United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, WEDNESDAY, APRIL 16, 1997 No. 45

House of Representatives

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. LATOURETTE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
April 16, 1997.

I hereby designate the Honorable STEVEN C. LATOURETTE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer: We cry for freedom, O God, so we can use our consciences and practice our best intentions. We are grateful that we can know the gift of liberty to express our personal values and ideals. Yet we confess, O God, that we can use our liberties and freedoms to avoid the responsibilities of caring for each other, of making our own sacrifice so the pain and suffering of others might be eased. O Author of all of life, remind us that we are bound together in this world by the common creation of Your hand, and we are nurtured each day by the unity that we try to share. So teach us to use our personal freedom so we are responsible in ways that promote justice and mercy for us and for every person. This is our earnest prayer. 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 Kansas [Mr. TIAHRT] come forward and lead the House in the Pledge of Allegiance.

Mr. TIAHRT 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.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed bills of the following titles in which concurrence of the House is requested:

S. 104. An act to amend the Nuclear Waste Policy Act of 1982.

S. 522. An act to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes.

ELECTION OF MEMBERS TO THE COMMITTEE ON BANKING AND FINANCIAL SERVICES

Mr. LINDER. Mr. Speaker, by direction of the Republican Conference, I call up a privileged resolution (H. Res. 114) and ask for its immediate consideration. The minority has been apprised of the contents.

The Clerk read the resolution, as follows:

H. RES. 114

Resolved, That the following Members be, and they are hereby, elected to the following standing committee of the House of Representatives:

Committee on Banking and Financial Services: Mr. Manzullo, Mr. Foley, and Mr. Jones.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TAX RELIEF

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

Mr. TIAHRT. Mr. Speaker, yesterday was the filing deadline for Federal taxes and State taxes in Kansas. But tax freedom day in Kansas is actually on May 7. That is the day we finally pay our direct Federal, State, and local taxes, our direct taxes. Some think that is the day when they can quit working for the Government and start to work for themselves. But it is not. Still remaining are indirect taxes, hidden taxes. Nearly 40 cents on a dollar of gasoline, hidden costs in the form of taxes, 28 cents on a dollar loaf of bread, 48 cents on a dollar glass of draft beer, on and on it goes. Hidden taxes buried in the products we use every day, every day. Add those hidden taxes to the direct taxes, and Americans work more than 6 months for the Government and less than 6 months for themselves.

America needs tax relief today, Mr. Speaker.

PRIORITIES FOR WORKING MEN AND WOMEN

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

Mr. BONIOR. Mr. Speaker, America does need tax relief today, but it does not need it for the top 5 percent in this country. The speaker the other day got up and suggested a $300 billion giveaway to the top 5 percent. Where is it for the rest of the working people in this country?

Mr. Speaker, it is no secret why the Republican leadership refuses to schedule campaign finance reform. The wealthy donors who contributed to the Republican Party want tax breaks. According to an article that was in the Washington Times last week, they have told the Republican leadership

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that they can forget about more money for their party unless they have these tax cuts for the wealthiest at the top.

What about providing health care for the 10 million kids who have no health insurance in this country? What about education for our folks? What about a tax break for education for those who want to go on to college? What about school-to-work programs for the 70 percent of our population who do not graduate from college?

Let us have priorities for working men and women in this country and their families and not for the wealthiest few in the Nation.

CAMPAIGN FINANCE REFORM

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

Mr. KINGSTON. Mr. Speaker, now we hear it from the administration that brought American school kids hepatitis strawberries. They now want to handle kids' health care. Let me see if this makes sense. I am a father of four children. I do not want the Government getting involved in my kids' health care if that is the way they are going to handle the school lunch program. It is absurd.

Are we going to talk about campaign finance reform? Let us talk about the sweet deal for the Chinese leasing an American shipyard. What is the connection here?

Let us talk about American security. Let us talk about the $235,000 in foreign funds given to the Democratic National Committee that had to be returned. Let us talk about Webster Hubbell and the money that was given to him when he resigned. Was it hush money or was it just a mere coincidence? Let us get into the Cuban drug dealers and the Chinese arms dealers who have been wined and dined at the White House. Is this the campaign finance reform we are talking about?

I am curious. I join Democrats in trying to get to the root of this.

IN SUPPORT OF H.R. 400, THE 21ST CENTURY PATENT SYSTEM IMPROVEMENT ACT

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

Mr. DELAHUNT. Mr. Speaker, tomorrow we take up H.R. 400, the 21st Century Patent System Improvement Act, a bill supported by the entire Committee on the Judiciary and the vast majority of American inventors and developers of advanced technology.

I commend the gentleman from North Carolina [Mr. COBLE], our subcommittee chairman, and the gentleman from Massachusetts [Mr. FRANK], the ranking member, for the diligent and fair-minded way in which they have worked with all interested parties to perfect this legislation over the past 3 years.

As a new member of the subcommittee, I can sympathize with those of my colleagues who feel somewhat overwhelmed by this complex, arcane subject. Unfortunately, much of the information circulated over the past few weeks has been misinformation which has not made it any easier to get to the truth.

I cosponsored this bill because of the benefits it offers to every U.S. inventor and our Nation as a whole. Passage of this bill is absolutely essential if we are to maintain our leadership in technology and successfully compete in the global economy.

TAX RELIEF FOR AMERICA'S FAMILIES

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

Mr. THUNE. Mr. Speaker, 4 years ago Democrats in Congress passed the largest tax increase ever to hit the American taxpayer. As a result of 40 years of continuous tax and spend policies, voters decided to put Republicans in charge of Congress.

In the last Congress, Republicans made it easier for millions of families and hard-working Americans to keep more of the money that they earn. This Congress will be no different. We will maintain our commitment to reducing Government waste and to providing tax relief for millions more families and hard-working Americans.

Americans believe that no more than 25 percent of their income should be taken from them. Right now taxes at all levels consume more than half of an American worker's income. This is immoral and it is unsustainable. America's families and workers need tax relief so they can do more for themselves, their children and their communities.

EMERGENCY FOREIGN AID TO RUSSIA

(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, in 1994 Boris Yeltsin fell off a stage in Germany. He then was unable to get off a plane in Ireland. He then was on his way to a summit meeting where he begged for emergency foreign aid; and the White House complied, giving Boris and Russia $12 billion in foreign aid and millions more to build houses for Russian soldiers.

In 1994, Boris, to get the money, promised no more weapons sales to Iran. Records now show that with American dollars Boris built planes, tanks, missiles and helicopters and sold them to Iran.

Beam me up here, Mr. Speaker. The only thing we should be sending Boris is a counselor from Alcoholics Anonymous.

The truth is, under the weight of all that emergency cash Congress, Boris has fallen and he cannot get up. And if we have any money left over, let us use it in America, not Russia.

Think about that. And I yield back the balance of any money left over from these Ruskies.

MULTIMILLION-WORD TAX CODE

(Mr. BOB SCHAFFER of Colorado asked and was given permission to address the House for 1 minute.)

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, only in Washington do people systematically create a mess and then stand up before America and declare, I am just so proud of this mess that I have created.

That is right, Mr. Speaker, I am talking about the politicians who created our multimillion-word Tax Code. It just saps 40 percent of the family budget so that you cannot afford your own healthcare or any other necessity.

It is truly a bizarre Washington ritual where the politicians come to town year after year, make the Tax Code more and more complicated, more and more illogical and then leave town and tell their constituents how proud they are of their work in Washington, DC.

For 40 years my liberal friends on the other side of the aisle were in power. In 1995, that 40-year attack on freedom came to an end, but their legacy to the American people is a Tax Code of one gigantic, multivolume embarrassment, an embarrassment of which they are nonetheless enormously proud.

I, on the other hand, want no part of that legacy, Mr. Speaker. I, on the other hand, can only look to our tax system as a cruel joke that is the enemy of common sense.

CANNOT CUT TAXES AND REDUCE THE DEFICIT AT THE SAME TIME

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

Mr. GREEN. Mr. Speaker, I am honored to be here today and follow my colleague. I am not proud of this Congress either because we are a do-nothing Congress. But before we condemn the Republican leadership for their inactivity, I would like to remind my colleagues that it could be worse.

We could have a repeat performance of 2 years ago, when the Republicans were busy trying to pass legislation that cut taxes at the expense of Medicare.

While the Republican leadership missed yesterday's deadline for a budget resolution, we are still hearing that my colleagues want to pass tax cuts again. In fact, we have Senate Republicans demanding cuts in Medicare and House Republicans wanting to eliminate estate taxes.

A great plan: We will cut your taxes after you die, but we are going to take your Medicare away from you while are you alive.

We cannot cut taxes and reduce the deficit at the same time.

Following my colleague from Ohio, beam me up, Mr. Speaker. Does this make sense?

REDUCE FEDERAL SPENDING

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

Mr. CUNNINGHAM. Mr. Speaker, my father took home about 85 percent of his paycheck. My brother will take home about 45 percent of his paycheck. My daughters, at the current rate of taxes and spending, will take home between 10 and 16 percent.

Yogi Berra once said, ''Ladies and gentleman, the future ain't what it used to be.'' When I grew up, if you worked hard and tried to save and put money back, you may have a little bit of a life with your family. More and more, that is increasingly different.

Mr. Speaker, we need to reduce the amount of Federal spending and have an effective government. The President wants a $3 billion literacy program. There are already 14 literacy programs in education, all with bureaucracies, to where we get as little as 23 cents on the dollar down to the classroom. That is cutting education, Mr. Speaker.

We need to work on both sides because American families are endangered in this country. A billion dollars a day, but not one penny goes to any of those.

□ 1115

HOW FAR WE HAVE COME, HOW FAR WE HAVE TO GO

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

Ms. MCKINNEY. Mr. Speaker, today I am proud to wear an official Jackie Robinson 50th anniversary shirt licensed by Terry Manufacturing, the largest African-American manufacturing apparel company in the United States.

Fifty years ago this week Jackie Robinson shattered not just the color line in baseball, he also shattered the myths upon which Jim Crow America was built.

A few brave men in major league baseball took the courageous step to hire one player. But in major league baseball, just as in other areas of American mainstream life, there are still many more barriers to tear down before we have reached our true ideal as a nation.

Monday the world watched in awe as Tiger Woods shattered every record held for the Masters Tournament at Augusta National. Unfortunately there remain golf courses in America where families like Tiger and his family are not welcome and minorities cannot play.

It is right and appropriate that we take the time now to celebrate how far we have come. Let us also reflect on how far we still have to go.

ILLINOIS' LADY INDIANS BASKETBALL TEAM DEMONSTRATE HIGHEST LEVEL OF SPORTSMANSHIP AND COMPETITION

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

Mr. SHIMKUS. Mr. Speaker, I proudly rise this morning to acknowledge an exemplary group of young athletes from Illinois who have persevered in reaching a common goal for the second year in a row. This group of young women have demonstrated the true hearts of champions, and have aspired once again to the highest level of sportsmanship and competition.

This team of student athletes hailing from Carlyle, IL, are known as the Lady Indians basketball team. In March the Lady Indians won the Illinois high school Class A women's basketball championship.

En route to their second State championship and third straight visit to the Illinois finals, Mr. Speaker, the Carlyle Lady Indians rolled to a record 33 wins and no losses, including the championships in the Cahokia Conference Tournament, the Mascoutah Holiday Tournament, and the Highlands Invitational. In the last three seasons the Carlyle ladies high school team has racked up an impressive 94 wins to only 8 losses, which demonstrates a selfless commitment to excellence and a willingness to forsake individual accolades for the good of the team.

Mr. Speaker, this team, led by Courtney Smith, the 1997 Illinois Ms. Basketball, and Angie Gherardini, the Illinois Class A coach of the year, is an outstanding example of hard work, dedication and excellence which every young athlete can learn from, and truly symbolizes the selflessness and devotion of all the people of the 20th District of Illinois.

So today Mr. Speaker, I want to congratulate these 12 devoted players and the assistants who guided this team to their second straight Illinois State Championship in 1997: Michelle Donahoo, Leslie Dumstorff, Heather Hitpas, Kristin Hustedde, who recently visited my office as part of the Congressional Youth Leadership Council, Tara Kell, Erin Knuf, Summer Knuf, Lindsay Macon, Stacey Pollman, Jessica Robert, Brie Sheathelm, and Courtney Smith.

H.R. 2 ABANDONS COMMITMENT TO HOUSING THE VERY POOR

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

Ms. VELÁZQUEZ. Mr. Speaker, this week the Speaker of the House announced that he wants to give a $300 billion tax cut to the wealthiest people in this country. This is a disgrace. But the story gets worse, much worse. Today Republicans are going to try to pay for those tax breaks by taking money from poor people in public housing.

Today in the Committee on Banking and Financial Services we will debate H.R. 2, a bill that abandons our Government's commitment to housing the very poor. Under H.R. 2 many poor families will end up spending more of their income on housing or be forced into homelessness. Meanwhile, people making over $350,000 a year will get a tax break.

Mr. Speaker, is this what the Republicans stand for: Giving tax breaks to the rich while throwing poor children onto the street? H.R. 2 is extremely unfair and must be stopped.

DO NOT CUT MEDICARE TO PAY FOR TAX BREAKS

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

Mr. MCGOVERN. Mr. Speaker, as we begin the debate over how to balance the Federal budget, I rise today to express my frustration over some of the recent proposals for dealing with our Nation's Medicare Program.

Last week I was concerned to learn of the President's offer to take an additional $18 billion out of projected Medicare spending. Then, Mr. Speaker, I was utterly outraged to learn of the response of the chairman of the Senate Committee on the Budget to the President's offer. The gentleman from New Mexico said an additional $18 billion was not nearly enough.

Republicans have threatened to call off budget negotiations with the President unless he accepts Medicare cuts of up to $30 billion or more. A cut of this magnitude without balanced reform would devastate the Medicare Program and cannot be justified.

And why are the Republicans scrambling so furiously for these deep, unsustainable cuts in Medicare? Not to extend the life of the Medicare trust fund, not to improve the quality of health care for 38 million seniors, but because they need the money to finance massive tax breaks for the very wealthy.

Mr. Speaker, I will not support any budget, whether Republican or Democrat, that uses the Medicare Program as a piggybank for giant tax breaks for the rich.

TAX CUTS FOR THE RICH AT THE EXPENSE OF MIDDLE CLASS WORKING FAMILIES

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

Ms. DELAURO. Mr. Speaker, it is the same old song and dance here on Capitol Hill. My colleagues on the other side of the aisle are proposing large tax cuts for the rich at the expense of middle class working families.

The latest tax proposal put forth by the Speaker of the House is to eliminate all capital gains and estate taxes,

which would cost a staggering $300 billion over the next 5 years. Who benefits from these cuts? The wealthiest 5 percent of Americans. And who pays for these cuts? Working families.

Do not just take my word for it. USA Today estimated on Monday that it would cost the average American family $400 a year to pay for this tax windfall for the wealthy.

It is time to stop proposing huge tax breaks for those who need it the least and to start providing targeted tax relief for those who need it the most: Middle class American families.

REDUCTION OF TOP RATE OF CAPITAL GAINS TAX FROM 28 TO 14 PERCENT

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

Mr. DREIER. Mr. Speaker, I rise to congratulate my colleagues on both sides of the aisle, Democrats and Republicans. I have to do that, after having heard the vitriolic attacks that are emerging from the Democratic side attacking us for what clearly will be the single most important thing that we can do for working families in this country, and that is reducing the top rate on capital gains from 28 to 14 percent.

I am very gratified that we now have, I think it is 127 Democrats and Republicans as cosponsors of this measure. Why? Because Democrats and Republicans know that it is going to benefit working families. It is going to, based on every shred of empirical evidence we have, increase the flow of revenues to the Federal Treasury, as it has always done when we unleash that $7 to $8 trillion of locked-in capital that people are concerned about selling because of that rate that is so extraordinarily high.

Mr. Speaker, I encourage my colleagues to join as cosponsors of H.R. 14, Democrats and Republicans.

BAN HANDGUN POSSESSION BY ANYONE UNDER 21

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

Mr. BLAGOJEVICH. Mr. Speaker, do my colleagues know children in the United States are 12 times more likely to die because of a firearm than children in every other major industrialized nation? And that the United States has the highest rate of gun-related child homicides and child suicides of 26 major industrialized nations?

