for the job. They were openly discriminated against.

It was all very obvious, very blatant, and we were all marching to the tune of one drum against these insults and against the disadvantages that they posed. It was much clearer. Now, you have a situation where people who are the beneficiaries of affirmative action, like Supreme Court Justice Thomas, have attacked the same affirmative action that he was a beneficiary of. Supreme Court Justice Thomas has begun to help turn back the clock on many of the progressive steps that were taken and made by African-Americans in this country.

So, if he is handing down decisions which attack the Voting Rights Act, decisions which attack affirmative action, decisions which make new law and that law is very much to the disadvantage and the detriment of black people in general and certainly black

children, then I think Mr. Johnson, the school board member who raised the issue, has a legitimate point. This man should not be held up as a role model without question.

Yes, when I was the age of these school children in the eighth grade, any black who achieved anything was held up as a model. Be somebody was a very general statement. Be somebody, achieve, rise to any level. It did not matter what kind of philosophy you had when you got there; ideology, those things were too complicated. It did not have to be discussed because just about any black who was a role model also was against segregation, they were also against discrimination.

Things were very simple. But when you have a situation as complicated as the kind of decisions that have been handed down by the Supreme Court, certainly the latest set of decisions on the Voting Rights Act and then my last discussion I talked about the Voting Rights Acts decisions. I talked about the attack on affirmative action. I talked about how these kinds of actions on the top are generating a spirit of something to do with the kind of extremism you see acted out at the bottom with the burning of black churches. There is a relationship.

These kinds of actions are radical actions being taken by the Supreme Court. The Voting Rights Act decisions that have been handed down by the Supreme Court, they break with the current law. They break with the trend in law. The break new ground because the general progressive movement forward of American law as interpreted by the Supreme Court has not taken the kind of positions that the Supreme Court now has begun to take. The Supreme Court is using the 14th amendment to justify striking down programs which are very much in step with what the 14th amendment was designed to accomplish.

The Supreme Court leadership, the majority on the Supreme Court have chosen to use the 14th amendment as a battering ram to wipe out any legislation designed to benefit the descendants of African-American slaves. That is a radical departure from the way the law was being interpreted before.

The Supreme Court, this majority on the Supreme Court, joined by Justice Thomas, also refuses to follow a simple procedure that every other Supreme Court and most other courts of law have held up as a very necessary procedure. That is to examine any law or any part of the Constitution and try to determine what the Founding Fathers meant at the time that item was placed in the Constitution or what the Congress meant at the time a law was passed. The intent of Congress, the intent of the Founding Fathers has always been one of the foundations of the analytical process that goes on when the law is deliberated at the level of the courts.

So, the intent of the 14th amendment is very important. The fact that this

majority has chosen to totally ignore the intent of the 14th amendment and use it as a battering ram to push a color-blind philosophy, it is an ideology, a color-blind ideology of Sandra Day O'Connor and the other members who join her repeatedly in insisting that the 14th amendment says that we must have a color-blind society, that has no foundation in the 14th amendment. It may be that the general implication of what America is all about and the Constitution and the Bill of Rights, everything says that we should have a color-blind society and that is implied. But the 14th amendment certainly is not the place where you should ground that kind of theory. Just the opposite, when it comes to people who are descendants of African slaves. The slaves were the subject of the 14th amendment. The slaves were the concern of the 14th amendment.

I had to move through this very rapidly last time. So, for the benefit of people who are upset about my argument, I just wanted to repeat it. Again, it relates to education, which I want to talk about later as my primary topic. It relates to the education of our children. Nothing is more important as history and having children understand history in a proper manner. Nothing is more important than having children understand that role models are determined not by people's position in the hierarchy but by what that position means, the philosophy of the ideology, the kind of actions that these people take.

So to take the 14th amendment and twist it and distort it and to have the 14th amendment being used as a justification for wiping out the Voting Rights Act, to have the 14th amendment being used as a justification for getting rid of affirmative action, that is a heinous misuse and abuse of the 14th amendment. The 14th amendment was designed to ameliorate the crimes of slavery. It was designed to make some compensation for what had gone on before the 14th amendment was passed. The 14th amendment came right after the 13th amendment.

Mr. Speaker, the 13th amendment freed the slaves. The 14th amendment dealt with guaranteeing that nobody would misunderstand that these slave persons have equal rights. Not all Americans have equal rights, all other Americans had equal rights. They have always had them under the Constitution. It was a new group of Americans who were being elevated to the point where they, too, would have equal rights. Originally the Constitution spoke of slaves only as three-fifths of a person in the counting of the populations of the States. The Constitution states that the slaves shall be considered three-fifths of a person. Well, the 14th amendment makes it clear that no longer is that true, that each person in the United States, a person shall include slaves, slaves shall be considered as persons. That was the primary thrust of sections 1 and 2 of the 14th amendment.

What you have is the Supreme Court, the majority on the Supreme Court, the Sandra Day O'Connor majority, the Clarence Thomas and Sandra Day O'Connor majority insisting that only one section, in fact, one sentence is relevant. And that is section 1 of the 14th amendment, which talks about all persons born and naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside.

Why did the 14th amendment have to say that? It said it already in the Constitution before. Who were they talking about? What were they clarifying? When they say all persons born or naturalized, they mean a new group of people now that must be recognized, those people who had before been considered only three-fifths of a man. They now must be recognized as full citizens of the United States. No States shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

That is the part of the 14th amendment which O'Connor and Thomas and company insist is the basis for the establishment of a color-blind United States of America.

□ 1645

Well, you did not need to say that people should not be denied equal protection of the law. That was the case for all other people except slaves. Only the newly freed slaves had to be included, and the 14th amendment wanted to make it clear that the newly freed slaves must not be denied equal protection of the laws.

Now that is section 1 of the 14th amendment. What the O'Connor-Thomas majority on the court ignored completely are the following: section 2, section 3, section 4 and section 5.

Section 2 makes it quite clear that this 14th amendment is concerned primarily about slaves. Section 2 talks about Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State. This is section 2 of the 14th amendment.

As I said before, the primary business of the 14th amendment is to rectify, to take care of, the conditions that had been created by slavery and the conditions that the Constitution had recognized.

Why do you have the statement in the section 2 of the 14th amendment which talks about counting the whole number of persons in each State? Because before some persons in each State, those who were slaves, were not counted as a whole number. Three-fifths of a slave was counted as a person for the benefit of taking the census, and the census, of course, determines what the voting power and electoral college would be of each State.

The census would, of course, determine how many Representatives each State would have.

The great compromise was to allow slaves to be counted at all. That is why the three-fifths number was arrived at. Section 2 in the 14th amendment, it goes back to make the correction, and it says you must count the whole number of the persons.

It also went on to say that when the right to vote at any election for the choice of electors for President or Vice President, Representatives, in other words, for any Federal office, when the right for any Federal office is denied or for any State office is denied to these people who now are not going to be counted as three-fifths, but be counted as a whole, you shall have a problem if you deny anybody the right to vote, especially these new slaves, new citizens who were former slaves. You should have a problem, and your proportion in the House of Representatives would be reduced by the number of such male citizens to the male citizens of the total State. You shall have a reduction if you are guilty of denying the right to vote to these citizens.

Why would this be included if you were not talking about a new group of citizens? If it is confusing, I will read the whole thing: But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of a legislature thereof is denied to any of the male inhabitants of such State being 21 years of age and citizens of the United States are in any way abridged except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State. That is section 2 of the 14th amendment.

Notice that they are concerned about denying the right to vote to one group of people, those who participated in rebellion or other crime are denied the right to vote. If you do not understand what that means, go on to read section 3. Section 3 is more concerned about people who participate in rebellion. Again I am reading this only to make the point that the 14th amendment was primarily concerned about the Civil War, the aftermath of the Civil War or the War of the Rebellion, whatever you want to call it, and the conditions of slaves, the freedom of slaves, the recognition of the freedom of slaves, the recognition of full citizenship for slaves, and it also wanted to make it clear that people who had rebelled did not have certain rights.

The part that is totally ignored in the 14th amendment is section 3. No person shall be a Senator or Representative in Congress, or elected President or Vice President, or hold any office, civil or military, under the United States or under any State, who have

not previously taken an oath as a Member of Congress or as a officer of the United States or as a member of the State legislature or as an executive or judicial officer of any State to support the Constitution of the United States and then shall have engaged in insurrection or rebellion against the same or given aid or comfort to the enemies thereof; those persons shall not hold office except the last sentence of section 3 of the 14th amendment:

But Congress may by a vote of two-thirds of each house remove such disability.

This is part of the 14th amendment which Sandra Day O'Connor keeps citing as an amendment to make America colorblind. This is an amendment which dealt with the problems related to slavery and rebellion against the Government of the United States which causes civil war.

And then finally, section 4, the validity of the public debt of the United States authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. This is in the 14th amendment. They are talking about the debts incurred in fighting the Civil War, the pensions owed to soldiers who fought the Civil War, who fought against the rebellion. They are going to clarify that the other side is not included in the next sentence: But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid or insurrection, rebellion against the United States or any claim for the loss or emancipation of any slave. All such debts, obligations and claims shall be held illegal and void.

Section 4 of the 14th amendment; if you do not understand before you get to section 4 that the 14th amendment is about slavery, it is about correcting the injustices of slavery. It is about the War of the Rebellion, it is about dealing with people who had rebelled, denying them the right to hold office, making provision for some of them to hold office if the Congress votes by a two-thirds vote, and it is about debts that were incurred in the Civil War, debts that were incurred on the Union side, on the side which upheld the Constitution of the United States, all being made legal and debts that were incurred by the people who were rebelling being made illegal.

It is in the 14th amendment: Neither the United States, nor any State, shall assume or pay any debt or obligation incurred in aid or insurrection, rebellion against the United States or any claim for the loss or emancipation of any slave. But all such debts, obligations and claims shall be held illegal and void.

I am not going to go on. I do not want to refight the Civil War. My concern is if you want to deal with a Supreme Court that sits there and interprets the law and ignores more than 75 percent of the 14th amendment to come out with a conclusion based on one sen-

tence in the first, in section 1, and say that that Supreme Court is a legitimate institution, that the majority there is acting in a respectable way, that no one should challenge what they do, that Clarence Thomas is not part of a conspiracy to distort the Constitution, distort the 14th amendment; if you want to take that position, I am trying to tell you you are not on sound ground.

Those of us who challenge the majority in the Supreme Court in their voting rights decision based on the 14th amendment certainly have a legitimate argument. We certainly have a right to challenge Clarence Thomas, Justice Clarence Thomas, on the position that he takes on the voting rights amendment. When you combine that with the position he is taking on affirmative action, we certainly have a right to challenge him to be held up as a role model for black children.

I have taken the time to do this because I got so many inquiries and so many comments on the comments that I made the last time I was here for a special order. I was talking then about how you educate children. I talked about history and how important history is in the education of children. Education is a major part of our families first agenda, and I want to talk now about the families first agenda.