Over the last 30 years the percentage of murders committed by people under 21 in my hometown of Chicago went from 10 percent to nearly 40 percent. Over that same 30-year period, the number of murders committed nationally by those under 21 increased 5 fold.

Mr. Speaker, when we consider these facts, there can be only one conclusion: Our children are all too often the perpetrators and the victims of handgun violence.

Mr. Speaker, we in America need to ban handgun possession by anyone under 21. I have introduced a bill that would do exactly that, and I urge my colleagues to support me in this effort.

A NEW DEFENSE TO CRIMINAL PROSECUTION?

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

Mr. BARR of Georgia. Mr. Speaker, perhaps as a former U.S. attorney and a Federal prosecutor, I am particularly sensitive to new defense theories when they arise in court cases. I was mystified yesterday, though, to see a new defense to criminal prosecution raised by none other than the Attorney General of the United States.

In her letter in which she refuses to appoint an independent counsel to investigate allegations of wrongdoing for which there may be a conflict of interest or an insufficient basis, she says that the Vice President's admitted use of a telephone in the White House and the OEOB to solicit funds was not a crime because the use of the phone for something that is otherwise permissible is OK.

I can see the next time the U.S. attorney has to exercise prosecutorial discretion involving the use of a phone by a drug trafficker, and I suppose now that the Department of Justice will have to decline such prosecutions because the use of the phone is otherwise permissible, and therefore even if it is used to solicit drug monies, that is OK because use of the phone is for otherwise legal purposes.

It is a sad day indeed.

FACING BIGOTRY AND HATRED

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

Mr. CAPPS. Mr. Speaker, my remarks today are timed to coincide with tonight's television showing of the film ''Not In This Town,'' about hate groups and racial bigotry in America.

I speak on this topic because I was in Billings, MT, just prior to what happened to Tammie and Brian Schnitzer and their family, after it had become known they are Jewish, an identity which ought to be an occasion of immense pride.

Mr. Speaker, Billings, MT, is not the only city where such events occur. In fact, in Santa Barbara, CA, where I live and work, a community forum was held just last Saturday night because of a recent incident in a local high school. Participants included Babatunde Folayemi, Judith Meisel, Michael Caston, the superintendent of schools, the Reverend Sara Moores Campbell of the Unitarian Society, the Reverend Rueben Ford of St. Paul A.M.E. Church and other community leaders.

The Santa Barbara News Press gave very extensive coverage to this event, demonstrating that a newspaper is a powerful educational instrument.

Mr. Speaker, right now, before Passover, following Easter, we must recognize that bigotry and hatred are challenges faced by the entire human community.

LET US BRING JUSTICE TO THE COMMANDOS

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

Ms. SANCHEZ. Mr. Speaker, I rise today to call attention to an injustice suffered by over 300 men of the Vietnam war, an injustice that spans three decades.

During the war, the United States Government trained a number of South Vietnamese commandos to infiltrate North Vietnam Communist operations. Many of these commandos were captured and brutally tortured during their years of imprisonment and sustained long-term injuries.

There are about 300 commandos currently living throughout the United States. It is now time for our Nation to recognize their heroic war efforts and compensate the few surviving commandos and their families.

The Pentagon has failed to carry out the unanimous will of the 104th Congress to pay these brave men an average of $40,000 each for their time in captivity. In fact, while the Pentagon has delayed, three of the commandos have perished.

The House Committee on Appropriations has the opportunity to fully recognize their service on behalf of the United States as they consider the supplemental appropriations bill this week. It is the least we can do to recognize their enormous sacrifice.

Let us not turn our backs on the commandos.

100 DAYS OF DOING NOTHING

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

Mr. LEWIS of Georgia. Mr. Speaker, today is the 100th day of this Congress. Today marks 100 days of doing nothing.

The Republican leadership has no agenda. The Republican leadership has no budget, no education bill, no children's health care bill. Why do we not have a budget? Why do we not have a children's health care bill? What can be more important? Instead of doing the people's work, we are spending our time on busy work and political posturing.

What have the Republicans done about a budget? Nothing. What have

the Republicans done about children's health? Nothing. What have the Republicans done about education? Nothing, nothing, nothing.

Mr. Speaker, 100 days of nothing is enough. It is time to address the concerns of American working families. It is time for this do-nothing Congress to do something. Get to work.

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 112 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 112

Resolved, That it shall be in order at any time on Wednesday, April 16, 1997, for the Speaker to entertain motions that the House suspend the rules. The Speaker or his designee shall consult with the minority leader or his designee on the designation of any matter for consideration pursuant to this resolution.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentlewoman from Fairport, NY [Ms. SLAUGHTER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

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

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Mr. DREIER. Mr. Speaker, in a statement that is more prophetic than he might have imagined when he made it at the time, President Woodrow Wilson said,

"It's not far from the truth to say that Congress in session is Congress on public exhibition, while Congress in committee rooms is Congress at work.

It is the work of Congress that we hope to accomplish with adoption of this rule. It makes in order at any time today, Wednesday, April 16, for the Speaker to entertain motions that the House suspend the rules. The rule further requires the Speaker or his designee to consult with the minority leader or his designee on the designation of any matter for consideration pursuant to the rule.

The bills that will be considered under suspension of the rules as a result of adopting this rule are noncontroversial and very narrowly tailored, thus making it impractical to bring them up under the order of business resolution from our Committee on Rules. However, scheduling them for consideration today is necessary to ensure that our colleagues are here to do very important committee work.

The Committee on Banking and Financial Services is holding an important markup on public housing reform. The Committee on the Budget members are in important negotiations with the administration over the outlines of our balanced budget proposal. The Committee on Commerce is marking up the Leaking Underground Storage Tank Trust Fund Amendments Act. Even our own Committee on Rules will have a hearing tomorrow on improving civility in the House, which is critical, as we all know, to the proper functioning of this institution.

Mr. Speaker, for those of our colleagues who are concerned with the pace and direction of our agenda in the House, adoption of this rule is a precondition to ensuring a productive and successful first session of the 105th Congress.

Also, Mr. Speaker, it is interesting to note that for 2 years during the 104th Congress, we constantly heard complaints from our friends in the minority that the committee system was being bypassed to expedite major legislation. We now have the opportunity to let our committees deliberate openly and do their work, and they are able to have the full participation of the members of their committees.

Mr. Speaker, this is obviously a totally noncontroversial rule. I hope that, unlike last week, we will proceed in a very, very amicable and noncontroversial way as we proceed with this. I urge adoption of the rule.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from California [Mr. DREIER] for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, the rule serves no purpose other than to require the Members of the body to spend another day voting on measures which are noncontroversial and which could easily have been disposed of on the regular suspension days of Monday and Tuesday. Meanwhile, the real business of the House remains neglected.

As we all know, Federal law requires Congress to produce a budget resolution by April 15, 1997. That was yesterday. Well, yesterday came and went without the majority having even proposed a budget or holding a single committee vote on a budget. Nor has the majority taken any steps whatsoever toward enacting campaign finance reform.

Our constituents might wonder what has Congress been spending its time on? Well, the answer is precious little. Today marks the end of the first 100 days of the 105th Congress. Yet the House has barely been in session. This year the House has taken 2 days off for every day it has worked. In fact, the House has been in session for only 33 of the first 100 days of this Congress. Essentially, we took 2 of the first 3 months off. Hardworking families all over the country must look at us and wonder who we think we are. Is this really what we were elected to do?

Since the 105th Congress began, more than 300,000 children have lost their private health insurance. Yet the majority has refused to act on legislation to help families get health coverage for their children. More than 200,000 students have dropped out of high school. But what is our leadership doing to improve public education? More than 1,000 children have been killed, and yet the majority has yet to schedule any floor action for legislation on juvenile crime and drugs.

This Congress took only 60 votes, that is 60, in the first quarter of 1997, 60 votes in the first 90 days. Less than a vote a day, and that is counting all the votes on noncontroversial measures like those to honor democracy gains in Guatemala and Nicaragua and to thank former Secretary Warren Christopher for being Secretary of State and 11 votes for various States for voting term limits.

Now, I am not saying that those measures were unworthy of our votes, only that they do not really constitute heavy lifting. Yet the majority insists on dragging out for consideration these noncontroversial measures day after day, week after week.

Mr. Speaker, why could we not have considered the suspension bills scheduled for today on Monday or Tuesday of this week? Why are we not using the remainder of the week to work on more meaningful legislation like a budget resolution and campaign finance reform?

The rule is disrespectful of the voters we represent and their tax dollars. The majority spent a lot of time on the floor this week talking about taxes. Well, I remind my colleagues, as I did last week when this House considered an identical rule, that it costs the taxpayers of the country $280,000 each week to bring all of us back to Washington. We ought to at least give them their money's worth and get on with the business of passing a budget and enacting campaign finance reform.

Mr. Speaker, I urge my colleagues to defeat the previous question, and if the previous question is defeated, I intend to offer an amendment that would require the House to consider campaign finance reform before Memorial Day, May 31, so that a final campaign finance reform bill can be sent to President Clinton before July 4.

Mr. Speaker, I yield 4 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, here we are, another suspension day. This is one body that just seems to be in constant suspension. I do not know exactly what that means except nothing is being done. We have got some significant bills, as the gentlewoman just said. This Congress has passed bills honoring Warren Christopher for his service as Secretary of State, commending Guatemala for possibly venturing toward democracy; a whole list of things. Yes,

they are nice things and they are important, but they are not the guts of legislation.

So what exactly are we here today for, Mr. Speaker? So that we can approve another suspension day doing the same kind of lifting we have been doing? If this were a weight lifting class, I think it would definitely fall under lightweight training. There is no bulking up that is going on around here. There is no heavy lifting taking place. There is not even weight training. It is not cardiovascular. I am trying to figure out what the exercise regime is in this Congress.

But I will tell Members what is not being done when there is no heavy lifting going on in this Congress: There is no Medicare that is being restructured that is supposed to go belly up by the year 2001. There are no education opportunities being created for the many hundreds of thousands of young people that are trying to get to college. There is no pension reform taking place for the thousands, actually millions of Americans who are counting on that pension when they retire. There is no work being done on the budget.

Oh, the budget. Budget negotiations are taking place, I heard. In fact, the previous speaker on the other side talked about the outline of a balanced budget deal. The fact is, Mr. Speaker, that is all there is from the Republican leadership, is an outline because they have not brought a budget down. Yes, I know that Democrats did not bring it down on April 15 either, but I also know that Democrats had a budget. The interesting thing is that in these budget negotiations it is the White House negotiating with itself.

''How much do you want to cut Medicare, Mr. President?''

''Well, I'll cut it this much, because they do not have a budget to cut from.'' Yet here we are today in another suspension day where we deal only with noncontroversial bills.

Let me suggest something that could be worked on, and that is why I will vote to defeat the previous question. How about campaign finance reform? Just as there have been significant allegations against the Democratic Party, so have there been significant allegations against the Republican Party as well. No side comes out with clean hands on this. In fact today I saw in the newspaper, in one of the local papers, allegations against yet another Republican leader. And so it seems to me that campaign finance reform could be worked on today. But if it cannot be worked on today, could we work on it tomorrow or perhaps could we set a goal that there will be a campaign finance reform bill on this floor by Memorial Day? That would be a Memorial Day worth memorializing.

And so, Mr. Speaker, why are we doing more suspensions? Because there is not anything else to do, because the leadership will not bring anything to the floor. So let me suggest something: Medicare, education, balanced budget, pension reform and campaign finance reform. Campaign finance reform by Memorial Day. That is why I would urge my colleagues to vote against the previous question so that we can get that agenda up.

If my colleagues want to do some real heavy lifting around here, we are going to have to defeat the previous question. Otherwise, we are just into cardiovascular.

Mr. DREIER. Mr. Speaker, I yield 4 minutes to the gentleman from Smyrna, GA [Mr. BARR].

Mr. BARR of Georgia. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time. This is really amazing, Mr. Speaker, to hear folks on the other side get up here and beat their chests and be so sanctimonious about no work being done. One time I had a lady from Georgia who called our office and complained that I was not earning my pay because I was not on the floor of the House where she could see me on C-SPAN. I explained to her, to her satisfaction at least, and maybe some folks on the other side will understand this now, the bulk of the work of the Congress of the United States takes place in two institutions with which folks on the other side may not be familiar, committees and subcommittees. There are today, just as one example, Mr. Speaker, House committees and subcommittees debating and considering very specific measures of legislation and very important issues for the American people so that they can indeed be brought to the floor with a minimum of rancor and debate, and so forth, on the floor: Trade with Europe, commodity exchange, the appropriations bills, the small business and economic development, more appropriations bills, the ballistic missile programs, arms control, employment programs, public housing markup, storage tanks involving the public safety, OSHA, nursing home fraud, EPA rulemaking, postal service reform, refugees, bankruptcy system, defense review, patent legislation. The list goes on and on and on.

So it is rather disingenuous or evidences a great ignorance for what goes on here in the House for folks on the other side to beat their chests and complain about nothing being done in the Congress. There is in fact a great deal of work being done where it ought to be done, and that is in our House committees and subcommittees.

If I am not mistaken also, Mr. Speaker, these are the very same folks who in the last Congress complained and complained and complained and complained about us moving too quickly, doing too much without deliberating. And here we are trying to accommodate their wishes from the last Congress and be more deliberative, work these matters through the committee, and what happens? Not surprisingly, we get whipsawed and we get criticized for being more deliberative, working through the committees, and so forth, where there is a great deal more opportunity for debate and input on both sides of the aisle.

Then we have, Mr. Speaker, this smoke screen of, oh, we must have campaign finance reform. One really has to wonder, with the daily allegations that are coming out in the media concerning this administration, one wonders where the notion that clean hands are involved here. I mean, good heavens, Mr. Speaker, with the allegations that are coming out that require, that cry out for study, which the Committee on Government Reform and Oversight is trying to do but for, of course, the intransigence on the other side, which delayed for days and days and days and weeks the funding of that committee.

There is a great deal that does need to be done to look into these allegations, to get to the bottom of it, to clean this mess up, and one has to wonder whether this effort to say, oh, we have to have the matter of campaign finance reform generally brought to the floor by Memorial Day, rather a strange day it seems to me to do campaign finance reform, that this may be a smoke screen and an effort to divert the public's attention from the very serious allegations arising out of this administration's activities and the efforts by this body through its Committee on Government Reform and Oversight, exercising its proper jurisdiction, to get to the bottom of those things.

That is what would be very, very enlightening and very positive to hear from the other side about, what can we do about the tremendous current erosion of our political system and the public's faith and confidence in that system by the allegations involving the sale of our election process to foreign governments, foreign individuals, individuals with a lot of money, and so forth. That is really where the focus ought to be, Mr. Speaker.

Ms. SLAUGHTER. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. BONIOR].

□ 1145

Mr. BONIOR. Mr. Speaker, I thank my colleague from New York for yielding me the time.

Today, Mr. Speaker, this is the fourth time this Congress that the Democrats are demanding that we have a vote on campaign finance reform, and as my colleagues have said on our side of the aisle already this morning, we will once again vote to defeat the previous question in order to bring up campaign finance reform to the floor of this House so we can have a bill that eventually will reach the President's desk by the designated time that he requested, the Fourth of July.

Now let me say to my colleagues on the other side of the aisle that the American people are watching what we do on this issue. We have had votes on this campaign finance reform on the 7th of January, the opening day of this

Congress, on the 13th of March, on April 9, and not one Member on this side of the aisle has joined us in support in bringing to the floor this debate.

We are not asking for a specific vehicle to be debated. There are many vehicles, some of them from this side of the aisle, that have merit, some from this side of the aisle; but what we are asking for is a debate. Our way of financing political campaigns in this country is broken, and the American people know it, and although some have proposed spending even more on campaigns, as the Speaker has suggested, the American people think that we ought to do just the opposite. More than 9 out of 10 believe that too much money is spent on political campaigns.

We need to fix the system, we need to limit the amount of money in political campaigns, we need to stop the negative advertising, and we need to get people voting again.

In 1996, I had 20,000 fewer people voting in my election, in the Presidential election, than we had 4 years earlier in 1992. Something is happening. Somewhere along the line, Mr. Speaker, our Nation's political discussion has gotten disconnected from the American people. They no longer see the link between their lives and politics, the link between their work and the forces controlling our economy and the link between their community and the challenges that face our Nation, and as a result, if we talk to them, they will tell us they feel powerless, they feel frustrated, they feel alienated.

We need to have a debate about the fundamental nature of politics in this country, questions like what is the role of our Government, what is the meaning of citizenship in a modern democracy, what is political participation? Let us have that debate.

As my colleagues know, it is no secret why the Republican leadership refuses to schedule campaign finance reform. The wealthy donors who contribute to the Republican Party want tax breaks. The Speaker just the other day said we ought to do away with $300 billion of tax giveaways to the wealthiest 5 percent of people in our country, and according to an article I have here in the Washington Times, last week they have told the Republican leadership, the wealthiest individuals and contributors, that they can forget, the party can forget, about more money unless tax cuts are enacted.

Now, that is what is going on here. Unless they get these big huge tax cuts for the wealthiest individuals in this country at the expense, I might add, of the rest of America, the other 90, 95 percent who need health care for their kids, who need educational tax breaks so they can afford to send their kids to college or to have a program like school to work where 70 percent of our kids do not go on to finish college and they participate in our society and our economy, unless they get theirs, then they are not going to contribute again to their party. So instead of meeting the needs of working families, this leadership on this side of the aisle would rather cater to the wealthy special interests.

We need to get back on track. We need to correct the situation that exists today in this country. We need to erect firewalls between the money and the politics in this country.

So the vote today is not about a particular bill, as I said, or a solution. It is about setting up a process to debate campaign finance reform. There are a lot of good ideas out there, and we simply are asking that we have a chance to debate these ideas.

Now my friend from West Virginia suggested that this has been a Congress that we really have not done much. Oh, we have praised the Nicaraguans on their election, and we have allowed the armored car people to go across the border with weapons. As my colleagues know, we have done things like that. We have praised the Ten Commandments. But we really have not done the work of this Congress. We have not put a budget out, the budget deadline passed the other day, no budget, no proposed budget by my Republican colleagues, no campaign finance reform, no questions that deal with the real issues, no movement on the issues that affect people who are struggling to make it for their families today in America, nothing on education moving, nothing for the 10 million American kids who do not have health insurance in this country, and that is increasing, by the way, by 3,300 each day; 3,300 American children lose their health insurance because their family loses their insurance. Nothing on that.

So I say let us use this time productively, let us use it to clean up our political system, and let us get on with the task of making people believe in their Government once again.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to respond to the remarks of my very good friend.

The fact of the matter is, if we look at the need for campaign finance reform, I think virtually everyone recognizes that some change needs to take place in the area of campaign finance reform. I strongly support it. I am in the process of drafting legislation right now which will empower the voter to have greater knowledge on where people gain their support. I have a number of other provisions. There are lots of things that are being discussed around here. But let us look at where we are today.

The argument is being made that we should rush to the floor immediately with campaign finance reform legislation so that we can debate this, but we need to look at what it is that has led to this very high level of frustration among the American people today. The fact that we read headline stories in virtually every major newspaper in this country on the issue of campaign finance reform, it has to do with violations of current law that are continually reported, and I think we should take a moment to review some of those things that have come to the forefront that have led to this hue and cry for change in the campaign finance law which is simply violations of the present law that now exists today. We have seen $3 million in foreign contributions that have been returned by the Democratic National Committee, 158 fundraisers reportedly held in the White House; they have been called coffees or teas or receptions, but the documents show that they were fundraisers designed to raise between $300,000 and $400,000.

Over $100,000 was raised in my area in southern California in a Buddhist temple at an event the Vice President attended among people who have taken a vow of poverty. The Washington Post reported that John Huang had tried to funnel a quarter of a million dollars in illegal donations to the Democratic National Committee through an Asian-American business group.

It seems to me that what we need to look at here, Mr. Speaker, as we have this cry for a rush to look at this thing of campaign finance reform, we need to first find out exactly what has happened under current law. And that is our goal here. But to argue that some do not want to do anything to change this system is preposterous because I know that Members of Congress very much do want to bring about a compliance.

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

Mr. DREIER. I yield to the gentleman from Michigan.

Mr. BONIOR. Mr. Speaker, I thank my friend for yielding, and I thank him for his generous allocation of time. Well, that is exactly my point. We ought to look at what is happening out there and then have a full debate. But the problem is the committee that is investigating this in the House is not looking, they are just looking at the executive branch, and there are problems there. We know that, you have read them out.

But the fact of the matter is that particular committee and the gentleman from Indiana [Mr. BURTON] has refused to deal with the questions of this Congress, it has refused to deal with——

Mr. DREIER. If I can reclaim my time——

Mr. BONIOR. Of the Republican Party as well. It has refused to do the things that Senator THOMPSON is doing over in the Senate.

Mr. DREIER. If my friend will let me respond, I would like to respond to what my friend just said. It is totally untrue to say that the committee is not going to expend any amount of time whatsoever looking into this. If there is evidence of any kind of wrongdoing on this side of the aisle, it clearly will be addressed, and so I mean the fact that they are focusing on this litany of items that continue to be the

front page news stories time and time again, that that is their focus, it is understandable because this is what is happening.

Mr. BONIOR. Will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Michigan.

Mr. BONIOR. There were more front page stories in the paper today about the gentleman from Indiana [Mr. BURTON] and his connection with the Sikh community; why is that not being looked at? There were front page stories for 3 months on the Speaker. The Speaker collected between $10 and $20 million when he was in charge of GOPAC. We have no accounting of that. Why is that not being looked at? We just had the whole investigation with respect to the 501(3)(c)'s; why is that not being looked at?

Mr. DREIER. If I can reclaim my time, I am trying to be as generous as I can. We have Members here who want to speak, and I know the gentleman has time on his side of the aisle.

Let me say that if there is evidence of wrongdoing, it is very apparent that they will be looked at on this side of the aisle, but it is so obvious with these things that have taken place from the leadership of their party they desperately need to be addressed, the American people want us to look at those, and then, then we will look at reforming the campaign finance system to take these obvious violations into consideration.

Mr. Speaker, I yield 3 minutes to the gentleman from St. Clairsville, OH [Mr. NEY].

Mr. NEY. Mr. Speaker, let us look at what is really going on here today. The Democrats are trying to pull a fast one. They want to rush a campaign finance bill, and that will help kind of cloud over a few of the things that the gentleman from California [Mr. DREIER] did not get a chance to mention here, key figures in this scandal who have fled the country. We cannot talk to them. We cannot talk to them about their activities. Charlie Trie gave $640,000 in suspicious checks; he has fled the country, we cannot serve a subpoena on him. Pauline Kanchanalak gave $235,000 in foreign funds to the DNC that had to be returned; she has fled the country so we cannot talk to her. Relatives of the Riady family, the Lippo bank, gave $450,000 to the DNC that had to be returned because it was not earned in the United States; they are no longer in the country. This is the real scandal. We can look at the Congress. But as far as rushing a bill today there is so much work to do here we are not going to be able to rush through this process and set a time frame of May or June. We ought to comprehensively look at campaign finance; sure we should. It should have been looked at the last 12 years by the U.S. Congress. But let us not try to rush through a debate on campaign finance reform legislation before we have all the facts. That is important. That is what we are looking for is all the facts.

And let me just say, Mr. Speaker, that they are right. We support campaign finance reform. I know they support campaign finance reform. But we should have a full and informed debate. Let us not try to say, well, we passed a bill, we do not need to talk about anything or look at anything. There is enough information here and enough to look at with the White House, and it was mentioned by the other side that there should be fire walls. For what is going on down on Pennsylvania Avenue we need a fire truck.

Ms. SLAUGHTER. Mr. Speaker, I yield 4½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, as my colleagues know, with each passing day of this Congress more and more Americans are realizing that this Gingrich House is doing less and less to address the real concerns of their everyday lives. The millions of American families who are out there struggling and cannot get health insurance for their children know that this Congress is offering no answer. The millions of Americans who are out there struggling to find the resources as the cost of going to college escalates, who need some assistance, some support, a tax break for them to help them get their kids the educational opportunity they need, they know this Gingrich Congress is not doing anything for them.

Why is that? Why is it that this Congress meets occasionally for a few hours to discuss suspension bills? Well, my colleagues, the problem is not the suspension bills but the desire of the leadership of this Gingrich Congress to suspend reality. They would suspend the reality of what it is like out there to try to struggle to make ends meet and to hope that the government would be on their side instead of dealing with some of the issues that this Congress has on occasion in its part-time sessions talked about, congratulating the Nicaraguans instead of being concerned with congratulating and supporting all those Americans who are out there trying to struggle up the economic ladder.

Why does this happen? Why is this Congress so aimless that people on both sides of the aisle recognize it is accomplishing very little? Well, clearly one of the reasons is that we have largely been leaderless throughout this House since day one.

□ 1200

But there is another explanation, and that is the influence of money and politics on this Congress, and it affects everyone in this House. When we have to raise hundreds of thousands, indeed, hundreds of millions of dollars in each congressional election, Members of Congress begin devoting more time to raising money than tending to the Nation's business, and that begins to even affect the donors.

Indeed, as my colleague from Michigan pointed out, the Washington Times reported last week, ''Donors tell Republicans they are fed up. Tax cuts to talks as chiefs gather.'' The basic outline of the story was if we do not get our crown jewel, our big tax breaks, we are not going to be giving any more money. That is the kind of influence that I am talking about that distorts the priorities of this Congress, that allows folks to attempt to suspend reality rather than to deal with the real problems of the American people.

Of course, it is not just that this Congress has been doing very little over the last few months; it is when it does act, it does the wrong thing a good bit of the time, and one of those examples is the issue of campaign finance reform. How amusing it would be were it not so serious to hear my colleague from California and my colleague from Ohio tell the American people they want reform, they just do not want to rush into it.

Well, what do my colleagues think we have been doing around here for the last three or four months, rushing to do anything? Rushing to get out of here occasionally to go home after a day and a half of work dealing with measures that have very little to do with the real needs of American families.

We proposed on day one of this Congress that we address the issue of campaign finance reform, not in a rush but in a thoughtful and considered manner, and that effort on day one was voted down on a party-line vote.

So we came back a couple months later, not in a rush or a panic, but realizing that there are real problems that ought to be addressed in a bipartisan fashion and we were again voted down. We came back a third time and were again voted down on the issue of whether or not we would have the very type of thoughtful debate that the gentleman from Ohio says we need to have.

Today we are here for a fourth time, and for the fourth time some Members of this Congress will have an opportunity to reject reform.

The question is not whether we are going to point fingers at one party or another, but whether we will come together, not looking at somebody else's house down Pennsylvania Avenue alone. That needs to be looked at, and my friends on the other side can look at it to their heart's content. But look right here in Congress and what is happening in this Congress, when donors tell Republicans they are fed up, if we do not get our tax breaks we are not going to be contributing to these congressional campaigns.

This issue needs to be addressed by this Congress and addressed today.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Winter Park, FL [Mr. MICA], the dynamic subcommittee chairman.

Mr. MICA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker and my colleagues, I am trying to remember back now. Let us

see. I came in 1992, in that election. 1993, I was here in 1994. I think the gentleman from California [Mr. DREIER] was here in 1993, 1994. I see my colleague on the floor, the distinguished gentleman from Georgia [Mr. KINGSTON], was here in 1993 and 1994. In fact, the gentleman from Georgia [Mr. KINGSTON] and I, I remember we came trying to get campaign finance reform brought before this House. In fact, I am trying to remember, was there ever, when the other party controlled the House, the other body, and the White House, any consideration on this floor of campaign finance reform. That was 24 months.

Now, I do recall when we took over the majority, the things that we did. We did bring to the floor campaign finance reform, and I do not think it was a good bill. In fact, I thought it was a terrible bill. I thought the Republicans had a terrible proposal and the Democrats had a terrible proposal, but it was debated, it was heard fairly and squarely.

What did the Republicans do? They passed a gift ban. In fact, we passed a pretty awesome gift ban. What else did we do? We talked about lobby reform that was long overdue. We not only talked about it, we passed legislation here on the floor. So we talked about these problems and we did something about them.

What we are hearing today is an attempt to speak against a rule that is a fair rule to proceed in an orderly fashion with the business of the House and the business of the Congress. What we are hearing is an attempt by the other side to blur the issue.

I serve on a subcommittee of the Committee on Government Reform and Oversight. We passed a protocol; in fact, we passed a protocol almost immediately, a fair protocol, to consider just about any problems that are brought to our attention, including this, even though we have committees of other areas of jurisdiction to deal with campaign finance. So those issues will, in fact, be heard and the important issues will be heard.

We also heard them say we go too fast. Last year we were going too fast. Now they are saying we are going too slow. We are trying to take the people's business in an orderly fashion, and our actions speak louder than our words.

We brought the Nation's finances into some balance. We cut $53 billion in spending without hurting Medicare, without hurting education, without hurting the environment. So we are on our way. Do not be misled, and we will get the job done.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Speaker, I thank my colleague from New York [Ms. SLAUGHTER] for yielding me this time.

Mr. Speaker, I did not anticipate participating in this debate today, but as a new Member of this House, as a freshman, I want to rise to express my frustration over the fact that we have not been able to put real campaign finance reform on the agenda.

Mr. Speaker, we cannot pick up a newspaper without reading about another scandal. Bipartisan scandals, scandals in the White House, scandals in the Republican National Committee, scandals involving a certain chairman to investigate other scandals.

What is frustrating to me is that there are a number of good and solid proposals dealing with campaign finance reform that have been introduced in this House in a bipartisan way, and yet we cannot get a date certain in which we can debate these issues, in which we can vote on these issues, up or down.

Every major editorial board in this country has editorialized on the need for this Congress to move fast on the issue of campaign finance reform. The American people, if my colleagues read the polls, overwhelmingly believe that the time has come for us to move forward on campaign finance reform, and yet we cannot get a date, we cannot get a commitment from the leadership on the Republican side to bring this issue up and to do what the American people want us to do.

The previous speaker, the gentleman from Florida [Mr. MICA], raised the issue that in previous Congresses the Democrats did not ever bring up the issue of campaign finance reform. Well, it is my understanding that in the 102d and the 103d Congress campaign finance reform passed this House twice. It was vetoed by President Bush and then it was filibustered by the Republican majority in the U.S. Senate.

But that is beside the point in many respects. The issue here is not which party is involved with the most scandals, the issue here is not who can do the most finger-pointing, the issue should be how do we fix this broken system. There is too much money involved in politics, and we need to take the money out of the system.

Mr. DREIER. Mr. Speaker, I yield 4 minutes to my good friend from Savannah, GA [Mr. KINGSTON], the hard-working leader of our 1-minute effort.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, I share the Democrats' concern for some movement on campaign finance reform. As a Member of Congress, I have supported campaign finance reform, but to hear them talk about it is similar to hearing Al Capone talk about the need to crack down on organized crime. The hypocrisy is absurd.

Let us talk about enforcement of the existing laws, Mr. Speaker, $3 million in foreign contributions have been returned by the Democrat National Committee. Where is their outrage? Where are they on this? They are not calling. The 158 fundraisers at the White House. The documents show that there have been over $300,000 to $400,000 raised at each fundraiser. Of course, they are calling them teas and coffees. I guess Starbucks would be so proud.

Over $100,000 raised by the Vice President of the United States at a Buddhist temple where everyone is sworn to a vow of poverty. Where are the Democrats? Where is there righteous indignation there? The Vice President makes fundraising phone calls from Federal Government property. Where are the Democrats? Silent again.

The Washington Post reports that John Huang tried to funnel $250,000 in illegal donations to the Democrat National Committee through an Asian American business group, and where are the Democrats? Where is their outrage? Nothing but silence.

Let us continue. Pauline Kanchanalak. Now, I might be mispronouncing that name, Mr. Speaker. I am not as intimate with foreign donors as my Democrat friends are. But Pauline Kanchanalak gave $235,000 in foreign funds to the Democrat National Committee and they had to be returned. Now, we wanted, as Members of Congress, to subpoena her and ask her about this. She has fled the country. Where are the Democrats? Where is their outrage?