Education, history, math, science, all of it is important. We had a situation where during this 104th Congress an absurd proposal has been made by the majority to abolish the Department of Education. Not only do they come with billions of dollars in cuts for education programs, but they have proposed to totally abolish the Department of Education.

This same majority, the Republican majority, has chosen to wage a relentless war on the working families and workers in their workplace. The kind of antilabor legislation that has been proposed and, in some cases, passed on the floor of this House are indicative of what the other side, the Republican majority, thinks about working families. So the working families first, families first agenda of the Democrats, is an answer, an appropriate answer to the positions that were not stated in the Contract With America, but certainly have been taken de facto by the Republican majority.

We are defending American workers. Families first agenda is a defense of American workers.

I go back to the Atlanta Constitution editorial, which could easily be a good introduction to our Families First agenda. The Atlanta Constitution editorial on June 21 is about the shrinking middle class, and I will read parts of it. It is reporting on the fact that an analysis by statisticians at the U.S. Census Bureau has confirmed and expanded on reports of a growing economic inequality in the United States.

Expressed in stark English, the report says that the rich are getting richer and the rest of America is getting poorer. Now, you have heard that

before, but this comes from the Atlanta Constitution, which is not a New York liberal paper but pretty much respected in circles that criticize us New York liberals.

Continuing to read from editorial: Expressed in numbers the news is no better. Between 1974 and 1994 the share of national income going to the richest 5 percent of American households rose by 33 percent. Meanwhile the share of national income going to the bottom 60 percent fell by 14.3 percent. That trend can be traced back more than 20 years and has seemed to accelerate rather than slow over the past 5 years.

The implications of that ongoing transformation are tremendous and ought to inform public policy on the gamut of social issues from welfare reform to crime, but it does not. For example, we know that education matters over the past 20 years, incomes of those with advanced college degrees have risen while incomes of those with less than a college degree have fallen sharply. Yet the trend in Congress has been to cut financial aid that would make college possible for many poor and middle-class students.

I am continuing to read from the Atlanta Constitution editorial of June 21: We also know that the minimum wage, which sets the floor for workers at the bottom of the economic scale, has failed to keep pace with inflation. The falling real minimum wage in turn contributes to the declining income share of the working poor. Yet Congress continues to balk at raising the minimum wage.

Now, we know now that the Senate is still considering the minimum wage; the other body. We did pass the minimum-wage increase in this House after much hand-wringing and threats. Finally, common sense prevailed. The focus groups told the Republican majority they had to do it. The public opinion polls told the Republican majority that they ought to listen to the public for a change. So we got a bill passed here in this House, but it still faces a difficult time in the Senate.

Returning to the article, the editorial in the Atlanta Constitution: The Census Bureau data also raised a series of fundamental questions that we ought to be asking ourselves. At what level does economic inequity threaten the social stability of our Nation?

□ 1700

“And does the rising crime rate and growing alienation among our young people suggest that we may have already reached that point?”

Let me re-read this. This is a paragraph from the Atlanta Constitution editorial entitled “Shrinking Middle Class.”

“The Census Bureau data also raises a series of fundamental questions.” The first question is, “At what level does economic inequity threaten the social stability of our Nation, and does the rising crime rate and growing alienation among our young people

suggest that we may have already reached that point?”

No. 2, “If falling incomes make it more difficult for young men to raise families, at what point do they begin to abandon the joys and responsibilities of fatherhood? Have we perhaps reached that point already, as evidenced by the rising rate of illegitimate births?”

Point three, “Does the growing economic strain on the bottom 60 percent of Americans account in some way for the growing anger among many white men, who have been told that their problems are the fault of the Government, of minorities, or of foreign trade?”

The next point, “At what point does the inequality between rich and poor begin to undermine the democratic character of the United States, a nation that long prided itself on the relative equality of its people as compared with nations in Europe and elsewhere? Today, income inequality in the United States exceeds that of any other industrialized nation.”

“Today, income inequality in the United States exceeds that of any other industrialized nation. Are we still the country we believe ourselves to be? Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country.”

I continue to quote from the Atlanta Constitution editorial. “Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country. It is a laughable charge. A quiet class war is already underway, and it is being fought largely because of technology. The computer revolution is altering the relationship between human beings and machines. It is making human labor less valuable and machines more valuable. Corporate downsizings and stagnant wages, accompanied by soaring corporate profits and a record-breaking stock market, are the first visible symptoms of that largely invisible process. It concentrates wealth in the hands of those with money to invest in computer technology, and to a lesser degree, among those with the education to serve or build computers. Meanwhile, it impoverishes those attempting to make their living by their own hard work.

Trying to halt that technological revolution would be futile. We do not have the power. We do have the power, however, to mold and guide technology to ensure that American values and ideals are honored. We also have the power to adjust social policy to economic reality. But we have failed to do so.”

I end the article, the editorial which appeared in the Atlanta Constitution on June 21, 1996. I include the entire editorial into the RECORD.

The material referred to is as follows:

SHRINKING MIDDLE CLASS

An analysis by statisticians at the U.S. Census Bureau has confirmed and expanded

on reports of a growing economic inequality in the United States. Expressed in stark English, the report says that the rich are getting richer and the rest of America is getting poorer.

Expressed in numbers, the news is no better. Between 1974 and 1994, the share of national income going to the richest 5 percent of American households rose by 33 percent. Meanwhile, the share of national income going to the bottom 60 percent fell by 14.3 percent.

That trend can be traced back more than 20 years, and has seemed to accelerate, rather than slow, over the past five years. The implications of that ongoing transformation are tremendous and ought to inform public policy on the gamut of social issues, from welfare reform to crime.

But it doesn't. For example, we know that education matters. Over the past 20 years, incomes of those with advanced college degrees have risen, while incomes of those with less than a college degree have fallen sharply. Yet the trend in Congress has been to cut financial aid that would make college possible for many poor and middle-class students.

We also know that the minimum wage—which sets the floor for workers at the bottom of the economic scale—has failed to keep pace with inflation. The falling real minimum wage in turn contribute to the declining income share of the working poor. Yet Congress continues to balk at raising the minimum wage.

The Census Bureau data also raise a series of fundamental questions that we ought to be asking ourselves:

At what level does economic inequity threaten the social stability of our nation, and does the rising crime rate and growing alienation among our young people suggest that we may have already reached that point?

If falling incomes makes it more difficult for young men to raise families, at what point do they begin to abandon the joys and responsibilities of fatherhood? Have we perhaps reached that point already, as evidenced by the rising rate of illegitimate births?

Does the growing economic strain on the bottom 60 percent of Americans account in some way for the growing anger among many white men, who have been told that their problems are the fault of government, minorities and foreign trade?

At what point does the inequality between rich and poor begin to undermine the democratic character of the United States, a nation that long prided itself on the relative equality of its people as compared with nations in Europe and elsewhere? Today, income inequality in the United States exceeds that of any other industrialized nation.

Are we still the country we believe ourselves to be?

Unfortunately, to even raise such questions is to risk being accused of fomenting class warfare in this country. It is a laughable charge. A quiet class war is already underway, and it is being fought largely because of technology. The computer revolution is altering the relationship between human beings and machines. It is making human labor less valuable and machines more valuable.

Corporate downsizings and stagnant wages, accompanied by soaring corporate profits and a record-breaking stock market, are the most visible symptoms of that largely invisible process. It concentrates wealth in the hands of those with the money to invest in computer technology, and to a lesser degree among those with the education to serve or build computers. Meanwhile, it impoverishes those attempting to make their living by their own hard work.

Trying to halt that technological revolution would be futile. We do have the power, however, to mold and guide technology to ensure that American values and ideals are honored. We also have the power to adjust social policy to economic reality. But we have failed to do so.

As I said, this could be an introduction to the Democratic families first agenda. At the heart of the families first agenda is the recognition that we are in a transition period in the American economy: that high technology, the age of the computer, the miniaturization, telecommunications innovations, new innovations every day, internets, the age of information, all of these things are going forward and nobody can stop them. Nobody should try to stop them. What we as Members of Congress and as public policymakers must do is try to understand the hardship that is being created by the majority of the people out here in our own Nation. The majority of the people cannot cope with these changes unless they have some kind of Government policies which recognize the difficulties. The families first agenda recognizes these difficulties.

The families first agenda puts a great deal of emphasis on education. The President's proposals for tuition, for tax deductions for tuition for the first 2 years, \$10,000 of tax deductions, puts a great emphasis where it should be, on education. The President's proposals for a \$1,500 tax credit puts the emphasis where it should be, on education. The proposal for merit scholarships puts the emphasis where it should be, and that is on education.

Families first includes these proposals. It is moving definitely in the right direction. Again, I applaud and commend the House Democratic leader, the gentleman from Missouri, Mr. GEPHARDT, for putting together this families first package. I think we cannot say too much about it between now and November to get the American people fully to understand that this is a defining statement, very simply set forth. There are many details that we will add in our individual districts. Certainly in my district, I have a job to do back in the 11th Congressional District in Brooklyn, to make certain people understand what the families first agenda is all about.

They are going to have a chance to have a debate, I understand, because according to the Washington Times of yesterday, Monday, July 8, I have a Republican opponent. She is so invisible that I did not know she existed before I read about her in the Washington Times. I have a Republican opponent, and she is going to join in the debate because she is definitely going to bring the ideas of the Republican majority to the 11th Congressional District.

My district has never had an opportunity to see a real Republican who walked from door to door, as this article says that my opponent was in the housing project at Brownsville, a poor section of my district, a low-income housing project. She was there, going

from door to door, telling people that vouchers are a good idea, school vouchers are a good idea. I think they should hear that.

She is one of 24 black Republicans running for Congress this year, so I think these 24 black Republicans, who may be a part of a Clarence Thomas movement all across America, are people who are going to take the position that economic policies and policies related to discrimination and voting rights, all those policies that are being promulgated by the right and are hurting African-Americans directly, that those policies should be promulgated by African-American candidates in African-American communities, in some cases. Certainly my opponent is running in a community which is 74 percent black. It will be a good test to see how many people appreciate these ideas.

My opponent wants to talk about vouchers for private schools. I think people in my district ought to hear it. The low-income people in the projects ought to hear it proposed that the answer to the education problems in our society are vouchers for private schools. She should tell them that if the government provided vouchers, it would be about the amount equivalent to what we provide for title I programs. The only voucher program that has ever been proposed at the Federal Government level takes the title I money and divides it in areas where schools are eligible for title I. That comes out to between \$1,000 and \$1,500 per child.

So my opponent, the Republican who is going to venture into the low-income housing projects, wants to tell them that "We will give you a voucher of \$1,000 or \$1,500 so you can send your child to the private school, but you have to get the rest."