Relatives of the Riady family, which of course owns the Lippo Bank, they gave $450,000 to the Democrat National Committee, which again had to be returned. By the way, did they pay interest on that? I mean because it could be a loan, I do not know. But they are no longer in the country either. Again, no subpoena, and again, I ask, where are the Democrats?

Key figures have fled the country because of their activities. Charlie Trie gave $640,000 in suspicious checks to the President's legal defense fund. He has fled the country, cannot be subpoenaed. Where are the Democrats? Cuban drug dealers and Chinese arms merchants wined and dined at the White House. Where are the Democrats? Where is their outrage?

Webster Hubbell given hundreds of thousands of dollars to keep apparently silent when he was under investigation by the independent counsel. Was this hush money? Mr. Speaker, where are the Democrats?

Mr. Speaker, what I am interested in is although it sounds good and it is a great diversionary tactic for the Democrats to say we need campaign finance reform, why do the Democrats not join us on campaign law enforcement? Why do the Democrats not spend just a little bit of their energy having this same outrage at the folks over at 1600 Pennsylvania Avenue instead of this sideshow, instead of these diversionary tactics. Let us look ourselves in the mirror and say, we have some good laws on the books right now and why do we not enforce those?

Ms. SLAUGHTER. Mr. Speaker, I yield 6 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in opposition to the rule because in fact

we ought to be using this time to consider campaign finance reform. We all know that the system is broken, and we need to vote on campaign finance reform and we need to do something about reconnecting with the American people.

Let me have just a little stage-setting if I might. The rule before us today would allow us to consider what we call suspension bills here, today, which is a Wednesday. Suspensions are noncontroversial items and are considered on Mondays and Tuesdays, so that in fact this House of Representatives can get down to business for the rest of the week and talk about those issues that the public truly does care about, such as fixing our campaign finance system.

It is hard today to open a newspaper without reading about the lack of accomplishment of this Congress, the do-nothing Congress. But the worst of it is that the Congress is doing nothing when the issue of campaign finance reform cries out for action. RECORD sums of money, $2.7 billion, were spent in the 1996 elections, and the American people rightly are asking and saying that there is too much money in the process.

Yes, in fact, we have investigations, investigations which I support, which my side of the aisle supports and they ought to go forward. However, it is interesting that in the other body we have an investigation that is proceeding in a bipartisan way to look at how we look at the Executive Branch, and in fact how we look at the Congress and how they spent their money in the last campaign.

□ 1215

However, on this side of the aisle, on the Republican side of the equation, there is an investigation, but the chairman refuses to allow the investigation to be broadened to the Democrats and Republicans and the Congress.

Mr. Speaker, my colleague just before me talked about where is the outrage. I am outraged. I am outraged by the amount of money that is in this system. Let us open up the investigation on the House side to what the Congress did in the last elections. One of the reasons why my colleagues do not want to do this, let me just tell the Members a little bit about how the majority here, the Republicans, have put special interests before the public interest.

Members will see, that ''Donors Tell GOP They Are Fed Up''. ''Tax Cuts the Talk as the Chiefs Gather.'' They do not want to deal with campaign finance reform because they are frightened to death that these folks are not going to give them the money that they want.

Let us talk about the last session of the Congress. Tobacco gave the RNC, the Republican National Committee, $7.4 million. The GOP passed favorable legislation, a bill that would have saved the tobacco companies millions and millions of dollars. The NRA, National Rifle Association, gave $2 million, and Members may remember that the GOP worked hard and tried to kill the assault weapons ban.

The GOP Congress let big business help to write the workplace safety bill. January 1995, big business lobbyists wrote up a 30-point item wish list for limiting certain workplace safety regulations. Life and death for American men and women in the workplace. When the bill was finished in early June, virtually every single item on that wish list had been incorporated into the final version of the bill. Business lobbyists even worked closely in drafting the bill.

GOP lawmakers let lobbyists rewrite environmental legislation. The Republican whip admitted that he let a group of big business lobbyist contributors write the plan to place a freeze on environmental legislation: clean water, clean air, safety, and health of our families in this country; that he allowed the lobbyists to write the legislation, and this is a quote from him, he says, ''because they have the expertise.'' And many of the lobbyists had helped to funnel corporate money to Republican campaigns.

The list goes on. This is a book called the NRCCC, National Republican Congressional Campaign Committee, the tactical PAC project. If we go down the list here, we will find that every single political action committee has a rating of friendly or unfriendly in it, and this was used by the chairman of that committee to determine who would get a hearing, who could be let in the door. If they were unfriendly, in fact, they could not come in to have a conversation because they had not given enough. Friendly translates into special interest money.

Nonlegislative outrages. The chairman of the National Republican Committee threatened to limit access of business who gave to Democrats. GOP leaders kept a friendly and unfriendly PAC list of who gave to the Republicans and to the Democrats. ''Two-hundred and Fifty Thousand Donors Promised Best Access to Congress by the RNC''; money bought access.

Let me just conclude by saying that in fact we have a problem in the money that is involved in our politics. We are investigating. We are open to the investigation. I, for one, as a Democrat stand here and say, open the House investigation to Republicans and Democrats in the Congress. I am not afraid. Why are you afraid? That is what we ought to be doing.

In fact, what we ought to do is get down, buckle down, get campaign finance reform legislation on this floor to debate and go through, and for the American people, to win that trust back, pass campaign finance reform before Memorial Day.

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

Mr. Speaker, let me first say I very much appreciate seeing the Washington Times regularly quoted by my colleagues on the other side of the aisle. I hope it will not be, as often is the case, maligned when Members on this side hold up articles from the Washington Times in the future.

I should also say to my friend, the gentlewoman from Connecticut, Mr. Speaker, that as we look at this issue, if there is evidence of wrongdoing on this side, there is nothing whatsoever that prevents the Committee on Government Reform and Oversight from looking at that. But every shred of evidence that we have of wrongdoing happens to emanate from the other side of the aisle. I think that is really understandably where the focus will continue to be.

Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Scotsdale, AZ [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today without venom or vitriol to respectfully suggest to my liberal friends that the debate we should be having today in fact is misnamed by my colleague, the gentlewoman from Connecticut, for it is not a debate about campaign finance reform.

Instead, Mr. Speaker, we stand on the precipice of a major debate concerning our national security, a question that should engage everyone, regardless of partisan label or political philosophy, because the question before us, raised not only in the Washington Times but in the Washington Post, the New York Times, the Los Angeles Times, Time, Newsweek, U.S. News and World Report, all the outlets of the main extreme media is this question: In an attempt to win an election, was access to our executive branch conferred upon foreign interests?

Mr. Speaker, it brings me no joy to have to bring this up. This is a question of concern to every American. While I understand and to a certain degree appreciate the political tactic of trying to muddy the water, the observation is clear that the first step to genuine campaign reform is to obey existing law; is for those who now freely admit that they violate Federal law and who use the interesting term that their legal counsel informs them there is no controlling legal authority, let me simply say to those folks in the executive branch, Mr. Speaker, yes, there is a controlling legal authority; Mr. Speaker, yes, there is a controlling legal authority. It is called the Congress of the United States, in its oversight power conferred upon it by the people of the United States, who over 200 years ago ratified the Constitution of the United States.

So the challenge before us today, Mr. Speaker, again is not a question of campaign finance. The challenge that will confront this Congress, indeed that will confront every city of this Republic, is a question of national security

brought to light under existing campaign finance law. It is a serious question. The question remains: Was the executive branch rewarding access to foreign interests in a pursuit of the almighty dollar for campaign activities, to hang onto the executive branch of Government?

It is a serious question we must answer.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. TAYLOR].

(Mr. TAYLOR of Mississippi asked and was given permission to revise and extend his remarks.)

Mr. TAYLOR of Mississippi. Mr. Speaker, I had hoped to sit this one out, but a previous speaker, the gentleman from Georgia, asked where is the outrage. I think after 90 days of session it is high time some of us expressed our outrage.

See, for 40 years a group of people much like the previous District of Columbia City Council said, if we could just govern, give us a chance, we will fix it. But they have discovered, much like the D.C. City Council, that either they do not want to or they cannot. Now, 90 days into the session, I would like you to tell me what you have done about any of America's major problems.

What have you done about the drug problem? The answer is absolutely nothing. What have you done about our Nation's $5.7 trillion debt, $222 billion annual operating deficit on your budget, $360 billion interest payment on that debt for your budget?

You come down here and you cry crocodile tears and say we need a tax break. We need to give the wealthiest Americans a big tax break so they can turn around and instead of paying taxes, they can lend more money to the Government at 8 percent and 9 percent, so the average Joes who live in States like Mississippi will get less in return, because the biggest expense of the Government is not those bureaucrats they blast, it is not welfare, it is not food stamps, it is not defense or health care, it is interest on the national debt, and it is getting worse by the day, and you are doing nothing about it.

What have you done to improve our Nation's defense? Defense spending is down about 10 percent since George Bush left office. Yet you all run the Congress. There are 30-year old helicopters right now flying around. Which one is going to crash next?

You have not done anything on defense. You have not done anything on the deficit. You have not done anything on drugs. When given the opportunity to set a good precedent on funding, you secretly sneak through an 8 percent increase on funding for congressional committees. You do not even tell us you are doing it. A reporter has to tell Congress after it is done that you have increased that budget by 8 percent.

The outrage is that now we are trying to take one step in looking at some of the wrongs that are happening. I would like to know how NAFTA passed. Do Members remember the approximately $15 million the Mexican Government spent in Washington promoting the passage of NAFTA? Where did it go, I would ask the gentleman from California [Mr. DREIER]? Do Members not think we ought to know that as well?

The gentleman has made some very legitimate concerns. I agree with the gentleman on every single one of those concerns.

Please, you are being rude, Mr. DREIER.

What about the money the Mexican Government spent passing NAFTA in this town?

If we are concerned about what foreigners are doing to influence our Congress, to influence our administration, should we not know that?

Should not the folks who used to work at those five garment plants just in one 435th of the country that happens to be the Fifth Congressional District of Mississippi, who lost their jobs as a result of NAFTA, do they not deserve to know? Do Members not think the gentleman from Indiana [Mr. BURTON] ought to look into that?

We are asking for just one thing today. You will not do anything about the deficit, you will not do anything about the debt, you will not do anything about drugs. Let us make a little step. Let us look at campaign finance reform so maybe in the future there will not be another Congress that makes such a blatant mistake like NAFTA, where we went from a trade surplus to a trade deficit; where the only thing we are exporting to Mexico are jobs.

That is why we need campaign finance reform. These folks are totally in the right. Give them a break for a change.

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

Mr. Speaker, I would say to my colleague who addressed me by name and then said I was rude, to ask him to yield time for me to respond that on the issue of campaign finance reform, we obviously are engaging in that debate as we proceed with this rule today. To argue that the only benefit from the North American Free-Trade Agreement has been to send jobs to Mexico is absolutely preposterous.

Anyone who looks at the record that we have on the benefits that have been accrued to this Nation from free trade with Mexico and other countries, we obviously have seen tremendous job creation here, and improvements in the standard of living in this country because of free trade.

The fact that people exercise their first amendment right to participate politically, that does not need to be investigated. What needs to be investigated is blatant violations of existing Federal law.

Mr. Speaker, I yield 1 minute to the gentleman from Winter Park, FL [Mr. MICA].

Mr. MICA. Mr. Speaker, I would just ask the gentleman if he is aware, regarding comments of the last speaker that this Republican Congress has done nothing on the drug issue, that in fact in the 103d Congress, again, when these folks controlled the House, the Senate, the White House, there was one hearing held. I was on the committee, the Committee on Government Reform and Oversight, on national drug policy.

Since January, we have held more hearings than they held in the entire 103d Congress on drug policy.

□ 1230

We have had the drug czar before us. We have had the head of DEA before us. We spent much of the House's time talking about decertifying Mexico. I introduced that resolution with the gentleman from Florida [Mr. SHAW]. There has never been before a debate to decertify, to my knowledge, on the House floor a country.

The gentleman from Florida [Mr. MCCOLLUM] just held a hearing in Puerto Rico on how they gutted when they controlled all the interdiction around Puerto Rico that is bringing drugs in unprecedented quantity into my district, heroin, and we have held hearings and gotten reports from GAO.

Just in 90 days we have done more than they did in an entire session of Congress on the drug issue.

Mr. DREIER. Mr. Speaker, I would say to the gentleman, another point to add along with that is the fact that the much pooh-poohed statement of the former First Lady, Nancy Reagan, to just say no to drugs played a big role in decreasing the recreational use and the incentive for young people to use drugs, whereas we have from this administration seen very little focus on that issue. The byproduct of that has been a tragic and dramatic increase in the use of drugs.

Mr. Speaker, I yield 3 minutes to the gentleman from Glendale, CA [Mr. ROGAN], former majority leader of the California State Assembly.

Mr. ROGAN. Mr. Speaker, I thank my colleague and friend for yielding time to me.

Mr. Speaker, I wish first to associate myself with the remarks of the gentleman from Arizona, who made a very eloquent plea on behalf of Republicans in this Chamber to keep their eye on the ball.

I rise today not as a Republican, but as an American. The almost daily allegations engulfing the White House concern me not from a political standpoint as much as they do from a national standpoint.

Mr. Speaker, I like to think that, if these same allegations were revolving around a Republican administration, my loyalty to my country would be much higher than my loyalty to party. I would urge a thorough investigation of this sort of conduct.

When I was a new prosecutor in Los Angeles County, I first learned of a thing called the SODDI defense. There

was a certain criminal that I was prosecuting, who was clearly guilty, and he was claiming someone else had committed the offense. My boss told me, ''He is raising the SODDI defense.'' I spent a day looking for the SODDI case to figure out what it was all about. My boss laughed at me later. He told me the SODDI defense was an acronym for when a criminal claimed ''some other dude did it.'' I later discovered that the louder a criminal professed that ''some other dude did it,'' typically there was a correlating increase in the amount of evidence against them.

Mr. Speaker, on a daily basis we are now being treated to a political version of the old SODDI defense on this floor. And there seems to be a correlation between the decibel level raised on the other side against the desire to keep a full and thorough investigation from occurring, and the mounting incriminating evidence respecting the alleged improper fundraising conduct of the White House.

We do not take oaths on this floor, Mr. Speaker, to our party. We take an oath to the Constitution of the United States of America. I would urge my colleagues on both sides of the aisle to remember that oath. It was an oath to country, not party.

When serious allegations are raised respecting foreign influence, foreign nationals and foreign corporations being able to reach into the White House and potentially affect the outcome of elections, that is not a partisan issue, Mr. Speaker. That is an issue respecting the sanctity of our electoral process.

This House has an obligation to the Constitution and to the country not to allow a SODDI defense diversion from precluding us from fully investigating these matters.

I thank my colleague for yielding to me.

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair advises that the gentleman from California [Mr. DREIER] has 30 seconds remaining, and the gentlewoman from New York [Ms. SLAUGHTER] has 45 seconds remaining.

Ms. SLAUGHTER. Mr. Speaker, I yield myself the balance of my time.

The majority manager, the gentleman from California [Mr. DREIER], will tell Members the previous question is a procedural vote on whether to close the debate and proceed to vote on the rule, but that is only half true.

If you tell the House you do not want to move on a vote on the rule, control of the House floor will revert to the opponents of the rule for a vote on an alternative course of action. We would use the opportunity to instruct the leadership by majority vote of the House to bring campaign finance reform to a vote under an open rule by the end of next month.

This is a substantive vote and the place where you can tell the leadership you want campaign finance to be a priority on the House agenda.

I include for the RECORD the text of the proposed amendment at this point, along with a brief explanation of what the vote on the previous question really means:

H. RES. 112—PREVIOUS QUESTION AMENDMENT TEXT

At the end of the resolution add the following new section:

Section 2. No later than May 31, 1997, the House shall consider comprehensive campaign finance reform legislation under an open amendment process.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's ''Precedents of the House of Representatives,'' (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Republican majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution * * * [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership ''Manual on the Legislative Process in the United States House of Representatives,'' (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual:

''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule * * * When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

Deschler's ''Procedure in the U.S. House of Representatives,'' the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues:

''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

To conclude my remarks, I remind my colleagues that defeating the previous question is an exercise in futility because the minority wants to offer an amendment that will be ruled out of order as nongermane to this rule and in fact they do not even have an amendment, they do not have a bill. So the vote is without substance.

The previous-question vote itself is simply a procedural motion to close debate on this rule and proceed to a vote on its adoption. The vote has no substantive or policy implications whatsoever.

I include an explanation of the previous question for the RECORD:

THE PREVIOUS QUESTION VOTE: WHAT IT MEANS

House Rule XVII (''Previous Question'') provides in part that:

''There shall be a motion for the previous question, which, being ordered by a majority of the Members voting, if a quorum is present, shall have the effect to cut off all debate and bring the House to a direct vote upon the immediate question or questions on which it has been asked or ordered.''

In the case of a special rule or order of business resolution reported from the House Rules Committee, providing for the consideration of a specified legislative measure, the previous question is moved following the one hour of debate allowed for under House Rules.

The vote on the previous question is simply a procedural vote on whether to proceed to an immediate vote on adopting the resolution that sets the ground rules for debate and amendment on the legislation it would make in order. Therefore, the vote on the previous question has no substantive legislative or policy implications whatsoever.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 223, nays 199, not voting 10, as follows:

[Roll No. 79]

YEAS—223

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—10

Ackerman
Costello
Fattah
Gekas
Istook
Markey
Pelosi
Schiff
Waxman
White

☐ 1256

Mr. COYNE changed his vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, 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 after debate has concluded on all motions to suspend the rules.

HOMEOWNERS INSURANCE PROTECTION ACT

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 607) to amend the Truth in Lending Act to require notice of cancellation rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, and for other purposes, as amended.

The Clerk read as follows:

H.R. 607

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 ''Homeowners Insurance Protection Act''.

SEC. 2. PROVISIONS RELATING TO PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended—

(1) by redesignating subsections (f), (g), (h), (i), and (j) as subsections (k), (l), (m), (n), and (o), respectively; and

(2) by inserting after subsection (e) the following new subsections:

''(f) DISCLOSURES RELATING TO PRIVATE MORTGAGE INSURANCE.—

''(1) DISCLOSURE AT SETTLEMENT RELATING TO EXISTENCE OF PMI.—With regard to any covered mortgage loan, the lender shall disclose, in writing at or before the settlement of such covered mortgage loan, whether any private mortgage insurance will be required to be obtained or maintained with respect to such mortgage loan, including any lender-paid private mortgage insurance, and the period during which such insurance will be required to be in effect.

''(2) DISCLOSURE AT SETTLEMENT RELATING TO TERMINABILITY OF PMI.—If the lender requires, as a condition for entering into a covered mortgage loan, the borrower to assume an obligation to make separately designated payments toward the premiums for private mortgage insurance with respect to such loan, the lender shall disclose, in writing at or before the settlement of such covered mortgage loan any of the following notices which are applicable with respect to such loan:

''(A) PMI OBLIGATIONS TERMINABLE UPON REQUEST.—In the case of a loan described in paragraph (3), that—

''(i) the borrower's obligation to make separately designated payments toward the premiums for private mortgage insurance may be able to be terminated while the mortgage is outstanding (including a cancellation permitted before the date of automatic termination under subsection (g)); and

''(ii) the borrower will be notified by the servicer not less frequently than annually of an address and a toll-free or collect-call telephone number which the borrower may use to contact the servicer to determine—

''(I) whether the borrower's obligation to make separately designated payments toward the premium for private mortgage insurance may be terminated while the mortgage loan is outstanding (or before the date of automatic termination); and

''(II) if such obligation may be terminated while the loan is outstanding (or before such date), the conditions and procedures for such termination.

''(B) PMI OBLIGATIONS TERMINABLE BY OPERATION OF LAW.—That the borrower's obligation to make separately designated payments toward the premiums for private mortgage insurance will be terminated by operation of law under subsection (g).

''(C) NONTERMINABLE PMI OBLIGATIONS.—In the case of a loan not described in paragraph (3), that the borrower's obligation to pay any amount to be applied to any portion of the premiums for private mortgage insurance will not be terminated at the request of the borrower.

''(3) DISCLOSURE WITH ANNUAL STATEMENTS OR OTHER COMMUNICATIONS.—If—

''(A) private mortgage insurance is required as a condition for entering into a covered mortgage loan; and

''(B) the borrower's obligation to make separately designated payments toward the premiums for such insurance may be terminated at the borrower's request,

the servicer shall, not less frequently than annually, disclose to the borrower a clear and conspicuous statement containing the disclosures set forth in subparagraphs (A) and (B) of paragraph (2), including the address and telephone number referred to in such paragraph, based on the servicer's knowledge at the time such periodic communication is given. Such disclosure shall be included with any annual statement of account, escrow statement, or related annual communications provided to the borrower, while such private mortgage insurance is in effect.

''(4) DISCLOSURES FURNISHED WITHOUT COST TO BORROWER.—No fee or other cost may be imposed on any borrower for preparing and delivering any disclosure to the borrower pursuant to this subsection.

''(g) MANDATORY TERMINATION OF PMI OBLIGATIONS AT 75 PERCENT LOAN-TO-VALUE RATIO.—

''(1) IN GENERAL.—Notwithstanding any provision of a covered mortgage loan, any obligation of the borrower to make separately designated payments toward the premiums for any private mortgage insurance in effect with respect to such loan shall terminate, except as provided in paragraph (3), by operation of law as of the 1st day of the 1st month which begins after the date on which the principal balance outstanding on all residential mortgages on the property securing the loan is equal to or less than 75 percent of the lesser of—

''(A) if the loan was made for purchase of the property, the sales price of the property under such purchase; or

''(B) the appraised value of the property, as determined by the appraisal conducted in connection with the making of the loan.

''(2) DISCLOSURE UPON TERMINATION.—Not later than 45 days after the date of termination pursuant to paragraph (1) of a private mortgage insurance requirement for a covered mortgage loan, the servicer shall notify the borrower under the loan, in writing, that—

''(A) the private mortgage insurance has terminated and the borrower no longer has private mortgage insurance: and

''(B) no further premiums, payments, or other fees shall be due or payable by the borrower in connection with the private mortgage insurance.

''(3) EXCEPTION FOR DELINQUENT BORROWERS.—

''(A) IN GENERAL.—Paragraph (1) shall not apply with respect to any covered mortgage loan on which the payments are not current as of the date that the obligation to make private mortgage insurance premium payments in connection with the loan would otherwise terminate pursuant to paragraph (1).

''(B) EFFECTIVENESS ONCE PAYMENTS ARE CURRENT.—In the case of any covered mortgage loan to which subparagraph (A) applies, paragraph (1) shall apply with respect to such loan as of the 1st day of the 1st month which begins after the date that such payments become current.

''(4) RETURN OF PAYMENTS TOWARD PREMIUMS.—

''(A) RETURN OF PAYMENTS TO BORROWER.—The servicer for a covered mortgage loan shall promptly return to the borrower any payments toward the premiums for any private mortgage insurance for such loan covering any period occurring after the date of automatic termination for such loan under this subsection.

''(B) RETURN OF PAYMENTS TO SERVICER.—The private mortgage insurer for a covered mortgage loan shall promptly return to the servicer any payments received from the servicer toward the premiums for any private mortgage insurance for such loan covering any period occurring after the date of automatic termination for such loan under this subsection.

''(h) LENDERS' CONDITIONS FOR PMI.—

''(1) CONDITIONS FOR TERMINATION OF BORROWER'S OBLIGATION TO PAY PMI.—The conditions for the termination of the borrower's obligation to make separately designated payments toward the premium for private mortgage insurance with respect to a covered mortgage loan, including any changes in such conditions, shall be reasonably related to the purposes for which the requirement for private mortgage insurance was imposed at the time the loan was made.

''(2) BORROWER'S RIGHT TO TERMINATE IN ACCORDANCE WITH CONDITIONS.—In the case of any covered mortgage loan described in subsection (f)(3), the borrower shall have the right under this paragraph to terminate the borrower's obligation to make separately designated payments toward the premiums for such insurance if the conditions and procedures for such termination most recently communicated to the borrower (pursuant to a request by the borrower pursuant to notice under subsection (f)(3) or otherwise) have been met.

''(i) EFFECT ON OTHER AGREEMENTS.—The provisions of subsections (f), (g), and (h) shall supersede any conflicting provision contained in any agreement relating to the servicing of a covered mortgage loan entered into by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any private investor or noteholder (or any successors thereto). A servicer which cancels private mortgage insurance on a covered mortgage loan in compliance with the provisions of subsection (g) or (h) or in accordance with investor guidelines in existence at the time concerning the cancellation of private mortgage insurance (regardless of whether the cancellation by the servicer was mandated by such subsections or initiated by the borrower) shall not be required to repurchase such mortgage loan from the investor or holder of such mortgage loan solely on the grounds that the private mortgage insurance was canceled in accordance with the provisions of such subsections or investor guidelines, as applicable.

''(j) LIMITATIONS ON LIABILITY.—If the servicer for a covered mortgage loan has complied with the requirements under subsections (f) and (g) to provide disclosures, the servicer shall not be considered to have violated any provision of subsection (f), (g), or (h) and shall not be liable for any such violation—

''(1) due to any failure on the part of the servicer to provide disclosures required under such subsections resulting from the failure of any mortgage insurer, any mortgage holder, or any other party to timely provide accurate information to the servicer necessary to permit the disclosures; or

''(2) due to any failure on the part of any private mortgage insurer, any mortgage holder, or any other party to comply with the provisions of such subsections.

Each private mortgage insurer and each mortgage holder for a covered mortgage loan shall provide accurate and timely information to the servicer for such loan necessary to permit the disclosures required by subsections (f) and (g). In the event of a dispute regarding liability for a violation of subsection (f), (g), or (h), and upon request by the borrower, a servicer shall provide the borrower with information stating the identity of the insurer or mortgage holder.''.

(b) DEFINITIONS.—Subsection (n) of section 6 of the Real Estate Settlement Procedures Act of 1974 (as redesignated by subsection (a)(1)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (5), and (6), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1) of this subsection) the following new paragraph:

''(1) COVERED MORTGAGE LOAN.—The term 'covered mortgage loan' means a federally related mortgage loan under which the property securing the loan is used by the borrower as the borrower's principal residence.''; and

(3) by inserting after paragraph (2) (as so redesignated) the following new paragraphs:

''(3) MORTGAGE INSURANCE.—The term 'mortgage insurance' means insurance, including any mortgage guaranty insurance, against the nonpayment of, or default on, a mortgage or loan involved in a residential mortgage transaction, the premiums for which are paid by the borrower.

''(4) PRIVATE MORTGAGE INSURANCE.—The term 'private mortgage insurance' means mortgage insurance other than mortgage insurance made available under the National Housing Act, title 38 of the United States Code, or title V of the National Housing Act of 1949.''.

SEC. 3. SCOPE OF APPLICABILITY.

(a) NOTICE AT OR BEFORE SETTLEMENT.—Paragraphs (1) and (2) of section 6(f) of the Real Estate Settlement Procedures Act of 1974 (as added by section 2(a) of this Act) shall apply only with respect to covered mortgage loans made after the end of the 1-year period beginning on the date of the enactment of this Act.

(b) NOTICE OF PMI OBLIGATION TERMINABILITY.—Paragraphs (3) and (4) of section 6(f) of the Real Estate Settlement Procedures Act of 1974 (as added by section 2(a) of this Act) shall apply beginning upon the end of the 1-year period that begins on the date of the enactment of this Act and with respect to any covered mortgage loan without regard to the date on which such loan was made.

(c) TERMINATION OF PMI OBLIGATION BY OPERATION OF LAW.—Subsections (g) and (h) of section 6 of the Real Estate Settlement Procedures Act of 1974 (as added by section 2(a) of this Act) shall apply only with respect to covered mortgage loans made after the end of the 1-year period beginning on the date of the enactment of this Act.

SEC. 4. CONFORMING AMENDMENTS.

(a) SECTION 6.—Section 6(m) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) (as redesignated by section 2(a)(1) of this Act) is amended—

(1) by inserting ''(not including subsection (f))'' before ''regarding timing''; and

(2) by adding at the end the following new sentence: ''The preceding sentence shall not apply to any State law or regulation relating to notice or disclosure to a borrower regarding obtaining, maintaining, or terminating private mortgage insurance and such State laws and regulations shall be subject to the provisions of section 18.''.

(b) SECTION 10.—Section 10(b) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2609(b)) is amended by striking ''section 6(i)'' and inserting ''section 6(n)''.

(c) SECTION 12.—Section 12 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2610) is amended by striking ''section 6(i)'' and inserting ''section 6(n)''.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to the rule, the gentleman from Iowa [Mr. LEACH] and the gentleman from Texas [Mr. GONZALEZ] each will control 20 minutes.

The Chair recognizes the gentleman from Iowa [Mr. LEACH].

□ 1300

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

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

Mr. LEACH. Mr. Speaker, before the House today is H.R. 607, the Homeowners Insurance Protection Act of 1997, introduced by the distinguished gentleman from Utah [Mr. HANSEN].

Mr. Speaker, before presenting a committee perspective, I yield such time as he may consume to the gentleman from Utah [Mr. HANSEN], who deserves full credit for bringing this legislation to the attention of the House and also the thanks of thousands, perhaps millions, of American homeowners. It is not only fair but 100 percent accurate to say that without his leadership, this bill would not be before the House today.

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

Mr. HANSEN. Mr. Speaker, I wish to thank the distinguished gentleman from Iowa for yielding me this time and thank him for the great work that he has done on this piece of legislation, the ranking member and many others who have joined in this.

Let me just say to the people of America, what is private mortgage insurance? It is a very necessary tool that the mortgage industry uses. Without that, when that young couple finally gets the opportunity to buy their first house, they are looking forward to it, they can hardly wait to get their keys, they walk in and they sign papers about that deep.

There is probably not one person in America, well, maybe one or two, that really understands what he is even signing, but he gets down to the time and he signs something on private mortgage insurance, and what is it that he just bought? He bought something that does not protect him. It is not a homeowner's, it is not a title insurance. What it does is it protects the person who is lending him the money. Why does he have private mortgage insurance? Because he could not come up with 20 percent down payment.

So literally thousands of these are across America. Are they necessary? Yes. Are they good? Yes. Should we have them? Absolutely. But what happens when he gets it down to the 20 percent? We are finding that very, very few lenders take it off. They think of one way after another to hassle people. ''Oh, the price of your house isn't right'' or ''Maybe you didn't make your payment exactly on time.'' So it goes on and on and on and there are horror stories all over America.

Go anywhere and some people say, ''I've been paying that all the way down to the last.'' So what does that mean? That means some servicers, banks, insurance companies, are literally putting millions of dollars in their back pocket, and people do not realize they are doing it.

All we are asking in this bill is basically when you take out the loan, you have the opportunity to understand, full disclosure, what is PMI. On your annual statement that all of us get at the end of the year, it will say on there what you paid in principal, what you paid in interest, what you paid in taxes, and what you paid in PMI and where it stands and when you can get it off. That is very important.

If they can say ''Happy birthday, Mr. HANSEN,'' they can surely put that on there. It always bothers me when they say it is a big deal when they cannot put it on. They do that constantly.

All we are saying now is there are millions of people that are overinsured. There are millions of dollars, multimillions of dollars going into pockets, that should not be there and those who can afford it the least are those who are paying this. These are the people who cannot come up with the 20 percent. Those of us that sit around here, probably very few of them do it. I have personally experienced this. I cannot believe the hassle one goes through.

So this bill will take care of those things plus one thing I have not mentioned, it has an automatic cancellation at 75 percent. I would urge Members to vote for this. Members are doing a good thing for consumers of America. They are doing something right. I urge Members' support of the bill.

Mr. Speaker, I appreciate the opportunity to bring this important bill to the floor. H.R. 607, the Homeowners Insurance Protection Act, puts this Congress squarely on the side of the hard working American homeowners. First, I would like to thank the chairman and ranking minority member of the Banking Committee for their bipartisan leadership in bringing this important bill to the floor in a timely manner. I would also like to thank their fine staff for all their hard work and assistance, and leadership for their support in bringing this good piece of consumer legislation before the House.