That will be interesting to see how rapidly they throw my opponent out of the building, because \$1,500 is not going to pay for anybody's private school tuition over a year. Where is the rest of the money going to come from, \$3,000, \$4,000? My opponent and other Republicans who are going to run in districts like mine should understand that poverty means you do not have any money left over even to have music lessons, even to give your child music lessons. You do not have any money left over if you are living on minimum wage and minimum wage is providing you with an income of \$8,400 a year. If a person is on minimum wage and they go to work every day, they make \$8,400 a year.

Most jobs are laying off, and for various reasons people do not go to work every day: They get sick, they have various problems. So a person on minimum wage does not even make \$8,400 a year. They do not have any money to make up the difference between the voucher and the private school tuition. That is just one example. I think Republicans running in districts like mine will understand a great deal a year from now, between now and November.

But let the issue be joined. Let them come forward and learn about poverty. I think in the process of running for election, if more Republicans learn about poverty, it will mean that in the next Congress, which will probably be controlled, or which undoubtedly will be controlled by the Democratic majority, will have an atmosphere of more informed participants, and we can return to civility and get on with trying to do what is good for the Nation, including what is good for poor people.

The families first agenda starts us down that road. I am going to read the introductory letter of the gentleman from Missouri [Mr. GEPHARDT], or portions of his letter, because it is a very good letter:

As Democrats, we have worked to fight the more extreme parts of the Republican agenda during the past year and a half, and we should make no apologies for that role. It was important to defend the interests of average, working families. But we also have an obligation to tell those families what we would do if we are elected this fall—and why their choice of Representative or Senator will have national and not just local consequences.

I am reading from Mr. GEPHARDT's introductory letter about the families first program.

The truth is, we're in a much more competitive global economy. For too many middle-class families, just staying in place means a never-ending scramble of longer hours, second jobs, and credit card debt. Family incomes have been falling for nearly 20 years. Economic pressures are stretching the limits of family and community life. Our country is changing in profound and permanent ways—and too many Americans aren't prepared for that change.

Republicans all but ignored these bread-and-butter, day-to-day concerns. That is why the Families First agenda is comprised entirely of the kinds of changes that affect people's day-to-day lives—in their homes, in their neighborhoods, in their children's schools.

Just as importantly, we do not want to replace the extremism of one party with the extremism of another. Every part of this agenda is modest, moderate, and achievable. It is not about big government handouts. It is merely an attempt to have more families earn more security for themselves in this tough new economy. Our hope is that, in the end, many moderate Republicans will join us in support of the Families First agenda.

The message is simple: If Democrats are given a chance to lead the Congress this fall, our sole and central mission would be to help those families who are working hard to pay the bills, raise their children, and save for a decent retirement. That is the only way to have a Congress that truly puts families first and special interests last. I urge you to join in the effort to share this Families First agenda with the American people, and look forward to working with you on winning a Democratic majority to make a real difference in the lives of working families across America.

Mr. Speaker, I include in its entirety the letter of June 24, 1996, of the gentleman from Missouri [Mr. GEPHARDT] to his fellow Democrats.

The material referred to is as follows:

FAMILIES FIRST,

June 24, 1996.

DEAR FELLOW DEMOCRAT: On Sunday, Tom Daschle and I joined with Democrats at four

satellite sites across the country to announce the Families First Agenda—an action plan developed by House and Senate Democrats working together on the steps that a new Democratic majority would take to improve the lives of hard-working, middle class families.

As Democrats, we have worked to fight the more extreme parts of the Republican agenda during the past year and a half, and we should make no apologies for that role. It was important to defend the interests of average, working families. But we also have an obligation to tell those families what we would do if we are elected this fall—and why their choice of Representative or Senator will have national, not just local, consequences.

The truth is, we're in a much more competitive global economy. For too many middle class families, just staying in place means a never-ending scramble of longer hours, second jobs, and credit card debt. Family incomes have been falling for nearly twenty years. Economic pressures are stretching the limits of family and community life. Our country is changing in profound and permanent ways—and too many Americans aren't prepared for that change.

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Yours very truly,

RICHARD A. GEPHARDT,
House Democratic Leader.

Mr. Speaker, the families first agenda has many parts. I will just summarize those parts. In the families first agenda, Democrats offer realistic, moderate, and achievable ways to help every struggling family. They can be described in terms of three main principles: security, opportunity, and responsibility.

Security. Under security we have paycheck security, helping families get the paycheck they deserve; health care security, expanding access to quality health care for children; retirement security, making pensions more available and portable; personal security, making our neighborhoods, communities, and schools safer places to live, work, and learn.

Opportunity is the second big category. Educational opportunity, making college and vocational schools tax

deductible, and other ways to make it easier for parents to make sure their kids get better paying jobs. Economic opportunity means helping small businesses to prosper. The third category is responsibility: Government responsibility, balancing the Federal budget while protecting fundamental commitments like Medicare; individual responsibility, real welfare reform and a crackdown on parents who will not support their children, and efforts to prevent teen pregnancies; corporate responsibility, hands off employee pensions, end tax breaks that encourage companies to move American jobs overseas, and basic protection for our environment.

I am just going to talk today in the few minutes I have remaining about paycheck security and educational opportunity and economic opportunity. The families first agenda places a great deal of emphasis on what is most important first, and that is paycheck security. Paycheck security starts with a decent minimum wage. You have to have some rewards that are relevant. For people who go to work every day, to make \$4.25 an hour, \$8,400 a year, is not rewarding work. It does not encourage people to work. It does not say that we care about families. So paycheck security must first of all involve raising the minimum wage.

□ 1715

Paycheck security also provides paying women what they deserve. By better enforcing the laws already on the books requiring equal pay for women and by offering voluntary fair pay guidelines for businesses, we can help make sure that women get the pay they deserve.

Paycheck security involves making quality child care more affordable. Families should not have to cut corners on child care. But with quality care priced at thousands of dollars a year, many families have no choice. That is why Democrats are proposing a bigger tax break to help parents afford quality child care. I think even the people from one end of my district to the other, people in low-income housing projects, people who are lucky enough to live in single-family homes in the wealthier part of my district, they all will quickly understand that child care and paying for child care imposes a particular burden on parents and that there should be more relief for parents who have children who need child care.

Finally, banning imports made with child labor. In order for our workers at the lowest levels to have jobs available, they should not have to compete with imports that are made with child labor in other parts of the globe.

So paycheck security, starting with minimum wage, is very important. Paycheck security also means that in the workplace, there ought to be a friendly atmosphere. In the workplace there ought to be safe conditions. I serve on the Committee on Economic

and Educational Opportunities so I am very close to some things that have occurred this year which are most unsettling.

The fact is that the Contract With America that was proposed by the Republican majority before they got elected had nothing to do with attacking working conditions for workers in America. There were no platforms in there, there were no items which talked about waging war on workers. But what has happened over the past 18 months is that war has been declared on working people in the workplace. Indirectly that means that war has been declared on working families.

As I said before, you declare war when you refuse to pass the minimum wage, and even now the Senate balks at passing the minimum wage. You declare war on workers when you come up with the omnibus appropriations bill that the Republicans came up with where they threatened to make drastic cuts in the labor programs. There was a 30-percent cut in the House bill originally for the National Labor Relations Board. The National Labor Relations Board is the cornerstone for the kind of relationship that we have established in this country between labor and management. Unions do not mean very much if you do not have decent decisions being passed down by the National Labor Relations Board and if you are going to cut the budget by 30 percent, it means that you are on the way to trying to completely wipe out that National Labor Relations Board and its effectiveness. That cut did not go through. We fought it. So we brought it to a standstill. The act cuts the funding still but it does not cut it by that much.

We were also successful in addressing the attempt to defund large parts of OSHA, the Occupational Safety and Health Agency. We forced them to allow certain things to continue, such as the continued work on developing standards for ergonomics. But new regulations were still prohibited by this Congress. Every worker, regardless of whether he belongs to a union or not, benefits from the work of OSHA. Yet this Republican majority attacked the work of OSHA.

I think the most important thing that is underway right now is the present attack by the Republican majority on the overtime of workers. Your overtime pay now is jeopardized. They are coming for your overtime pay. The Republicans want the overtime pay of working Americans. They have something called the Working Families Flexibility Act and we fought hard to stop it but we were not able to prevent the passage of this compensatory time bill in the Committee on Economic and Educational Opportunities. I serve on the Committee. It was painful to watch the hand go out reaching for the overtime of American workers.

Again, you do not understand poor people if you want to say to them that

"you work overtime and we're not going to give you cash, we're going to give you an opportunity to take time off and aren't you happy about that?"

Yes, we need to change our Fair Labor Standards Act to some degree to allow for some categories of people to have that kind of flexibility, but this kind of assault on the overtime provisions of the Fair Labor Standards Act, which did not include any protections, employers could go bankrupt and walk away with your compensatory time and you could not get it, employers could coerce people and say, "I'm not paying you in cash. You don't have a choice. I'm going to give you time off instead."

The overtime pay that workers earn in American is very important to the quality of life of families, and when the Republicans say, "We are coming for your overtime," it is just one more assault on working families, one more reason for this families first agenda.

The Davis-Bacon confrontation continues. They are trying to take away the Davis-Bacon protections, which only seek to guarantee that from one area of the country to another you do not undercut and erode the standard of living and the wages of workers by bringing in big Federal projects and having them go to low-bidding, roaming, renegade contractors who move about the country with low-paid workers under terrible conditions, who provide no health insurance, who provide no pension plans, who do not have decent working conditions, and you let them undercut the construction workers in the local areas.

So the families first agenda is a defense of workers agenda. We are defending them from the onslaught of the Republican majority here in the Congress.

The educational opportunities part of the Agenda is also a defense of an attack on educational opportunities. This Republican majority started the year by proposing that we abolish the Department of Education. No other industrialized nation in the world has proposed to run away from and abandon its responsibilities to provide some kind of centralized coordination of education.

Every other nation understands how important education is in its prosperity, in maintaining its standard of living and its place and position in the global economy as well as its position of leadership. Some nations understand very well that if you invest very heavily in education, you can take certain segments of the global economy.

I do not think it is by accident that Bangalore, India, is one of the places which is highlighted for computer programming technology. Companies from all over the world reach into Bangalore, India, to get computer programmers. For 1 month's wages that United States companies pay here to computer programmers, they can get a whole year's worth of work from an Indian computer programmer in Ban-

galore. It is not by accident that in Bangalore somebody has provided the education for large numbers of people, somebody has chosen to specialize and to make that a human resource that all the world wants to reach into.

We should understand that the future of the country is not bound up in our F-22 fighter planes, the future of the country will not be guaranteed by a new Star Wars system, the future of the country has nothing to do with more Seawolf submarines. We have added \$13 billion to the defense budget, and that will buy us no more education. It will buy us weapons systems that will be obsolete in terms of the kinds of challenges that we are going to face. The global economy is not about who has the best weapons. We are way ahead of everybody else. We are likely to stay ahead of everybody else. What we need is education.