H.R. 607 raises the important issue of what homeowners should know when they obtain a home mortgage, and more importantly, when they can stop paying for insurance they no longer need.

The last decade has seen many positive changes within the mortgage industry. These changes have allowed millions of American families to achieve the American dream and become homeowners. I applaud the industry for making home ownership a reality for millions of families by developing alternative mortgage instruments that help get more families into homes than otherwise could have afforded one.

One widespread, and little understood, instrument in the current mortgage industry is private mortgage insurance [PMI]. Private mortgage insurance enables homeowners to purchase homes with as little as a 3-to-5 percent down payment by insuring the mortgage lender against default. As such, PMI does not insure the borrower and should not be confused with a homeowner's property protection policy. For conventional mortgages, PMI is normally required whenever a borrower does not have a 20 percent down payment. PMI plays an important part of the mortgage industry by making home ownership more accessible. The problem arises when homeowners are not informed of what PMI is and when and how they can stop paying it. Overpayment of PMI is potentially costing hundreds of thousands of homeowners millions of dollars per year.

To get some idea of how widespread this problem may be, consider that in 1996 of the 2.1 million home mortgages that were insured, over 1 million required private mortgage insurance. The remainder were either FHA or VA guaranteed. One industry group estimates that at least 250,000 homeowners are overpaying PMI and other estimates suggest this figure represents the low end. At an average monthly cost of $30–$100 dollars, overpayment of PMI can easily cost homeowners thousands of dollars in unnecessary payments over the life of their loan. Each of these cases has one thing in common—homeowners do not understand what PMI is and are not informed of their right to cancel PMI under certain circumstances.

Consider the following example. Eighteen years ago, a woman and her now-deceased husband purchased a home for $20,700. The couple financed $18,700 and were required by their lender to purchase private mortgage insurance. At no time were they told that they were entitled to cancel the mortgage insurance. The last payment on the loan, made in June, 1996, included a private mortgage insurance payment of $13.99. This widow paid private mortgage insurance premiums for the life of her loan! Her mortgage company continued to charge these premiums every month even though they knew that the PMI was unnecessary, that it could be canceled under their own guidelines and that there was no longer any risk to the lender.

In another case, a secretary in Texas, purchased a home for $26,000 19 years ago. She financed $22,950 and was required by her lender to purchase PMI because she did not have a 20 percent down payment. At no time was she told she could cancel PMI after certain requirements were met. Over 19 years later, she and her husband were still paying PMI. Why? She has paid off over 90 percent of the balance of her mortgage, leaving her debt at less than 10 percent of the value of her property. Her mortgage servicer continues to charge her PMI premiums every month even though it knows that the PMI has been unnecessary for years. In fact, her mortgage servicer has been charging her for PMI, even though the owner of her mortgage no longer requires the insurance.

Even Members of Congress are not immune from this problem. When I first came to the Congress I bought a small condominium in Northern Virginia with less than 20 percent down. As I paid my monthly mortgage to the mortgage servicer, I noticed that I was paying $20 a month for PMI. I called the mortgage servicer to find out what this payment was and what I could do to stop paying it. Just like thousands of other homeowners, that is when the real adventure began.

After a short conversation with my mortgage service representative I was told that I needed to pay $4,000 to arrive at the loan of value [LTV] ration required by the investor. If the LTV ratio was less than 80 percent, I would not be considered a risky investment, and I would no longer need PMI. After paying down to the correct LTV, as required, I realized that my mortgage servicer was still charging me for PMI. I assumed this was an error and called the mortgage servicer again. I was now informed that additional requirements needed to be met. One month I was told to get an appraisal. The next month I had to prove that I had a good payment history. The next month I needed to use their appraiser. Each month it was a new requirement and at no time did my mortgage servicer indicate everything needed to cancel the PMI. After 4 years of wrangling with my mortgage servicer it finally required direct intervention by the mortgage investor to cancel PMI on my behalf. As I soon discovered, mine was not an isolated case.

Now you may not think that $20, or even $100 a month is a lot of money, but when its paid by millions of homeowners we soon start talking about real money. In the business world we call this the law of small sums. As any good businessman can tell you, if you can get a little bit of money from a whole lot of people you really have something.

As a small businessman for most of my life, including a short stint in the mortgage industry, I also learned that if an industry polices itself the Government should not interfere. I firmly believe that the Government should stay out of the private marketplace. However, when an industry does not follow even its own guidelines—I believe it is our responsibility to draw the line. That is why I proposed the Homeowner's Insurance Protection Act (H.R. 607), which requires full disclosure of what PMI is, who it insures, and how it can be canceled. H.R. 607 would also require clear periodic notification to the homeowner of both their right to cancel PMI and any preconditions which must be met.

One issue included in H.R. 607 that does merit careful attention is the question of automatic cancellation. I believe that some form of automatic cancellation is the right thing to do. In some segments of the mortgage industry, for example Navy Federal Credit Union, PMI is automatically canceled when the loan to value ratio [LTV] reaches 80 percent. New mortgage servicing guidelines from Fannie Mae, one of the largest investors in home mortgages, also supports some form of automatic cancellation of PMI. This is both good for the consumer and good business. However, I would not want to see automatic cancellation provisions prevent lenders from insuring themselves against consumers who do not have a good record of payment or against a severely depreciated real estate market. In addition, I do not want to create the unintended consequence of shifting costs to lower risk consumers in the form of higher PMI premiums. I believe the 75 percent LTV automatic cancellation provision for only new loans with a good payment history is a responsible compromise in this regard—and which has broad within the industry.

The bottom line is that thousands of hard working American homeowners overpay PMI each year because they don't know what it is or how to get rid of it. Even worse, with PMI overpayment, it is usually the people who can afford it least that end up paying the most. There is nothing more frustrating than paying for something that is not needed. We would not let an auto mechanic charge customers for work that is not needed or a doctor charge patients for procedures that were not performed. PMI plays an important role in the mortgage industry, but when that role is fulfilled the American homeowner should not keep paying for something that serves no legitimate purpose.

H.R. 607 is a good bill which puts this Congress squarely on the side of the American consumer and I would ask for its swift passage.

THE TRUTH BEHIND PRIVATE MORTGAGE INSURANCE

(By Representative James Hansen)

The last decade has seen many positive changes within the mortgage industry. These changes have allowed millions of American families to achieve the American dream and become homeowners. I applaud the industry for making homeownership a reality for millions of families by developing alternative mortgage instruments that help get more families into homes than otherwise could have afforded them.

One widespread, and little understood, instrument in the current mortgage industry is private mortgage insurance (PMI). Private mortgage insurance enables homeowners to purchase homes with as little as a 3 to 5 percent down by insuring against default.

But PMI does not insure the borrower and should not be confused with a homeowner's property protection policy. For conventional mortgages, PMI is normally required whenever a borrower does not put 20 percent down.

PMI plays an important part in the mortgage industry by making homeownership more accessible. The problem arises when homeowners are not informed of what PMI is and when and how they can stop paying it. Overpayment of PMI is potentially costing hundreds of thousands of homeowners millions of dollars per year.

To get some idea of how widespread this problem may be, consider that in 1996, of the 2.1 million home mortgages that were insured, more than one million required private mortgage insurance. One industry group estimates that at least 250,000 homeowners are overpaying PMI, and other estimates suggest this figure represents the low end. At an average monthly cost of $30 to $100, overpayment of PMI can easily cost homeowners thousands of dollars in unnecessary payments over the life of their loan.

Each of these cases has one thing in common—homeowners do not understand what PMI is and are not informed of their right to cancel PMI under certain circumstances.

Consider the following example: Eighteen years ago, a woman and her now-deceased husband purchased a home for $20,700. The couple financed $18,700 and were required by their lender to purchase private mortgage insurance. At no time were they told that they were entitled to cancel the mortgage insurance. The last payment on the loan, made in June 1996, included a private mortgage insurance payment of $13.99.

This widow paid private mortgage insurance premiums for the life of her loan. Her mortgage company continued to charge these premiums every month even though they knew that the PMI was unnecessary, that it could be canceled under their own guidelines, and that there was no longer any risk to the lender.

Even Members of Congress are not immune from this problem.

When I first came to Congress, I bought a small condominium in Northern Virginia with less than 20 percent down. As I paid my monthly mortgage to the mortgage servicer, I noticed that I was paying $20 a month for PMI. I called the mortgage servicer to find out what this payment was and what I could do to stop paying it.

Just like thousands of other homeowners, that is when the real adventure began.

After a short conversation with my mortgage service representative, I was told that I needed to pay $4,000 to arrive at the loan to value (LTV) ratio required by the investor. If the LTV ratio was less than 80 percent, I would not be considered a risky investment and I would no longer need PMI. After paying down to the correct LTV, as required, I realized that my mortgage servicer was still charging me for PMI. I assumed this was an error and called the mortgage servicer again. I was now informed that additional requirements needed to be met.

One month I was told to get an appraisal. The next month I had to prove that I had a good payment history. The next month I needed to use their appraiser. Each month, it was a new requirement, and at no time did my mortgage servicer indicate everything that I needed in order to cancel the PMI.

After four years of wrangling with my mortgage servicer, it finally required direct intervention by the mortgage investor to cancel PMI on my behalf. As I soon discovered, mine was not an isolated case.

As a small businessman for most of my life, including a short stint in the mortgage industry, I also learned that if an industry polices itself, the government should not interfere. I firmly believe that the government should stay out of the private marketplace. However, when an industry does not follow even its own guidelines, I believe it is our responsibility to draw that line.

That is why I have proposed the Homeowners Insurance Protection Act (H.R. 607), which would require full disclosure of what PMI is, who it insures, and how it can be canceled. H.R. 607 would also require clear periodic notification to the homeowner of both their right to cancel PMI and any preconditions that must be met.

Sen. Alfonse D'Amato (R–NY), chairman of the Senate Banking, Housing, and Urban Affairs Committee, has also introduced similar legislation. Hearings were held in the Senate committee on Feb. 25; the House Banking and Financial Services Committee will be looking into this issue in the near future. This legislation is straight forward and long overdue.

One issue that is not addressed in H.R. 607 but does merit attention is the question of automatic cancelation. I believe some form of automatic cancelation is the right thing to do. In some segments of the mortgage industry, for example, the Navy Federal Credit Union, PMI is automatically canceled when the loan to value ratio reaches 80 percent. New mortgage-servicing guidelines from Fannie Mae, one of the largest investors in mortgages, also support some form of automatic cancelation of PMI.

This is both good for the consumer and good business. However, I would not want to see automatic cancelation provisions prevent lenders from insuring themselves against consumers who do not have a good record of payment or against a severely depreciated real estate market. If we are not careful, we may have the unintended consequence of shifting costs to consumers in the form of higher PMI premiums.

The bottom line is that thousands of hard-working American homeowners overpay PMI each year because they don't know what it is or how to get rid of it. Even worse, with PMI overpayment, it is usually the people who can afford it least that end up paying the most.

There is nothing more frustrating than paying for something that is not needed. We would not let an auto mechanic charge customers for work that is not needed or a doctor charge patients for procedures that were not performed. PMI plays an important role in the mortgage industry, but when that role is fulfilled, the American homeowner should not keep paying for something that serves no legitimate purpose.

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

As has been noted, this legislation provides for automatic cancellation of private mortgage insurance once homeowners' equity reaches 75 percent of the original value of the house, and as long as the homeowner is current in making mortgage payments.

In addition, it extends important new consumer disclosure provisions to this little understood type of insurance which protects the mortgage holder, but is paid by the homeowner.

The bill is thus designed to strike a balance which protects the homeowner and at the same time provides an incentive for lenders to make loans at competitive rates in circumstances where otherwise credibly priced loans would not be available.

This insurance product has been around for a number of years and typically costs affected homeowners between $300 and $900 annually. But until the gentleman from Utah [Mr. HANSEN] raised the issue of whether coverage was necessary after homeowners' equity reached a certain level, it has not been the subject of congressional action. Since coming to the attention of the Committee on House Banking and Financial Services earlier this year, H.R. 607 has been on a fast track.

The committee held a public hearing on March 18 and approved H.R. 607 on a vote of 36 to 1 just 2 days later, on the eve of our departure for the spring recess. Frankly, it had been my original intention to mark up the legislation in committee on the day of the hearing, but we postponed committee consideration at the request of the minority.

Subsequent to the committee's action, I asked the leadership to schedule this bill for a vote by the full House in the first or second week after the recess. Here we are today, on schedule, with a bill that has been brought to the floor, unmodified from the committee product.

In my judgment, the committee has crafted in a bipartisan fashion an approach which deserves the support of this House. Homeowners should not be stuck with paying insurance to protect others on a home that becomes protected by its own collateral value. If insurance fees continue past the point where 25 percent of the value of the loan has been paid, one group of homeowners; that is, those who originally may not be able to make a large down payment, will be prejudiced against in relation to those able to afford a larger down payment. This bill is thus, above anything else, about common sense equity. I urge its adoption.

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

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

Mr. Speaker, mortgage insurance is and always has been a powerful tool for American home buyers. Of course, what it does is to reduce the risk of making a low down payment, long-term mortgage, by insuring that the lender, or the investor in that mortgage, will be paid in the event the borrower defaults. With mortgage insurance, tens of millions of Americans have been able to afford a home. Without mortgage insurance, buyers would have to come up with a down payment of about 20 percent, and probably would be able to get only a short-term mortgage.

Before the advent of mortgage insurance, only about a third of Americans owned a home. Today more than two-thirds do. As great as mortgage insurance is, the truth is that a vast number of people are paying for insurance they no longer need. To the average buyer, it costs anywhere from $30 to $100 a month. Anyone who has a good payment record and at least 20 percent equity probably does not need mortgage insurance. But the truth is buyers who should not be paying for insurance are paying millions of dollars in premiums. Some buyers who know this, like our colleague, the gentleman from Utah [Mr. HANSEN], have run into brick walls when they have sought to cancel.

This bill does two things. It preserves mortgage insurance as the valuable and vital tool that it is. Second, it guarantees future buyers that their mortgage insurance will be canceled when they have a 25-percent equity stake and allow them to seek cancellation sooner if they qualify. This bill does not affect contracts, but it does set us on the path of correcting real abuses and it will save home buyers many millions of dollars.

This is a good bill. Of course, like everything else, it is not perfect. Some of us would have liked greater reforms. Some of us wanted less. But this is a consensus bill with virtually unanimous support in the Committee on Banking and Financial Services. It deserves Members' support. I urge an ''aye'' vote.

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

Mr. LEACH. Mr. Speaker, I yield 2½ minutes to the gentleman from North Carolina [Mr. BURR].

Mr. BURR of North Carolina. Mr. Speaker, I thank the chairman of the full committee for yielding me this time.

I rise today, Mr. Speaker, in support of this legislation. Last week I had concerns on this legislation. Today I still have several concerns with this bill. I would like to address those concerns in a colloquy with the gentleman from Iowa, the chairman of the Committee on Banking and Financial Services.

Mr. Speaker, I say to the gentleman from Iowa [Mr. LEACH], the chairman, that I am concerned about the effect the bill will have on pool mortgage insurance, insurance which covers a whole pool of mortgages as opposed to insurance on individual mortgages. If pool insurance was covered, would this not increase home ownership costs?

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

Mr. BURR of North Carolina. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Speaker, I will tell the gentleman, this is an extremely important inquiry. The intent of the legislation is to cover individual private primary mortgage insurance covering individual loans and not insurance for an entire pool of mortgages.

The reason it is important that pool insurance not be covered is that it allows mortgages with PMI to be intermingled in the secondary market with those without, thus providing more flexibility in their securitization and lower cost for the homeowner.

Mr. BURR of North Carolina. It is my understanding that in requiring new disclosure requirements concerning PMI, this bill could add costs to the private sector, especially mortgage servicers and lenders. This is of particular concern to me as well as my colleagues in the North Carolina delegation, because 44 percent of all private mortgage insurance is issued in my State.

Mr. LEACH. This concern is also a valid one, but certain issues should be kept in perspective. Generally, mortgage servicers and lenders already have to make a number of disclosures to homeowners at settlement and during the life of the mortgage under the Truth in Lending Act and the Real Estate Settlement Procedures Act. The intent of the committee in drafting this legislation was to ensure that most of the notices concerning PMI are made in conjunction with the notice requirements of these acts.

In addition, I think it should be noted that the biggest and most reputable mortgage servicers in the country, including one headquartered in my State, are beginning to provide borrowers notices on PMI. Finally, a number of States already require or are considering requiring notices on PMI. For instance, the States of California and New York, which comprise 20 percent of the home mortgage market, require disclosure to borrowers on this kind of insurance. This law would provide a disclosure standard for the entire country, which may make other State legislatures less likely to impose new State standards on this subject.

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

Mr. BURR of North Carolina. I yield to the gentleman from North Carolina.

Mr. COBLE. I thank the gentleman for yielding.

Mr. Speaker, I say to the chairman that I would like to extend some of the remarks uttered by the gentleman from North Carolina [Mr. BURR]. I share his concerns, but not at all as to the intent of the bill. You start going

after homeowners and you are opening up a bucket of snakes. I am not against homeowners at all. But I have a concern, Mr. Speaker, and I would be happy to hear from the chairman as to whether or not we may be encouraging and nurturing unnecessary and frivolous litigation.

Mr. LEACH. I would tell the gentleman, this is a very legitimate concern. I too want to benefit the homeowner and not the class-action lawyer. Because of some of the industry practices concerning PMI, such as not providing borrowers sufficient information on how to terminate the insurance or requiring PMI long after it is needed, mortgage servicers and insurers are facing more and more lawsuits. This legislation will clarify what the responsibilities of market participants are concerning PMI. Without this legislation, in States which do not have State PMI laws, it will be the courts who will determine by judicial fiat the legal liability of the mortgage industry participants on an ad hoc basis. This bill provides more certainty to the law concerning a borrower's rights and PMI and thus is intended to make litigation less likely.

Mortgage market players have expressed some concern that the provision of the bill requiring the conditions for terminating PMI be reasonably related to the requirements for private mortgage insurance may precipitate unnecessary litigation. This is not the intent of the committee. It is the expectation of the committee that HUD, which has rule making authority, would put forth commonsense interpretations of this provision designed to preclude unreasonable lawsuits.

Mr. COBLE. I thank the gentleman from North Carolina and the gentleman from Iowa, the chairman.

Mr. BURR of North Carolina. Mr. Speaker, I would like to thank the chairman for his willingness to address the concerns of the gentleman from North Carolina [Mr. COBLE] and my concerns with this legislation. I am hopeful that our colleagues that are involved in the completion of this legislation and the process will continue to refine it and to make it the best bill in the coming weeks that they possibly can.

Mr. LEACH. I thank both the gentlemen from North Carolina for their concerns, which are very thoughtful and constructive. I appreciate that.

□ 1315

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

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. LAFALCE].

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

Mr. LAFALCE. Mr. Speaker, after listening to the previous dialog, I must point out that this is a good bill, this is a consumer bill, this is not a bill that we have to bring up by a vote of the Committee on Banking and Financial Services 36 to 1 and then hear apologies for. Not at all.

Mr. Speaker, the fact of the matter is, the gentleman from Utah [Mr. HANSEN] did us a great service when he pointed out that lenders, banks, insurance companies, et cetera, have been ripping the consumer off for years and years to the tune of hundreds of millions of dollars. And then we took his bill, and we asked for a 2-day delay, and we negotiated with the majority to make it not simply a bill which would advise us of the problem, but actually terminate, cancel, these premiums that were no longer warranted, no longer justified, at least with respect to future mortgages.

This is the most significant consumer bill brought up in Congress this year. It is probably going to be the most significant consumer bill brought up in Congress during this session and the next session. We should not be apologetic about it. We should rejoice in it, and we should make sure that this is not amended or refined away by the Senate or in conference with the Senate.

We have a good bill, let us pass it virtually unanimously, and then let us hold onto it in conference.

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I rise to have a colloquy with the gentleman from Iowa, the chairman of the committee. Mr. Speaker, I commend him for bringing this important consumer legislation to the House floor today, and I particularly commend our colleague, the gentleman from Utah [Mr. HANSEN], for introducing it. This bill provides meaningful financial relief of $50 or $100 a month to millions of American families. Best of all, Mr. Speaker, it provides us relief at no cost to the U.S. Treasury.

I also commend the chairman for the genuine bipartisan way this legislation was considered by the committee, which is why it was reported out of the committee 36 to 1. The entire Democratic membership of the House Committee on Banking and Financial Services enthusiastically supported this bipartisan initiative and hopes that the bipartisanship that was demonstrated on this legislation will be a model for subsequent legislation from our committee.

I do have one question for him however. Since the legislation was reported out of committee, it has been brought to my attention that there are mortgage products in the marketplace that may require mortgage insurance of a different type or for a period of time that is not prescribed in statute. I am not aware of all the products, and since the products in the marketplace are evolutionary in nature and we cannot always anticipate what tomorrow may bring in the marketplace, I hope that as the process goes through, the chairman and the members of the conference pay very close attention to this so that in the final end the private mortgage insurance disclosure that we are requiring and the cancellation we are requiring under this act does, in fact, accomplish the best results for the consumer and for the consumer in the marketplace by lower interest rates that will be provided.

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

Mr. KANJORSKI. I yield to the gentleman from Iowa.

Mr. LEACH. If I could respond briefly to the gentleman, I share his concerns. I would tell him, though, as we move forward we do want to be very sensitive to possible new products, but we also have to take very great care to insure that poor people do not come under a different standard than others, and if we developed two different standards, we might put complications in the home lending market as well.

So I am open to any of the concerns the gentleman may have, but I am unprepared to make firm commitments.

Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New Jersey [Mrs. ROUKEMA].

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

Mrs. ROUKEMA. Mr. Speaker, I do rise in support of this legislation. PMI is a little understood, complicated issue as we have heard through the colloquies that have gone on and the description by the chairman and ranking member, but bottom line, PMI does enable homeowners to purchase homes with as little as 3 to 5 percent down payment and insures the mortgage lender against that default. PMI plays an important part in the mortgage industry by making home ownership more accessible, and we should not lose sight of that.

This is, as my colleague from New York stated, it is a good consumer protection bill. I support it. That, however, does not mean we should close our eyes to the fact that we are taking this up under suspension, that there might not be some issues as outlined in the colloquies that deserve perhaps closer attention. It does not mean we should be voting against this, but we should understand that we must weigh very carefully the costs to the consumer as well as the industry, because if we too adversely affect the industry we might be charging higher fees for everybody in the mortgage market, and I think that is important for us to understand.

Someone earlier did also, and I think it was in the colloquy, referenced the issue that is of concern to me, and that is we do not want to have the unintended consequences of providing an incentive for unnecessary and frivolous litigation. I think we can absolutely protect against that in the confines within the strictures of this bill and gain the important consumer protection and at the same time not play a detrimental role in the mortgage market.

So I am confident that as the bill moves through conference, if there are any unintended consequences that we can examine, we can take care of it at that time. But I stand four square behind the legislation, it is an important consumer protection reform, and we should pass it today without exception.

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

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

Mr. VENTO. Mr. Speaker, I rise in support of the legislation and commend my colleague from Utah for persisting in bringing a problem to us, so often as personal experiences are reflected on the House floor, and this one in which he experienced a difficulty is one frankly that affects millions of American homeowners across this Nation. There is so much that happens at closing on a home: the types of insurance, title insurance, property insurance, other types of insurance. I am certain that many homeowners, their eyes sort of glaze over, they sign the documents not realizing that they have had the necessity of having private mortgage insurance which, incidentally, facilitates the purchase of homes just as other types of VA and FHA insurance may facilitate the purchase of homes, with low down payments. But candidly, on a hundred thousand dollar mortgage it can add anywhere from 35 to a hundred dollars extra payment a month. On a home that is $200,000 the consumer can double that cost, and that occurs in many markets.

And so it is important, and I would point out that PMI on an informal basis, these companies working with lenders have tried and do terminate the insurance, but it is sometimes a frustrating and confusing experience. What this legislation does is provide some mandates. It provides some predictability and certainty to cancel that insurance, some rights for that homeowner so that they get disclosure, they get notice, they get to know what is going on at closing and through the years of the mortgage. It also, while not mandating, provides an opportunity to in fact extinguish that insurance at a higher than 75 percent loan-to-value ratio and to go back and deal with those that have that insurance in effect today that is retroactive. But prospectively it will mandate the lapse of that insurance at 75-percent saving, literally saving millions of dollars of payments for insurance that homeowners do not need, and while such insurance is obviously to the benefit of the lender it is an extreme cost when added to the homeowner.

But I would point out that the secondary markets, the insurance companies and others, have had informal policies in place in some instances, but this measure will provide a more efficient and effective way of dealing with private mortgage insurance, treating I think consumers and treating those that provide these services more fairly, making that American dream that much more attainable, and I commend the chairman and the Members and am pleased to have played a small role in working to write and pass this legislation in the Banking Committee.

Mr. Speaker, I rise in support of H.R. 607 as amended by the Banking Committee and ask my colleagues to support the bill. I would like to commend Mr. HANSEN for introducing and pushing this legislation forward.

Throughout the week of March 17, the House Banking Committee worked on a strong bipartisan basis to develop consensus legislation. We ultimately passed H.R. 607 after a lengthy hearing occurred and all the witnesses from private mortgage insurance industry, consumer groups, mortgage bankers, and thrifts, agreed with the substance of the core issues and the improved substitute product. In the March 20 markup, the committee worked its will on the bipartisan substitute and in the end passed out a bill, 36–1.

Our goal was to produce a bill for the suspension calendar which served the needs of millions of American homeowners covered by private mortgage insurance and to expedite the work of the House of Representatives. The Banking Committee worked quickly and well in a manner that bodes well for future work on financial modernization and possibly housing bills. I am pleased that our good work product has been able to jump the hurdle presented last week by industry groups who had effectively squelched our bill.

Consumers spend hundreds of dollars a year extra in mortgage insurance even though they have paid down the mortgage by 20 percent, 25 percent or more to a point where such insurance is not required or necessary. H.R. 607 as reported by committee will provide some equity for those home buyers who make their payments faithfully for years. The reported bill was praised by consumer groups who, in fact, sought more protections and rights for consumers, but had accepted the ''bird-in-hand'', noncontroversial measure as an acceptable action in this 105th Congress.

The bill prospectively—1 year after enactment—provides for the automatic cancellation of private mortgage insurance when borrowers have 25 percent equity, or a 75-percent loan-to-value ration, in their homes—based on the original value of the home. Premiums paid past that date will be refunded.

In a significant addition, the reported bill gives borrowers prospective rights to terminate premiums once they have met industry conditions. The bill also provides for the disclosure of borrowers' rights. Existing loans will get annual statements that their PMI may be cancelable. Future borrowers will be informed of their rights at or before closing along with the annual disclosure.

Mortgage insurance helps provide an opportunity to people to purchase homes when they cannot come up with a 20-percent down payment. On a $100,000 home, that would be a hefty $20,000 plus closing costs. Private mortgage insurance on a $100,000 house ranges from $28 to $76 a month depending on amount of the down payment. That works out to $336 to $912 a year. And of course, in many cities in this Nation, including Washington, DC area, you cannot buy most homes for $100,000, so down payments are tougher to make and premiums also go up proportionately.

In the last 40 years, 17 million homeowners have paid PMI to become homeowners. According to the Mortgage Insurance Companies of America [MICA] more than a million home buyers bought PMI last year alone.

Although we were unsuccessful in committee in trying to ensure cancellation rights to those who have purchased PMI already that is retroactively or automatic cancellation for mortgages which reach the requisite 20 percent equity on their loans, an amendment I offered, we were successful in working in good faith with Chairman LEACH and our counterparts on the Banking Committee to write the initial substitute and a good consensus bill to bring to our colleagues in the House. Importantly while not requiring cancellation this measure ''provides a right to cancel'' working with lenders. The mortgage servicer, PMI companies terminate the insurance at loan amount higher than 75 percent and permit cancellation to apply retroactively as specific conditions are met.

Mr. Speaker, I urge my colleagues to support this very important consumer legislation. This bill will provide hundreds of dollars in relief to home buyers who have paid their way out of PMI. More than phantom tax cut measures, the bill will produce real consumer savings right away. Let's pass this proconsumer legislation now.

Mr. LEACH. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas [Mr. PAUL].

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

Mr. PAUL. Mr. Speaker, I hesitate to speak out on this legislation, but having been the only dissenter in the committee I feel compelled to explain my vote.

I am confident this bill will neither destroy Western civilization nor save it. However, it does nothing to help it. What we have here is another problem, another law and another form to fill out, and all along I thought our new mandate was to reduce government rules and regulations. Every time Congress passes a new law to solve some problem, several new unsuspected consequences emerge, requiring even more problem solving regulations. This new piece of regulatory law, I am sure, will do the same. This bill will limit consumer choice, raise costs on consumers and limit availability of consumers to purchase a home.

Just this past weekend, Alan Greenspan explained why consumers are often better served by private market regulations rather than government intervention. He said that, quote: Government regulation can undermine the effectiveness of private market regulation and can itself be ineffective in protecting the public interest.

With this I concur. If Congress were really serious about making it easier for first-time home buyers and others to secure financing, it would do what it could do to lower the cost of capital. Interest rates are high because of the lack of sound monetary and fiscal policies pursued by our government.

What should we do? We should cut taxes. We should cut spending. We

should cut regulations, not add a new regulation. And follow sound monetary policy. This approach would lower the interest rates on mortgages for all homeowners and potential homeowners. This lower interest rate climate could benefit home buyers in the way that greater reliance on the nanny state cannot. The Constitution limits the power of Congress and clearly states that powers not delegated to Congress are reserved to the States or to the people. We should not interfere in the private, voluntary, noncoercive contracts of individuals in a free society. This legislation tramples on States rights. Some States, notably California and New York, already have laws on the books dealing with this issue. Congress should not be involved in this issue.

Perhaps this bill is just a veiled attempt to put all mortgages, public and private, under the control of HUD. Private mortgage insurance has benefited 20 million consumers over the past 40 years. Now Congress wants to do for them what they have done for our public housing tenants. Any new regulatory mandates by Congress would only add to the cost of private mortgage insurance and hurt the very people the proponents of the legislation are trying to help.

I suggest that a no vote is the proper vote on this bill. H.R. 607 will limit consumer choice, it will raise the cost to the consumer, it will push home ownership further from the grasp of poor Americans. If my colleagues want to vote for the consumer and if they want to help all potential home buyers, vote no on H.R. 607.

I hesitate to speak out for this legislation, but having been the lone dissenter in committee, I feel compelled to explain my vote.

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Just this past weekend, Alan Greenspan explained why consumers are often better served by private market regulation rather than government intervention. He said that ''government regulation can undermine the effectiveness of private market regulation and can itself be ineffective in protecting the public interest.'' With this I concur.

He continued,

The real question is not whether a market should be regulated. Rather, it is whether government intervention strengthens or weakens private regulation, and at what cost. At worst, the introduction of government rules may actually weaken the effectiveness of regulation if government regulation is itself ineffective or, more importantly, undermines incentives for private market regulation. Regulation by government unavoidably involves some element of perverse incentives.

The perversity of this bill is its effect on consumers. It will increase premiums on consumers, limit choices, and make home ownership less affordable.

If Congress were really serious about making it easier for first-time home buyers and others to secure financing, it would do what it could to lower the cost of capital. Interest rates are high because of the lack of sound monetary and fiscal policies pursued by our Government.

What should we do? We should cut taxes, cut spending, cut regulations—not add a new one—and follow sound monetary policies. This approach would lower the interest rates on mortgages for all homeowners and potential homeowners. This lower interest rate climate would benefit the home buyer in a way that greater reliance on the nanny State cannot.

The Constitution limits the power of Congress and clearly states that powers not delegated to Congress are reserved to the States or to the people. We should not interfere in the private, voluntary, noncoercive contracts of individuals in our society.

This legislation tramples on States rights. Some States, notably California and New York, already have laws on the books dealing with this issue. Congress should not be involved in this issue.

It was that wonderful competition of experiments at the State level that brought consumers such benefits as private mortgage insurance, adjustable rate mortgages, and automatic teller machines [ATM's]. Private markets make home ownership more affordable while Washington interference perversely hurts the consumer.