In the housing projects of Brownsville, the people are very concerned about education. My opponent who is going from door to door ought to tell them about the \$10,000 tax deduction that is being proposed by the Democrats. The Democratic President is proposing a \$10,000 tax deduction for college and job training. Under this provision, families will be able to deduct up to \$10,000 from their taxes for tuition at a college, graduate school or certified training or technical program. I want to emphasize that, a certified training or technical program will also be included for a 2-year period.

The deduction will also be available to recent graduates paying off interest on student loans. There are many families in poor communities who have one member who has gone to college who is struggling to pay back that loan or one member who is in college who is being hit with tuition increases. In the City College of New York City, in the State College of New York State, increases in tuition have resulted in thousands of students dropping out of school because they are poor. When you are poor, there is no margin. They were struggling to meet the previous tuition. If you raise it by \$500 or \$700, then you wipe out the opportunity, because they do not have any savings, they do not have any margin. They are living at a point where providing daily necessities is all their income will provide.

My Republican opponent will learn this if she will just stay there and listen long enough. We also have 2 years of college for kids with good grades, some merit scholarships.

Finally, economic opportunity is on the agenda. Nobody wants to back away from providing small businesses with new opportunities and greater help for small businesses. I think small entrepreneurs ought to be included under the National Labor Relations Act. Some way should be developed to help small entrepreneurs in the process of dealing with larger corporations and dealing with working conditions that, because they are small and because they are not united, invite exploitation.

People who learn how to operate computers, people who are able to program computers, people who are able to enter the high tech world of telecommunications also need some protection. They need some help. I would go beyond the Democratic agenda and make certain that they get the kind of help that is needed in meeting the kind of intense and hostile competition that comes from large corporations trying to bargain them into bargain situations.

We have a situation right now where the sweat shops are being highlighted because sweat shops are forced by a bidding process to go for the cheapest possible work setup. They are exploiting workers, and that has become a scandal that has been temporarily exposed. We hope that some good will come out of the present exposure, but that kind of situation is a continuing problem for small businesses.

Mr. Speaker, I want to conclude by saying that we will come back to explore the Families First Agenda. The Families First Agenda is a packaging which really concretizes what the Democratic minority has been trying to do all year long.

We have fought the hostile attacks on the American workers and the work force. We have fought for better working conditions for workers. We have fought for families to have a chance to survive. We have fought for the minimum wage. We continue to fight for aid to students in college. We fought for aid for Head Start students. We fought the Republicans on the cuts in title I.

Our Families First package is only a statement that we will continue to be the champions of American working families. We will defend workers, we will defend families, and in the process we will defend the conditions which will help to make this Nation a great Nation. The transition we are in, the transition which leads to a great income gap between the rich and poor, the suffering that is taking place quietly out there is people try to make ends meet, all of it is relevant to the coming election, all of it is relevant to the things that we as Members of Congress and other elected officials are responsible for. We want to make America great and the only way to make America great is to follow the leadership of the Democrats and put families first.

CLINTON ADMINISTRATION SHELVES RULES ON HEALTH MAINTENANCE ORGANIZATIONS

The SPEAKER pro tempore (Mr. GUTKNECHT). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, I was shocked when I read in yesterday's Long Beach Press Telegram an article that originated in the New York Times concerning the administration's shelving of rules as they concern HMO's, health maintenance organizations. For

years I have felt very strongly that most doctors I know and most Americans I know do not want a doctor to be paid a bonus because that doctor does not refer the patient to the specialist whom is needed to solve a particular problem. Probably each of our district offices has had one or more cases where our constituents have complained of that type of treatment under both Medicaid and Medicare depending on the type of health organization they have gone to.

Let me read the first two paragraphs of this article:

Facing a torrent of criticism from health maintenance organizations, the Clinton administration has temporarily shelved new rules that would have restricted the common HMO practice of rewarding doctors who cut costs and control the use of services by Medicare and Medicaid patients.

On March 27, the administration issued rules to protect consumers by limiting the use of such financial incentives to reward doctors. But after the protests by HMO's health maintenance organizations the Department of Health and Human Services quietly suspended enforcement of the rules, which are mandated by a 1990 law.

□ 1730

That is a law passed by the Congress of the United States. We are now in 1996, and that has been kicking around in the Department of Health and Human Services over the last two administrations, the Bush administration and the Clinton administration. I must say, I think that set of rules ought to be reexamined by the Clinton administration. People are sick and tired of seeing poor care because somebody is making a profit out of it.

This article goes on to cite a few classic examples which could happen anywhere in the United States. One lawyer—Mark Hiepler of Oxnard—who has been successful in suing a number of HMO's said the incentives created conflicts of interest and put a wedge between doctor and patient. "The more a doctor treats a patient, the less money he gets," said Hiepler, who added: "The less he treats a patient, the more money he gets. The incentives take several forms. In many cases," says reporter Robert Pear of the New York Times. "In many cases, a group of internists or family doctors receives a flat payment—say \$70 a month—to manage all the care required by a Medicare patient. If the patient needs tests or specialty care, the physician group must provide it or pay for it. This might encourage the group to minimize the referral of patients to specialists."

Mr. Speaker, I think we have to be very careful when we have conflicts of interest that lead to wrong medical judgments which are to the ultimate ill of the patients involved. It is one thing to find economies in a hospital or a nursing home, or any human organization, but we do not find economies when we make a decision that ends up in a tragic situation because the general practitioner or health care gatekeeper could not discover something

that perhaps only a specialist could discover and that individual patient has not been referred by the gatekeeper to the specialist.

I think that is shocking, and I think the administration ought to reexamine its decision. If there are problems with those regulations that defy common sense, that is one thing. But if the Federal Government sides with one party in this relationship, it should be the patient.

Mr. Speaker, I think the deferral is an outrage and the administration ought to get to work, clean up the regulations and issue them if they prevent conflicts of interest and if they prevent responsible, solid, and effective medical practice. I do not know one doctor, frankly, that does not think what has been going on with these so-called gatekeepers is a real tragedy.

Mr. Speaker, I include the article by Robert Pear of the New York Times which appeared in the Long Beach Press-Telegram on July 8. It is entitled "U.S. rules on HMOs shelved."

U.S. RULES ON HMOs SHELVED

INCENTIVES: PLAN ATTEMPTED TO PROTECT PATIENTS FROM CUTS IN MEDICAL REFERRALS

(By Robert Pear)

WASHINGTON.—Facing a torrent of criticism from health maintenance organizations, the Clinton administration has temporarily shelved new rules that would have restricted the common HMO practice of rewarding doctors who cut costs and control the use of services by Medicare and Medicaid patients.

On March 27, the administration issued rules to protect consumers by limiting the use of such financial incentives to reward doctors. But after the protests by HMOs, the Department of Health and Human Services quietly suspended enforcement of the rules, which are mandated by a 1990 law.

The rules were an effort by the administration to ensure that elderly and poor people were not denied medically necessary care.

But HMOs, including Kaiser Permanente, Aetna, Humana and the Health Insurance Plan of Greater New York, denounced the rules, saying they would force the companies to rewrite contracts with tens of thousands of doctors. HMOs said the government did not understand the importance of financial incentives in a fast-moving, competitive industry.

The rules do not flatly prohibit such incentives, but limit the amount of money that a doctor can lose on any one patient or patients with very high medical costs.

The rules would require HMOs to disclose details of these incentives to patients and the government.

Health plans say they establish such financial incentives to deter inappropriate and unnecessary care. But critics say the rewards have led to the denial of needed services.

Mark Hiepler of Oxnard, a lawyer who has successfully sued several HMOs, said the incentives created conflicts of interest and put a wedge between doctor and patient.

"The more a doctor treats a patient, the less money he gets," Hiepler said. "The less he treats a patient, the more money he gets."

The incentives take several forms. In many cases, a group of internists or family doctors receives a flat payment—say \$70 a month—to manage all the care required by a Medicare patient. If the patient needs tests or special-

ity care, the physician group must provide it or pay for it. This might encourage the group to minimize the referral of patients to specialists.

In addition, doctors may receive cash bonuses if they meet certain goals for controlling the use and cost of care. Or the health plan may withhold a portion of the doctors' pay and distribute it at the end of the year if spending was less than projected.

In their comments on the new rules, HMOs said it is common to make more than 25 percent of potential payments to doctors contingent on the physicians' success in controlling the use and cost of care, including referrals.

When the Clinton administration issued the rules limiting such incentives March 27, Secretary of Health and Human Services Donna Shalala declared: "No patient should have to wonder if their doctor's decision is based on sound medicine or financial incentives. This regulation should help put Americans' minds at rest."

The rules were supposed to take effect May 28, but the Clinton administration has pulled them back for further review, without any notice to consumers.

In a brief memorandum mailed to HMOs on May 28, the administration said, "We realize this compliance date is unrealistic." The memo added that the government would not take any enforcement actions before Jan. 1, 1997.

Bruce Fried, director of the Office of Managed Care at the Federal Health Care Financing Administration which supervises Medicare and Medicaid, said, "It would have been overly burdensome are probably impossible" for HMOs to comply sooner. "We were overly ambitious," he said in an interview.

But the American Medical Association, medical specialty groups and consumer organizations said that the rules were a good first step in protecting patients and that the government should impose even more stringent restrictions on the use of financial incentives to limit care.

When the rules were first proposed in December 1992, federal health officials solicited comments, and they tried to address the concerns expressed by HMOs and the public in the final regulations issued this year. The officials said they were surprised by the vehement objections expressed by HMOs in the last three months.

When the final rules were issued in March, federal officials said few HMOs would be affected. The protests by HMOs suggest that they make much greater use of bonuses and other financial rewards than federal officials had assumed.

The U.S. District Court in Nashville expressed concern in a recent case, saying HMOs had "pecuniary incentives" to deny care to Medicaid recipients in Tennessee.

Rep. Pete Stark, D-Calif., the author of the 1990 law, said its purpose was "to protect patients from being killed by denial of medical care."

Stark said he was dismayed to read comments on the new rules by HMOs and their lobbying organization, the American Association of Health Plans. "Their opposition speaks volumes about what is wrong with managed care in America today," he said.

Stark asserted that the industry's comments showed "no regard for the care of patients" and were "designed to derail the regulations."

Karen Ignagni, president of the American Association of Health Plans, rejected the criticism. "Any suggestion that we don't support beneficiary protections or government regulation of the quality of care is just plain wrong," she said.

But Ignagni said the new rules "are impractical and unrealistic and do not reflect

recent developments in the market," where many doctors are eager to share financial risks with HMOs.

More than 4 million Medicare beneficiaries and 12 million Medicaid recipients are in HMOs and other managed-care plans, and enrollment is rapidly increasing.

The rules place limits on the financial incentives that HMOs may give to doctors. First, they say, "No specific payment of any kind may be made directly or indirectly under the incentive plan to a physician or physician group as an inducement to reduce or limit medically necessary services" to a specific patient under Medicare or Medicaid.

The rules also say that if doctors stand to lose more than 25 percent of their pay because of the use of medical specialists or other factors, the HMO must provide insurance to the doctors to limit their financial losses.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3755, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS BILL, 1997

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104-662) on the resolution (H. Res. 472) providing for consideration of the bill (H.R. 3755) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1829

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 6 o'clock and 29 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3754, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1997

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104-663) on the resolution (H. Res. 473) providing for consideration of the bill (H.R. 3754) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT OF OFFICE OF OCEAN AND COASTAL RESOURCE MANAGEMENT, FISCAL YEARS 1994 AND 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Resources:

To the Congress of the United States:

I am pleased to submit the Biennial Report of the Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration (NOAA) for fiscal years 1994 and 1995. This report is submitted as required by section 316 of the Coastal Zone Management Act (CZMA) of 1972, as amended (16 U.S.C. 1451, *et seq.*).

The report discusses progress made at the national level in administering the Coastal Zone Management and Estuarine Research Reserve Programs during these years, and spotlights the accomplishments of NOAA's State coastal management and estuarine research reserve program partners under the CZMA.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 9, 1996.

REPORT OF CORPORATION FOR PUBLIC BROADCASTING, FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Commerce:

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting (CPB) for Fiscal Year 1995 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1995.

Since 1967, when the Congress created the Corporation, CPB has overseen the growth and development of quality services for millions of Americans.

This year's report highlights ways the Corporation has helped millions of American families and children gain new learning opportunities through technology. At a time when technology is advancing at a pace that is as daunting as it is exhilarating, it is crucial for all of us to work together to understand and take advantage of these changes.

By continuing to broadcast programs that explore the challenging issues of our time, by working with local communities and schools to introduce more

and more children to computers and the Internet, in short, by honoring its commitment to enriching the American spirit, the Corporation is preparing all of us for the 21st century.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 9, 1996.

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. PALLONE) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

(The following Members (at the request of Mr. HORN) to revise and extend their remarks and include extraneous material:)

Mr. GUTKNECHT, for 5 minutes, today.

Mrs. SMITH of Washington, for 5 minutes, on July 12.

Mr. EHLERS, for 5 minutes, on July 11.

Mr. MCINTOSH, for 5 minutes, on July 11.

Mr. HORN, 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. PALLONE) and to include extraneous material:)

Mrs. MALONEY.

Mr. MILLER of California.

Mr. ACKERMAN.

Mr. PELOSI.

Mr. GEJDENSON.

Mrs. LINCOLN.

(The following Members (at the request of Mr. HORN) and to include extraneous material:)

Mr. LEWIS of California.

Mr. RADANOVICH.

Mrs. JOHNSON of Connecticut.

Mr. THOMAS.

Mr. ROGERS.

(The following Members (at the request of Mr. GOSS) and to include extraneous material:)

Mr. PALLONE.

Mr. HASTERT.

Mr. FALEOMAVAEGA.

Mr. STARK in two instances.

Mr. TALENT in two instances.

Mr. PAYNE of New Jersey in two instances.

Mr. WOLF.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On June 28, 1996:

H.R. 2437. An act to provide for the exchange of certain lands in Gilpin County, Colorado.

On July 2, 1996:

H.R. 1880. An act to designate the United States Post Office building located at 102 South McLean, Lincoln, Illinois, as the "Edward Madigan Post Office Building";

H.R. 2704. An act to provide that the United States Post Office building that is to be located at 7436 South Exchange Avenue, Chicago, Illinois, shall be known and designated as the "Charles A. Hayes Post Office Building"; and

H.R. 3364. An act to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

On July 3, 1996:

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

On July 8, 1996:

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria;

H.R. 2070. An act to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life"; and

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family oriented park.

CORRECTION TO THE CONGRESSIONAL RECORD OF JULY 8, 1996, PAGE H7112

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Friday, June 28, 1996:

H.R. 1880, to designate the United States post office building located at 102 South McLean, Lincoln, IL, as the "Edward Madigan Post Office Building";

H.R. 2704, to provide that the United States post office building that is to be located at 7436 South Exchange Avenue, Chicago, IL, shall be known and designated as the "Charles A. Hayes Post Office Building";

H.R. 3364, to designate the Federal Building and United States courthouse located at 235 North Washington Avenue in Scranton, PA, as the "William J. Nealon Federal Building and United States Courthouse".

And the Speaker pro tempore (Mrs. MORELLA) signed the following enrolled bill on Wednesday, July 3, 1996:

H.R. 2070, to provide for the distribution within the United States of the United States Information Agency film entitled "Fragile Ring of Life."

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore (Ms. GREENE of Utah):

H.R. 1508. An act to require the transfer of title to the District of Columbia of certain

real property in Anacostia Park to facilitate the construction of National Children's Island, a cultural, educational, and family-oriented park; and

H.R. 2853. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria.

ADJOURNMENT

Mr. GOSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 10, 1996, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3983. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon, and Imported Onions; Modifications of Size Requirements [Docket No. FV96-958-IFR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3984. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Grading and Inspection, General Specifications for Approved Plants and Standards for Grades of Dairy Products; United States Standards for Instant Nonfat Dry Milk (7 CFR Part 58) [DA-93-04] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3985. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—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. FV96-998-2IFR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3986. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Correction Docket—Pork Promotion, Research, and Consumer Information Order—Increase in Importer Assessments [Docket No. LS-96-001] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3987. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Milk in the Southwest Plains Marketing Area; Suspension of Certain Provisions of the Order (7 CFR Part 1106) [DA96-05] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3988. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Washington; Assessment Rate [Docket No. FV96-946-2FIR] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3989. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt; Compensation [APHIS Docket No. 96-016-7] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3990. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt; Removal of Quarantined Areas [APHIS Docket No. 96-016-6] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3991. A letter from the Assistant Secretary for Marketing and Regulatory Programs, Department of Agriculture, transmitting the Department's final rule—Fees for Rice Inspection (RIN: 0580-AA47) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3992. A letter from the Acting Under Secretary for Food Safety, Food and Safety Inspection Service, transmitting the Service's "Major" final rule—Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems [Docket No. 93-016F] (RIN: 0583-AB69) received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3993. A letter from the Assistant Secretary of Education, transmitting notice of final priority for fiscal year 1996—Safe and Drug-Free Schools and Communities Federal Activities Grants Program (Hate Crimes Prevention), pursuant to 20 U.S.C. 1232(f); to the Committee on Economic Educational Opportunities.

3994. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Bell Operating Company Provision of Out-of-Region Interstate, Interexchange Services [CC Docket No. 96-21] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3995. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Digital Transmission Within the Video Portion of Television Broadcast Station Transmission [MM Docket No. 95-42, RM-7567] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3996. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Edenton, Columbia and Pine Knoll Shores, North Carolina) [MM Docket No. 95-46, RM-8594] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3997. A letter from the Managing Director, Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations (Forest Acres, South Carolina) [MM Docket No. 96-25, RM-8752] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3998. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Pullman, Washington) [MM Docket No. 96-27] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3999. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Chester and Richmond, Virginia) [MM Docket No. 96-29, RM-8731] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4000. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Conway and Myrtle Beach, South Carolina) [MM

Docket No. 91-75, RM-7230] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4001. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Antigo, Wisconsin) [MM Docket No. 96-30, RM-8762] received July 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4002. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Ocean Salmon Fisheries Off the Coast of Washington, Oregon, and California; Closure from Point Arena, CA, to the U.S.-Mexican Border [Docket No. 960126016-6121-04; I.D. 062896A] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4003. A letter from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone off Alaska; Allow Processing of Non-Individual Fishing Quota Species [Docket No. 960321089-6175-02; I.D. 031396B] (RIN: 0648-AG41) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4004. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone off Alaska; Northern Rockfish in the Western Regulatory Area [Docket No. 960129018; I.D. 062196A] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4005. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Gulf of Alaska; Atka Mackerel in the Western Regulatory Area [Docket No. 960129018-6018-01; I.D. 061996A] received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4006. A letter from the Clerk, U.S. Court of Appeals for the District of Columbia Circuit, transmitting an opinion of the U.S. Court of Appeals for the District of Columbia Circuit (95-5334—Ramah Navajo School Board, Inc., et al., versus Babbitt (July 2, 1996)); to the Committee on Resources.

4007. A letter from the Acting Assistant Secretary for Legislative Affairs, Bureau of Consular Affairs, Department of State, transmitting the Bureau's final rule—VISAS: Passports and Visas Not Required for Certain Nonimmigrants (22 CFR 41) received July 1, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4008. A letter from the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, Patent and Trademark Office, transmitting the Office's final rule—Elimination of Requirement for Proof of Service in Consented Requests for Extensions of Time to File a Notice of Opposition [Docket No. 960621181-6181-01] (RIN: 0651-AA89) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4009. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class D and E Airspace Areas; Saipan Island, CQ (Federal Aviation Administration) [Airspace Docket No. 95-AWP-38] (RIN: 2120-AA66) (1996-0087) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4010. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard In-

strument Approach Procedures; Miscellaneous Amendments (31) [Docket No. 28612; Amendment No. 1737] (Federal Aviation Administration) (RIN: 2120-AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4011. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of Jet Route J-66 (Federal Aviation Administration) [Airspace Docket No. 94-AWP-10] (RIN: 2120-AA66) (1996-0086) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4012. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (38) [Docket No. 28614; Amendment No. 1738] (Federal Aviation Administration) (RIN: 2120-AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4013. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of VOR Federal Airways: TX (Federal Aviation Administration) [Airspace Docket No. 93-ASW-5] (RIN: 2120-AA66) (1996-0088) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4014. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of VOR Federal Airways: TX (Federal Aviation Administration) [Airspace Docket No. 93-ASW-4] (RIN: 2120-AA66) (1996-0084) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4015. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD-11 and MD-11F Series Airplanes (Federal Aviation Administration) [Docket No. 96-NM-133-AD; Amendment 39-9691; AD 96-14-07] (RIN: 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4016. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (8) [Docket No. 28615; Amendment No. 1739] (Federal Aviation Administration) (RIN 2120-AA65) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4017. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-10 and MD-11 Series Airplanes, and KC-10 (Military) Airplanes (Federal Aviation Administration) [Docket No. 956-NM-254133-AD; Amendment 39-968691; AD 96-14-04] (RIN 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4018. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Change Time of Designation for Restricted Area R-3107, Kaula Rock, HI—Docket No. 96-AWP-12 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0082) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4019. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness

Directives; Boeing Model 767 Series Airplanes (Federal Aviation Administration) [Docket No. 95-NM-124-AD; Amendment 39-9687; AD 96-14-05] (RIN: 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4020. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Jet Route J-81—Docket No. 93-ASW-3 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0089) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4021. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Extension of Great Lakes Load Line Certificate (U.S. Coast Guard) [CGD 96-006] (RIN: 2115-AF29) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4022. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Air Brake Systems; Long-Stroke Brake Chambers (National Highway Traffic Safety Administration) (RIN: 2127-AG25) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4023. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 96-NM-132-AD; Amendment 39-9692; AD 96-14-08] (RIN: 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4024. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal-Aid Project Authorization (Federal Highway Administration) (RIN: 2125-AD43) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4025. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing 777-200 Series Airplanes (Federal Aviation Administration) [Docket No. 96-NM-134; Amendment 39-9688; AD 96-14-06] (RIN: 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4026. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Aircraft Flight Simulator Use in Pilot Training, Testing, and Checking and at Training Centers (Federal Aviation Administration) (RIN: 2120-AA83) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4027. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aviat Aircraft Inc. Models S-2A, S-2B, and S-2S Airplanes (formerly Pitts Models S-2A, S-2B, and S-2S) (Federal Aviation Administration) [Docket No. 95-CE-101-AD; Amendment 39-9690; AD 96-09-08 R1] (RIN: 2120-AA64) received July 8, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4028. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F27 Mark 100, 200, 300, 400, 500, 600, and 700 Series Airplanes (Federal Aviation Administration) [Docket No. 95-NM-253-AD; Amendment 39-9675; AD

96-13-07] (RIN: 2120-AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4029. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 B2 and B4 Series Airplanes (Federal Aviation Administration) [Docket No. 94-NM-102-AD; Amendment 39-9679; AD 96-13-11] (RIN: 2120-AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4030. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747-200 ("Combi") and 747-300 ("Combi") Airplanes Modified in Accordance with Heath Tecna Supplemental Type Certificate (STC) SA2365NM or STC SA5108NM (Federal Aviation Administration) [Docket No. 96-NM-128-AD; Amendment 39-9683; AD 96-14-01] (RIN: 2120-AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4031. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 767 Series Airplanes Equipped with Pratt & Whitney Model JT9D-7R4 Engines (Federal Aviation Administration) [Docket No. 95-NM-154-AD; Amendment 39-9684; AD 96-14-02] (RIN: 2120-AA64) received July 8, 1996; pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4032. A letter from the General Counsel, General Accounting Office, transmitting a report entitled "ADDRESSING THE DEFICIT: Updating the Budgetary Implications of Selected GAO Work" (GAO/OCG-96-5) June 1996, pursuant to 31 U.S.C. 9106(a); jointly, to the Committee on the Budget and Government Reform and Oversight.

4033. A letter from the Assistant Attorney General of the United States, transmitting the Attorney General's combined fourth quarterly and year-end report to Congress, entitled "Attacking Financial Institution Fraud," for fiscal year 1995 by the U.S. Department of Justice, pursuant to Public Law 101-647, section 2546(a)(2) (104 Stat. 4885); jointly, to the Committee on the Judiciary and Banking and Financial Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODLING: Committee on Economic and Educational Opportunities. H.R. 2428. A bill to encourage the donation of food and grocery products to nonprofit organizations for distribution to needy individuals by giving the Model Good Samaritan Food Donation Act the full force and effect of law; with an amendment (Rept. 104-661). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee on Rules. House Resolution 472. Resolution providing for consideration of the bill (H.R. 3755) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-662). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 473. Resolution providing for consideration of the bill (H.R. 3754) making ap-

propriations for the legislative branch for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-663). Referred to the House Calendar.

Mr. CANADY: Committee on the Judiciary. H.R. 3396. A bill to define and protect the institution of marriage (Rept. 104-664). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severely referred as follows:

By Mr. SMITH of Michigan:

H.R. 3758. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1986 to provide prospectively for personal retirement savings accounts to allow for more control by individuals over their social security retirement income, to provide for a limitation on payment of benefits payable from the Federal Old-Age and Survivors Insurance Trust Fund with respect to individuals with higher levels of income once payments of such benefits have exceeded prior contributions plus interest, and to provide other reforms relating to benefits under such title II; to the Committee on Ways and Means.

By Mr. ROTH (for himself, Mr. GILMAN, Mr. HAMILTON, Mr. GEJDESON, Mr. LEACH, Mr. BEREUTER, Mrs. MEYERS of Kansas, Mr. MANZULLO, Mr. GALLEGLY, Mr. JOHNSTON of Florida, Mr. MARTINEZ, and Mr. TORRICELLI):

H.R. 3759. A bill to extend the authority of the Overseas Private Investment Corporation, and for other purposes; to the Committee on International Relations.

By Mr. THOMAS (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. PAXON, Mr. HOEKSTRA, Mr. WAMP, and Mr. EHLERS):

H.R. 3760. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes; to the Committee on House Oversight.

By Mr. FALEOMAVAEGA:

H.R. 3761. A bill to clarify the rules of origin for textile and apparel products from American Samoa; to the Committee on Ways and Means.

By Mr. GUNDERSON (for himself, Mr. ROBERTS, Mr. JOHNSON of South Dakota, and Mr. THORNTON):

H.R. 3762. A bill to assure payment to dairy and livestock producers for milk and livestock delivered to milk processors, livestock dealers, or market agencies; to the Committee on Agriculture.

By Mr. HINCHEY:

H.R. 3763. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit employment discrimination based on participation in labor organization activities; to the Committee on Economic and Educational Opportunities.

H.R. 3764. A bill to amend the National Labor Relations Act and the Labor Management Relations Act, 1947, to permit additional remedies in certain unfair labor practice cases, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. KING:

H.R. 3765. A bill to award a congressional gold medal to the late James Cagney; to the Committee on Banking and Financial Services.

By Mr. PAYNE of New Jersey (for himself, Mr. ROYCE, Mr. FRANK of Massachusetts, Mr. PORTER, Mr. LANTOS,

Mr. HILLIARD, Mr. WYNN, Mr. FATTAH, Mr. RUSH, Mr. OLVER, Mr. DELLUMS, Mr. CHABOT, Ms. MCKINNEY, and Mr. FRAZER):

H.R. 3766. A bill to prohibit economic assistance, military assistance, or arms transfers to the Government of Sudan until appropriate action is taken to eliminate chattel slavery in Sudan, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, 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.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 294: Mr. BENTSEN.

H.R. 447: Mr. ANDREWS.

H.R. 911: Mr. HOBSON and Mr. BACHUS.

H.R. 1010: Mr. COSTELLO and Mr. BREWSTER.

H.R. 1023: Mr. ENSIGN.

H.R. 1073: Mr. MCCOLLUM.

H.R. 1316: Mr. DORNAN.

H.R. 1618: Mr. TAYLOR of North Carolina and Mr. DEAL of Georgia.

H.R. 1711: Mr. HUTCHINSON, Mr. HASTINGS of Florida, and Mr. LIGHTFOOT.

H.R. 2143: Mr. SABO.

H.R. 2209: Mr. BUNNING of Kentucky, Mr. WILSON, Mr. KENNEDY of Massachusetts, Mr. STEARNS, Mr. OWENS, Mr. MCCOLLUM, Mr. SCHUMER, Mr. KILDEE, Mr. WAXMAN, Mr. QUINN, Mr. ACKERMAN, Mr. RAHALL, Mr. MILLER of California, and Mr. WALKER.

H.R. 2270: Mr. CAMP.

H.R. 2306: Mr. BENTSEN.

H.R. 2333: Mr. RADANOVICH.

H.R. 2536: Mr. FOLEY and Mr. NEUMANN.

H.R. 2566: Mr. COSTELLO.

H.R. 2578: Mr. SHAYS.

H.R. 2690: Mr. MCCOLLUM.

H.R. 2745: Mr. HAMILTON.

H.R. 2856: Mr. SHAYS.

H.R. 2976: Mr. BONO, Mr. CANADY, and Mrs. SEASTRAND.

H.R. 3000: Mr. HYDE, Mr. YATES, Mr. TRAFICANT, Ms. KAPTUR, and Mr. GONZALEZ.

H.R. 3077: Mr. WARD, Mr. SPRATT, Mr. ACKERMAN, and Mrs. LOWEY.

H.R. 3102: Mr. VENTO and Mr. FRANKS of New Jersey.

H.R. 3142: Mr. MCDERMOTT, Mr. WILSON, Mr. WICKER, Mr. CAMPBELL, Mr. LINDER, Mr. PALLONE, and Mr. MILLER of California.

H.R. 3180: Mr. STUPAK.

H.R. 3195: Mr. GUNDERSON, Mr. HEINEMAN, Mr. CHABOT, and Mr. PETE GEREN of Texas.

H.R. 3207: Mr. PAXON, Mr. SAM JOHNSON, Mr. DEFazio, Mr. CLINGER, Mr. HOEKSTRA, Mr. BOEHLERT, and Mr. MORAN.

H.R. 3211: Mr. BURTON of Indiana and Mr. HASTINGS of Washington.

H.R. 3226: Mr. PAYNE of Virginia, Ms. BROWN of Florida, Mr. ROMERO-BARCELO, and Mr. DELLUMS.

H.R. 3234: Mr. THORNBERRY, Mr. HEINEMAN, and Mr. WATTS of Oklahoma.

H.R. 3251: Mr. HUTCHINSON.

H.R. 3391: Mr. CRAPO, Mr. GILLMOR, Mr. RICHARDSON, and Mr. PAXON.

H.R. 3423: Mr. COX, Mr. ENGLISH of Pennsylvania, and Mr. CUNNINGHAM.

H.R. 3468: Mr. HEINEMAN and Mr. CAMPBELL.

H.R. 3496: Mr. WAXMAN, Mr. CALVERT, Mr. CLYBURN, Mr. FLAKE, Mr. TOWNS, Ms. MCKINNEY, and Mr. OWENS.

H.R. 3571: Mr. CALVERT and Mrs. MEYERS of Kansas.

H.R. 3580: Mr. PAXON and Mr. BURTON of Indiana.

H.R. 3590: Mrs. MALONEY, Mr. KILDEE, Mr. WAXMAN, Mr. THOMPSON, and Mr. HINCHEY.

H.R. 3618: Mr. BISHOP, Mr. FOGLIETTA, Mr. FROST, Mr. CHABOT, Mr. HINCHEY, Mr. KENNEDY of Massachusetts, Mr. LAFALCE, Mr. McDERMOTT, Mr. JOHNSTON of Florida, Mr. FLANAGAN, Mr. ACKERMAN, and Mr. JEFFERSON.

H.R. 3626: Mr. CAMPBELL.

H.R. 3648: Mr. TORRES, Mr. RANGEL, Ms. SLAUGHTER, Mr. PASTOR, Mr. FILNER, Mr. ACKERMAN, Ms. NORTON, Mr. FRANK of Massachusetts, and Mr. DELLUMS.

H.R. 3723: Mr. HAMILTON.

H.R. 3724: Mr. LATOURETTE, Mr. ROHRBACHER, and Mr. CUNNINGHAM.

H.R. 3747: Mr. FATTAH.

H.R. 3752: Mr. COBURN.

H. Con. Res. 179: Mr. SMITH of New Jersey.

H. Con. Res. 190: Mr. SCHUMER, Mr. KLUG, Mr. HORN, Ms. LOFGREN, Mr. CAMPBELL, Mr. FALEOMAVAEGA, Mrs. MALONEY, Mr. FILNER, Mr. PALLONE, Mr. HINCHEY, Mr. NADLER, Mr. SMITH of New Jersey, Mr. SHAYS, and Mr. STEARNS.

H. Res. 30: Mr. WHITFIELD, Mr. TORRICELLI, and Mr. BOEHNER.

H. Res. 423: Mr. MCHALE, Mr. TATE, and Mr. LIGHTFOOT.

H. Res. 429: Ms. MCKINNEY, Mr. SOLOMON, and Mr. VENTO.

H. Res. 452: Mr. NEY, Ms. FURSE, Mr. CONDIT and Mr. VISCLOSKEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3754

OFFERED BY: MR. GUTKNECHT

AMENDMENT No. 2: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3754

OFFERED BY: MR. GUTKNECHT

AMENDMENT No. 3: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a)(1) Chapter 84 of title 5, United States Code, is amended by inserting after section 8410 the following new section:

"§8410a. Limitation relating to Members

"(a) This section shall apply with respect to any member serving as—

"(1) a Member of the House of Representatives after completing 12 years of service as a Member of the House of Representatives; or

"(2) a Senator after completing 12 years of service as a Senator.

"(b) A Member to whom this section applies remains subject to this chapter, except as follows:

"(1)(A) Deductions under section 8422 shall not be made from any pay of service performed as such a Member.

"(B) Government contributions under section 8423 shall not be made with respect to any such Member.

"(C) Service performed as such a Member shall not be taken into account for purposes of any computation under section 8415.

"(2) Government contributions under section 8432(c) shall not be made with respect to any period of service performed as such a Member.

"(c) Nothing in subsection (b) shall be considered to prevent any period of service from being taken into account for purposes of de-

termining whether any age and service requirements for entitlement to an annuity have been met.

"(d) For purposes of subsection (a)—

"(1) only service performed after the 104th Congress shall be taken into account; and

"(2) service performed while subject to subchapter III of chapter 83 (if any) shall be treated in the same way as if it had been performed while subject to this chapter.

"(e) For purposes of this section, the term 'Member of the House of Representatives' includes a Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico."

(2) The table of sections for chapter 84 of title 5, United States Code, is amended by inserting after the item relating to section 8410 the following new item:

"8410a. Limitation relating to Members."

(b)(1) Chapter 83 of title 5, United States Code, is amended by inserting after section 8333 the following new section:

"§8333a. Limitation relating to Members

"(a) This section shall apply with respect to any Member serving as—

"(1) a Member of the House of Representatives after completing 12 years of service as a Member of the House of Representatives; or

"(2) a Senator after completing 12 years of service as a Senator.

"(b) A Member to whom this section applies remains subject to this subchapter, except as follows:

"(1) Deductions under the first sentence of section 8334(a) shall not be made from any pay for service performed as such a Member.

"(2) Government contributions under the second sentence of section 8334(a) shall not be made with respect to any such Member.

"(3) Service performed as such a Member shall not be taken into account for purposes of any computation under section 8339, except in the case of a disability annuity.

"(c)(1) Nothing in subsection (b) shall be considered to prevent any period of service from being taken into account for purposes of determining whether any age and service requirements for entitlement to an annuity have been met.

"(2) Nothing in subsection (b) or (c) of section 8333 shall apply with respect to a Member who, at the time of separation, is a Member of whom this section applies.

"(d) For purposes of subsection (a), only service performed after the 104th Congress shall be taken into account.

"(e) For purposes of this section, the term 'Member of the House of Representatives' includes a Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico."

(2) TABLE OF CONTENTS.—The table of sections for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8333 the following new item:

"8333a. Limitation relating to Members."

H.R. 3754

OFFERED BY: MR. ROEMER

AMENDMENT No. 4: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Of the funds appropriated in this Act for "HOUSE OF REPRESENTATIVES—Salaries and Expenses—Members' Representational Allowances", any amount remaining in a representational allowance of a Member of the House at the end of the session of Congress or other period for which the allowance is made available shall be returned to the Treasury, to be used for deficit reduction.

H.R. 3755

OFFERED BY: MR. FOX OF PENNSYLVANIA

AMENDMENT No. 2: In the item relating to "RELATED AGENCIES—CORPORATION FOR

NATIONAL AND COMMUNITY SERVICE—DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES", after the dollar amount, insert the following: "(increased by \$4,075,000)".

In the item relating to "RELATED AGENCIES—NATIONAL LABOR RELATIONS BOARD—SALARIES AND EXPENSES", after the dollar amount, insert the following: "(reduced by \$4,075,000)".

H.R. 3755

OFFERED BY: MR. HEFLEY

AMENDMENT No. 3: Page 71, line 6, after the dollar amount, insert the following "(reduced by \$1,000,000)".

H.R. 3755

OFFERED BY: MRS. LOWEY

AMENDMENT No. 4: Page 22, line 22, after the dollar amount, insert the following: "(reduced by \$2,600,000)".

Page 26, line 1, after the first dollar amount, insert the following: "(increased by \$2,600,000)".

H.R. 3755

OFFERED BY: MRS. LOWEY

AMENDMENT No. 5: Page 85, line 14, strike "(a)".

Page 85, line 15, strike the dash and all that follows through "(1)" on line 16.

Page 85, line 17, strike "; or" and all that follows through page 86, line 4, and insert a period.

H.R. 3755

OFFERED BY: MR. MICA

AMENDMENT No. 6: Page 57, line 24, after the dollar amount, insert "(increased by \$40,500,000)".

Page 57, line 25, after the dollar amount, insert "(increased by \$40,500,000)".

Page 58, line 9, after the dollar amount, insert "(increased by \$40,500,000)".

Page 66, line 9, after the dollar amount, insert "(decreased by \$40,500,000)".

H.R. 3755

OFFERED BY: MR. MICA

AMENDMENT No. 7: Insert the following before the last undesignated paragraph of the bill:

TITLE VI—HEAD START CHOICE DEMONSTRATION PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the "Head Start Choice Demonstration Act of 1996".

SEC. 602. PURPOSE.

The purpose of this title is to determine the effects on children of providing financial assistance to low-income parents to enable such parents to select the preschool program their children will attend.

SEC. 603. PROGRAM AUTHORIZED.

(a) RESERVATION.—The Secretary shall reserve, and make available to the Comptroller General of the United States, 5 percent of the amount appropriated for each fiscal year to carry out this title, for evaluation in accordance with section 608 of Head Start demonstration projects assisted under this title.

(b) GRANTS.—

(1) IN GENERAL.—The amount remaining after compliance with subsection (a) shall be used by the Secretary to make grants to eligible entities to enable such entities to carry out at least 10, but not more than 20, Head Start demonstration projects under which low-income parents receive preschool certificates for the costs of enrolling their eligible children in a Head Start demonstration project.

(2) CONTINUING ELIGIBILITY.—The Secretary shall continue a Head Start demonstration project under this title by awarding a grant under paragraph (1) to an eligible entity that

received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this title for such preceding fiscal year.

(c) **USE OF GRANTS.**—Grants awarded under subsection (b) shall be used to pay the costs of—

(1) providing preschool certificates to low-income parents to enable such parents to pay the tuition, the fees, and the allowable costs of transportation (if any) for their eligible children to attend a Head Start Choice Preschool as a participant in a Head Start demonstration project; and

(2) administration of the demonstration project, which shall not exceed 15 percent of the amount received in the first fiscal year for which the eligible entity provides preschool certificates under this title or 10 percent in any subsequent fiscal year, including—

(A) seeking the involvement of preschools in the demonstration project;

(B) providing information about the demonstration project and Head Start Choice Preschools to parents of eligible children;

(C) making determinations of eligibility for participation in the demonstration project for eligible children;

(D) selecting students to participate in the demonstration project;

(E) determining the cash value of, and issuing, preschool certificates;

(F) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

(G) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in section 608.

SEC. 604. PRIORITY

In awarding grants under this title, the Secretary shall give priority to eligible entities that propose to carry out Head Start demonstration projects—

(1) in which Head Start Choice Preschools offer an enrollment opportunity to the broadest range of low-income children;

(2) that involve diverse types of Head Start Choice Preschools; and

(3) that will contribute to the geographic diversity of Head Start demonstration projects assisted under this title, including awarding grants for Head Start demonstration projects in States that are primarily rural and awarding grants for Head Start demonstration projects in States that are primarily urban.

SEC. 605. APPLICATIONS.

(a) **IN GENERAL.**—Any eligible entity that wishes to receive a grant under section 603 shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

(b) **CONTENTS.**—Each application described in subsection (a) shall contain—

(1) information demonstrating eligibility of the eligible entity to carry out a Head Start demonstration project;

(2) with respect to Head Start Choice Preschools—

(A) a description of the types of potential Head Start Choice Preschools that will be involved in the demonstration project;

(B)(i) a description of the procedures used to encourage Head Start Choice Preschools to be involved in the demonstration project; and

(ii) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each Head Start demonstration project;

(C) an assurance that each Head Start Choice Preschools operated, for at least 1 year prior to accepting preschool certificates

under this title, an educational program similar to the Head Start project for which such preschool will accept such certificates;

(D) an assurance that the eligible entity will terminate the involvement of any Head Start Choice Preschool that fails to comply with the conditions of its involvement in the demonstration project; and

(E) a description of the extent to which each Head Start Choice Preschool will accept preschool certificates issued under this title by eligible entities as full or partial payment for tuition and fees;

(3) with respect to the operation of the demonstration project—

(A) a description of the geographical area to be served;

(B) a timetable for carrying out the demonstration project;

(C) a description of the procedures to be used for the issuance and redemption of preschool certificates issued under this title by eligible entities;

(D) a description of the procedures by which a Head Start Choice Preschool will make a pro rata refund to an eligibility entity, of the cash value of preschool certificate issued under this title by such entity for any participating child who withdraws from the demonstration project for any reason, before completing 75 percent of the preschool attendance period for which the preschool certificate was issued;

(E) a description of the procedures to be used to provide the parental notification described in section 607;

(F) an assurance that the eligible entity will place all funds received under this title into a separate account, and that no other funds will be placed in such account;

(G) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

(H) an assurance that the eligible entity will cooperate with the Comptroller General of the United States and the evaluating agency in carrying out the evaluations described in section 608; and

(I) an assurance that the eligible entity will—

(i) maintain such records as the Secretary may require; and

(ii) comply with reasonable requests from the Secretary for information; and

(4) such other assurances and information as the Secretary may require.

SEC. 606. PRESCHOOL CERTIFICATES.

(a) **PRESCHOOL CERTIFICATES.**—

(1) **CASH VALUE.**—Except as provided in subsection (c), the cash value of a child's preschool certificate received under this title shall be determined by the eligible entity, but shall be a cash value that provides to the recipient of the preschool certificate the maximum degree of choice in selecting the Head Start Choice Preschool the child will attend.

(2) **CONSIDERATIONS.**—

(A) **IN GENERAL.**—Subject to such rules as the Secretary may issue, in determining the cash value of a preschool certificate under this title an eligible entity shall consider the additional reasonable costs of transportation directly attributable to the child's participation in the demonstration project.

(B) **PRESCHOOLS CHARGING TUITION.**—If a child participating in a demonstration project under this title was attending a public or private preschool that charged tuition for the year preceding the first year of such participation, then in determining the cash value of a preschool certificate for such child under this title the eligible entity shall consider—

(i) the tuition charged by such preschool for such child in the preceding year; and

(ii) the cash value of the preschool certificates under this title that are provided to other children.

(3) **SPECIAL RULE.**—An eligible entity may provide a preschool certificate under this title to the parent of a child who chooses to attend a preschool that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the child's participation in the demonstration project.

(b) **ADJUSTMENT.**—The cash value of the preschool certificate for a fiscal year may be adjusted in the second and third years of a child's participation in a Head Start demonstration project under this title to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that child's continued attendance at a Head Start Choice Preschool, but shall not be increased for this purpose by more than 10 percent of the cash value of the preschool certificate for the fiscal year preceding the fiscal year for which the determination is made.

(c) **MAXIMUM CASH VALUE.**—The cash value of a child's preschool certificate shall not exceed the then most recent national average per child expenditure for children participating in Head Start programs, as determined by the Secretary.

(d) **INCOME.**—A preschool certificate received under this title, and funds provided under such certificate, shall not be treated as income of the parents for purposes of Federal tax laws.

(e) **CONSTRUCTION.**—Nothing in this title shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by religious or other private institutions, except that no provision of a State constitution or State law shall be construed or applied to prohibit any grantee from paying the administrative costs of a program under this title or to prohibit the expenditure in or by religious or other private institutions of any Federal funds provided under this title.

SEC. 607. PARENTAL NOTIFICATION.

Each eligible entity receiving a grant under section 603 shall provide timely notice of its Head Start demonstration project to parents of children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

(1) describe the demonstration project;

(2) describe the eligibility requirements for participation in the demonstration project;

(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for a child;

(4) describe the selection procedures to be used if the number of children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

(5) provide information about each Head Start Choice Preschool, including information about any admission requirements or criteria for each Head Start Choice Preschool participating in the demonstration project; and

(6) include the schedule for parents to apply for their children to participate in the demonstration project.

SEC. 608. EVALUATION.

(a) **ANNUAL EVALUATION.**—

(1) **CONTRACT.**—The Comptroller General of the United States shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the demonstration program under this title.

(2) **ANNUAL EVALUATION REQUIREMENT.**—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to annually evaluate each

demonstration project under this title in accordance with the evaluation criteria described in subsection (b).

(3) TRANSMISSION.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to transmit to the Comptroller General of the United States—

(A) the findings of each annual evaluation under paragraph (1); and

(B) a copy of each report received pursuant to section 609(a) for the applicable year.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the Head Start demonstration program under this title. Such criteria shall provide for—

(1) a description of the implementation of each demonstration project under this title and the demonstration project's effects on all participants, preschools, Head Start programs, and communities in the demonstration project area, with particular attention given to the level of parental satisfaction with the demonstration program; and

(2) a comparison of the educational achievement of all children enrolled in preschool in the demonstration project area, including a comparison of—

(A) such children receiving preschool certificates under this title; and

(B) such children not receiving preschool certificates under this title.

SEC. 609. REPORTS.

(a) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under section 603 shall submit to the evaluating agency entering into the contract under section 608(a)(1) an annual report regarding the demonstration project under this title. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

(b) REPORTS BY COMPTROLLER GENERAL.—

(1) ANNUAL REPORTS.—The Comptroller General of the United States shall report annually to the Congress on the findings of the annual evaluation under section 608(a)(2) of each demonstration project under this title. Each such report shall contain a copy of—

(A) the annual evaluation under section 608(a)(2) of each demonstration project under this title; and

(B) each report received under subsection (a) for the applicable year.

(2) FINAL REPORT.—The Comptroller General shall submit a final report to the Congress within 9 months after the conclusion of the demonstration program under this title that summarizes the findings of the annual evaluations conducted pursuant to section 608(a)(2).

SEC. 610. NONDISCRIMINATION.

Section 654 of the Head Start Act (42 U.S.C. 9849) shall apply with respect to Head Start demonstration projects under this title in the same manner as such section applies to Head Start programs under such Act.

SEC. 611. DEFINITIONS.

As used in this title—

(1) the term "eligible child" means a child who is eligible under the Head Start Act to participate in a Head Start program operating in the local geographical area involved;

(2) the term "eligible entity" means a State, a public agency, institution, or organization (including a State or local educational agency), a consortium of public agencies, or a consortium of public and nonprofit private organizations, that demonstrates, to the satisfaction of the Secretary, its ability to—

(A) receive, disburse, and account for Federal funds; and

(B) comply with the requirements of this title;

(3) the term "evaluating agency" means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(4) the term "Head Start Choice Preschool" means any public or private, preschool, including a private sectarian preschool, that is eligible and willing to carry out a Head Start demonstration project;

(5) the term "Head Start demonstration project" means a project that carries out a program of the kind described in section 638 of the Head Start Act (42 U.S.C. 9833);

(6) the term "local educational agency" has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965;

(7) the term "parent" includes a legal guardian or other individual acting in loco parentis;

(8) the term "preschool" means any entity that carries out a program that—

(A) is designed for children who have not reached the age of compulsory school attendance; and

(B) provides comprehensive educational, nutritional, social, and other services to aid such children and their families; and

(9) the term "Secretary" means the Secretary of Health and Human Services.

SEC. 612. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated \$30,000,000 for fiscal year 1997, and such sums as may be necessary for fiscal years 1998 and 1999, to carry out this title.

H.R. 3755

OFFERED BY: MR. NADLER

AMENDMENT No. 8: Page 19, strike lines 8 through 15.

H.R. 3755

OFFERED BY: MR. NADLER

AMENDMENT No. 9: Page 74, line 6, strike the colon and that follows through line 10 and insert a period.

H.R. 3755

OFFERED BY MR. NADLER

AMENDMENT No. 10: Page 86, strike line 5 and all that follows through page 87, line 3.

H.R. 3755

OFFERED BY: MR. NEY

AMENDMENT No. 11: In the item relating to "DEPARTMENT OF LABOR—BLACK LUNG DISABILITY TRUST FUND", after each of the first and second dollar amounts, insert the following: "(increased by \$2,000,000)".

In the item relating to "DEPARTMENT OF LABOR—BUREAU OF LABOR STATISTICS—SALARIES AND EXPENSES", after the first dollar amount, insert the following: "(reduced by \$2,000,000)".

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT No. 12: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (A) LIMITATION ON USE OF FUNDS FOR AGREEMENTS FOR DEPARTMENT OF DRUGS.—None of the funds made available in this Act may be used by the Secretary of Health and Human Services to enter into—

(1) an agreement on the conveyance or licensing of a patent for a drug, or another exclusive right to a drug;

(2) an agreement on the use of information derived from animal tests or human clinical trials conducted by the Department of Health and Human Services on a drug, including an agreement under which such information is provided by the Department of Health and Human Services to another on an exclusive basis; or

(3) a cooperative research and development agreement under section 12 of the Stevenson-

Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a) pertaining to a drug.

(b) EXCEPTIONS.—Subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend the funds involved that—

(1) the sale of the drug involved is subject to a reasonable price agreement; or

(2) a reasonable price agreement regarding the sale of such drug is not required by the public interest.

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT No. 13: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS FOR AGREEMENTS FOR DEVELOPMENT OF DRUGS.—None of the funds made available in this Act may be used by the Director of the National Institutes of Health to enter into—

(1) an agreement on the conveyance or licensing of a patent for a drug, or another exclusive right to a drug;

(2) an agreement on the use of information derived from animal tests or human clinical trials conducted by the National Institutes of Health on a drug, including an agreement under which such information is provided by the National Institutes of Health to another on an exclusive basis; or

(3) a cooperative research and development agreement under section 12 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a) pertaining to a drug.

(b) EXCEPTIONS.—Subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend the funds involved that—

(1) the sale of the drug involved is subject to a reasonable price agreement; or

(2) a reasonable price agreement regarding the sale of the drug is not required by the public interest.

H.R. 3755

OFFERED BY: MR. SANDERS

AMENDMENT No. 14: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used to make any payment to any health plan when it is made known to the Federal official having authority to obligate or expend such funds that such health plan prevents or limits a health care provider's communications (other than trade secrets or knowing misrepresentations) to—

(1) a current, former, or prospective patient, or a guardian or legal representative of such patient;

(2) any employee or representative of any Federal or State authority with responsibility for regulating the health plan; or

(3) any employee or representative of the insurer offering the health plan.

H.R. 3755

OFFERED BY: MR. SOLOMON

AMENDMENT No. 15: Page 87, after line 14, insert the following new sections:

SEC. 515. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section

654 of title 10, United States Code, and other applicable Federal laws) at the institution or subelement); or

(2) a student at the institution (or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

(b) EXCEPTION. The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 516. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

(2) access to the following information pertaining to students (who are 17 years of age or older) for purposes of Federal military recruiting: student names, addresses, tele-

phone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 517. None of the funds made available in 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.

H.R. 3755

OFFERED BY: MR. SOLOMON

AMENDMENT NO. 16: Page 87, after line 14, insert the following new section:

SEC. 515. (a) LIMITATION ON USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES. None of the funds made available in this Act may be used for any activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812).

(b) EXCEPTION.—The limitation in subsection (a) shall not apply when it is made known to the Federal official having authority to obligate or expend such funds that there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance.

H.R. 3755

OFFERED BY: MR. STUMP

AMENDMENT NO. 17: Page 19, after line 2, insert the following:

VETERANS PROGRAM INCREASES

The amount provided for "EMPLOYMENT AND TRAINING ADMINISTRATION—TRAINING AND EMPLOYMENT SERVICES" is reduced, the amount provided for "DEPARTMENTAL MANAGEMENT—ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING" is increased, and the amount provided for the Homeless Veterans Reintegration Program (as authorized by section 738 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448)) is increased, by \$5,800,000, \$3,800,000, and \$2,000,000, respectively.