H.R. 607 is harmful and unnecessary. The overwhelming majority of homeowners have no problem canceling their private mortgage insurance, if it is not canceled automatically. In fact, Fannie Mae has studied this concern and is currently setting clear guidelines regarding PMI. These guidelines would quickly become industry standard given the influence they have in the market.

If Congress were so concerned about consumers' alleged overpayment regarding PMI, then we should do something about the mortgages in which we have a vested interest; namely, FHA loans. But this bill exempts FHA homeowners even though it is the FHA mortgages where the Government has some influence.

Perhaps this bill is just a veiled attempt to put all mortgages, public and private, under the control of HUD. Private mortgage insurance has benefited 20 million consumers over the past 40 years. Now Congress wants to do for them what they have done to our public housing tenants.

A dynamic, free market is the best vehicle for prosperity. By overregulating the marketplace, the flexibility to deal with the law of unforseen consequences is lost. Loan to current value is a better indication of the current situation than loan to original value. Forcing mortgage companies to only look at the loan to original value ignores potential changes in that value. In short, it ignores reality.

We cannot ignore the realities of the marketplace. Real values of real estate declined as much as 50 to 60 percent over a 6-month period in the late 1980's. Mortgage decisions should include a combination of factors and individual choices.

Any new regulatory mandates by Congress would only add to the cost of private mortgage insurance and hurt the very people the proponents of the legislation are trying to help. There is a cost to any regulatory burden imposed on the economy. This misguided legislation would increase the cost, and thus limit the availability, of mortgage insurance for everyone. Since very few people would gain from this legislation, it punishes the vast majority for the benefit of the few. We should reject this special interest favoritism and get our own fiscal house in order so all of us can benefit. We should not impose unfunded mandates on those that are helping consumers realize their goal of home ownership.

H.R. 607 will limit consumer choice.

H.R. 607 will raise costs to the consumer, and push home ownership further from the grasp of poor Americans. If you want to vote for the consumer and all potential home buyers, vote ''no'' on H.R. 607.

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

□ 1330

Ms. WATERS. Mr. Speaker, I rise in support of H.R. 607. This is a rather proud moment in the history of this Congress and certainly of the 105th Congress.

I would like to commend the gentleman from Utah [Mr. HANSEN] for his work on this legislation. I would like to commend the members of the Committee on Banking and Financial Services who joined together from both sides of the aisle to do something real for the consumers.

I am so proud we beat the special interests on this bill. I am proud that the leadership understood finally and brought this bill to the floor.

Simply put, American consumers who had home mortgages that paid less than perhaps 20 percent down on those mortgages had to have private mortgage insurance. They should have been able to opt out and not to have to pay that after they had paid 20 or 25 percent, but the mortgage insurance companies did not tell them, their mortgage holders did not tell them, and so we have people paying for insurance beyond the point that they need to pay for it after they had paid and have about 25-percent equity.

This bill would create automatic disclosure. Those families that are giving up $35 and $40 and $50, $100 a month paying this insurance they do not need can now put this money in their pocket, they can put it in their savings account, they can keep the money.

This is a strong consumer bill. I am proud that I amended it so that I could protect States who have strong disclosure laws. Me, the most unlikely person to talk about States' rights, was joined by all of the Members and said yes, that makes good sense.

This bill is going to pass off the floor because it should. Those people who are not going to support it should be

dealt with by the consumers. This is indeed a proud moment. I am pleased to be a part of it. I would urge an ''aye'' vote. Hooray for the consumers. We have won one for a change.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington [Mr. METCALF].

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

Mr. METCALF. Mr. Speaker, I rise to thank the gentleman from Utah [Mr. HANSEN] for bringing this important issue to our attention, and to thank the gentleman from Iowa [Mr. LEACH] and the gentleman from New York [Mr. LAZIO], the housing subcommittee chairman.

Nothing is more frustrating than paying for something one no longer needs. Clearly, some homeowners have unknowingly paid private mortgage insurance without the knowledge that they could cancel it when it reached a prescribed equity level. This bipartisan bill addresses that issue, protecting consumers by ensuring automatic cancellation of private mortgage insurance at the proper time. It is a fairness issue for homeowners and potential homebuyers.

As chairman of the Republican Housing Opportunity Caucus, I have heard many stories of people who have been overcharged for this particular insurance. We must protect the consumer from unnecessary costs while balancing the needs of the industry in providing this insurance.

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY of New York. Mr. Speaker, I rise in strong support of this pro-consumer legislation. Owning a home is the centerpiece of the American dream. It is difficult enough for working families to come up with enough money necessary to purchase and maintain a home. When that family is overcharged, it is unfair, it is anticonsumer.

Mr. Speaker, it has come to light that some lenders are allowing homeowners to unknowingly continue to carry private insurance long after it is required. The lender simply looks the other way while the homeowner continues to struggle, making overpayments amounting to as much as $900 per year. They are not asking for the money; they are just taking it.

People who need private mortgage insurance are often low and moderate income families who can ill afford to make these extra payments. Today, members of the Committee on Banking and Financial Services, Democrats and Republicans, are coming together on the floor to say we will not tolerate this rip-off of the American consumer.

The bipartisan agreement before us today requires mandatory, full disclosure of all private mortgage insurance terms and places an automatic termination of PMI payments once a homeowner has paid back 25 percent of the original value of the home.

Mr. Speaker, when anyone attacks the ability of hard-working American families to afford a home, it is not partisan concern, it is an American concern.

I want to thank the bill's sponsor, the gentleman from Utah [Mr. HANSEN], our committee chairman, the gentleman from Iowa [Mr. LEACH], and our ranking committee member, the gentleman from Texas [Mr. GONZALEZ], for working together effectively to help preserve the American dream.

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. LEACH. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts [Mr. KENNEDY].

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Massachusetts [Mr. KENNEDY] is recognized for 2½ minutes.

Mr. KENNEDY of Massachusetts. Mr. Speaker, first of all, let me speak very frankly about the efforts of my good friend, the gentleman from Utah [Mr. HANSEN] to bring this issue to the floor of this House. This is really a tribute to one individual Member's persistence.

While this bill has been knocked off track more times than a dog sled in the Iditarod, the truth is that the gentleman has every time come to its rescue, and I think everyone here on both sides of the aisle recognizes the tremendous work that he has put into essentially bringing back into the pocket of the American taxpayer about $200 million a year in overpayments due to private mortgage insurance overreach once the insurance level has hit the automatic 20 percent.

We ought to keep in mind that private mortgage insurance is in fact a good thing, and it has helped millions of homeowners be able to buy homes in this country that, without that, industry could not in fact borrow funds from the banks and the savings and loans and other lending institutions in order to have the highest homeownership in the world.

However, the truth is that within the wonderful work of this industry, there has been a simple overreach into the back pockets of taxpayers and into the back pockets of mortgage owners who have reached the 20 percent equity provisions that private mortgage insurance is designed to fulfill, and yet the industry continues to charge those individuals despite the fact that they have met all of the requirements of the contract that the insurance policy initially created.

While we have seen Freddie and Fannie and others in the secondary market try to provide for some relief in terms of what has gone on, the truth of the matter is that there are still over 250,000 individual mortgages in this country that have reached the 20 to 25 percent equity levels.

The point is that despite the fact that we have seen 250,000 mortgages paid off at the 20- to 25-percent level, there are still thousands more that are out there that, simply because the equity value in the mortgages have reached that 20- to 25-percent, are still not taken into account.

This is a good consumer bill, this is important legislation, and it is a demonstration of one individual's willingness to take on the system and win.

I thank the gentleman from Iowa [Mr. LEACH], the chairman of the Committee on Banking and Financial Services, and I also thank the former chairman, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

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

Mr. BENTSEN. Mr. Speaker, I thank my colleague from Texas for yielding me this time.

Let me echo my colleague from Massachusetts. Private mortgage insurance is good. It has helped a lot of Americans who can put down as little as 5 percent, 6, 7, 8, 9, 10 percent, to get into a house. This is one of the reasons why homeownership is so high in this country and has been rising. What it does, and I think Members need to understand what it does, is it covers the first 20 percent of the exposure. It limits the exposure for the investor of the overall mortgage.

Now, what happens is once one has paid down that amount, the investor is already protected because they hold a first lien on the property and it is assumed, it is now universal, that the property is going to cover the additional 80 percent.

So what happens, and the problem that we are dealing with here, is people are paying for something they no longer need, and it may be $30 a month, which adds up to more than $300 a year over a 15-year life of a 30-year mortgage when somebody would have gotten to 75 percent. That is real money to a lot of Americans. So that is what we are trying to deal with.

I think this is a sound bill, as well. It only affects future mortgages, so it does not affect existing contracts, it does not affect existing mortgage pools, which protects investors. It protects the credit structure of traditional mortgage products and again protects investors and does not affect the efficiency of the mortgage market which we enjoy today.

With respect to the mortgage insurance companies that our colleagues from North Carolina were talking about, I do not believe it is going to affect their business, because their primary business is at the front end of the mortgage product and that is where they make the bulk of their money. So I think they will come out of this just fine.

Finally, it protects the intermediaries within the payment structure of mortgages; the mortgage brokers, the servicers, the bankers. I

think the committee has taken great pains to do that.

So this is a very good consumer bill; it is also a very sound bill. That is why it passed 36 to 1 in the committee. I do not think it will have any effect on interest rates, as one of my colleagues suggested, but what I think it will do is put money back into the pockets of consumers, and I think that is good for the American people.

Mr. GONZALEZ. Mr. Speaker, we have no additional requests for time, and I yield back the balance of my time.

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

In conclusion, I would like to thank again the gentleman from Utah [Mr. HANSEN] for his thoughtfulness and dedication to this issue; the gentlewoman from New Jersey [Mrs. ROUKEMA], whose subcommittee had thoughtful jurisdiction; the minority for their substantive participation, particularly the gentleman from Texas [Mr. GONZALEZ], the gentleman from Massachusetts [Mr. KENNEDY], and the gentlewoman from California [Ms. WATERS], who passed a very significant amendment.

In the final measure, this bill is pro-consumer, pro-homeowner, pro States' rights, and above anything else, it underscores decency and fairness under the law.

Finally, I would also like to say that it is symbolic of a Congress able to work together in trying political times for the public interest.

Mr. HILL. Mr. Speaker, I rise today to oppose House Resolution 607 and urge my colleagues to vote no on this legislation so that parts of the bill can be corrected under regular order.

Mr. Speaker, I am very concerned that House Resolution 607 would adversely affect new home buyers in Montana and throughout the country. As the bill is currently written, it will drive new home buyers, with a low downpayment, to pay higher interest rates and higher premiums for their private mortgage insurance. Due to the bill's automatic cancellation trigger of private mortgage insurance at the 75 percent loan to value ratio, the available pool of insurance funds will shift the risk to lenders which in turn will raise interest rates for low downpayment mortgages. In addition, the bill would increase the premiums significantly for new homeowners who would be required to purchase private mortgage insurance below the 75 percent loan to value ratio.

In addition to the automatic trigger provisions, I am also concerned with the bill's section (h) which is so loosely worded that it exposes the mortgage industry and lender to frivolous class action lawsuits that will benefit only a handful of trial lawyers, without commensurate benefit to borrowers. As a result, the increased cost of these lawsuits would be passed on to home buyers in the form of higher costs for mortgages.

Finally, Mr. Speaker, this bill has gone from a simple disclosure bill to one that attempts to micro manage the day-to-day business transactions of the mortgage market. This is done by making the Department of Housing and Urban Development [HUD], a bureaucratic agency that cannot manage its own affairs, responsible for regulating of the mortgage insurance industry.

Mr. Speaker, House Resolution 607 is onerous legislation that aims high but misses the mark. Under suspension it cannot be amended. Therefore, I urge my colleagues to defeat this bill under suspension so that a better bill can be worked out for all home buyers.

Mr. SESSIONS. Mr. Speaker, I rise to commend Chairman LEACH and the Banking Committee for working on this legislation as well as Congressman JIM HANSEN for his hard work in bringing this issue before the House for the American taxpayer. I cosponsored the original bill, House Resolution 607, because I support full and increased consumer disclosure regarding private mortgage insurance.

Private mortgage insurance provides a valuable role in expanding the American dream of homeownership. With PMI, families can buy homes with as little as 3 to 5 percent down rather than the usual 20 percent downpayment required.

I want to work with the committee as this bill moves forward to the Senate to ensure that some of the concerns expressed in the markup are addressed. The role of mortgage insurance should be preserved because consumers benefit by being allowed to put a lower downpayment down on their home. But I understand that it's difficult to craft perfect legislation, and I want to ensure that any technical problems or unintended consequences like frivolous litigation with this bill get worked out as we move to conference.

I also want to ensure that the automatic cancellation standards are set at a reasonable level to protect both the consumer and the mortgage industry from problems such as downturns in the economy such as we had in Texas in the eighties. We all benefit from a fair mortgage insurance system that remains safe and sound and also allows consumers to be fully aware of their rights.

Mr. HOYER. Mr. Speaker, I rise today in enthusiastic support of the bill House Resolution 607, the Homeowner's Insurance Protection Act of 1997.

This bill will ensure that millions of homeowners who pay private mortgage insurance [PMI] will no longer pay needlessly and unknowingly once the benefits of paying PMI expire.

Private Mortgage Insurance [PMI] provides important protection to mortgage lenders against losses in the event a homeowner defaults on a mortgage loan. PMI works to the immense benefit of lenders and borrowers alike. By offsetting the risk to lenders of providing low downpayment loans—less than 20 percent of the purchase value—PMI substantially expands homeownership opportunities across America while preventing economic catastrophe for lenders during downturns in the housing market.

PMI has helped make the dream of homeownership a reality for more than 17 million American families who have been able to purchase a home with downpayments as low as 3 to 5 percent of the value of their home. Recently, however, problems with PMI have come to light.

Thousands of American homeowners, Mr. Speaker, are overpaying their PMI—making payments well after PMI becomes cancellable and after the risk to the lender of making a low downpayment loan has expired. In many cases, these homeowners are unaware that their PMI is cancellable or that they are receiving no benefit from continuing to make PMI payments. In other cases, informed homeowners who have attempted to cancel their PMI have encountered difficulty in doing so.

House Resolution 607 addresses this problem by providing for automatic termination of PMI payments once the loan-to-value ratio reaches 75 percent of the value of the home at the time of purchase and by requiring mortgage lenders to notify homeowners as to whether, when and under what conditions their PMI is cancellable.

House Resolution 607 thus empowers homeowners by requiring lenders to inform them of their PMI cancellation rights and by guaranteeing that homeowners will no longer pay for PMI once they have built up 25 percent equity in their new home.

Homeowner beneficiaries of PMI, by and large, are middle-income Americans who are not in a position to invest hard-earned income in overinsuring against a risk to mortgage lenders. This bill preserves the intended protection of lenders provided by PMI while ensuring that the equally important aim of preserving the American dream of homeownership for families is not defeated.

Mr. Speaker, I want to commend Congressman JIM HANSEN for introducing this important legislation which will provide valuable protection to homeowners in the Fifth Congressional District of Maryland and across this great Nation. I strongly urge my colleagues to join me in supporting passage of this important bill.

Mr. LEACH. 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 Iowa [Mr. LEACH] that the House suspend the rules and pass the bill, H.R. 607, as amended.

The question was taken.

Mr. LEACH. 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.

AMENDING U.S. CODE TO ALLOW REVISION OF VETERANS BENEFITS DECISIONS BASED ON CLEAR AND UNMISTAKABLE ERROR

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1090) to amend title 38, United States Code, to allow revision of veterans benefits decisions based on clear and unmistakable error.

The Clerk read as follows:

H.R. 1090

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

SECTION 1. REVISION OF DECISIONS BASED ON CLEAR AND UNMISTAKABLE ERROR.

(a) ORIGINAL DECISIONS.—(1) Chapter 51 of title 38, United States Code, is amended by inserting after section 5109 the following new section:

"§ 5109A. Revision of decisions on grounds of clear and unmistakable error

''(a) A decision by the Secretary under this chapter is subject to revision on the grounds

of clear and unmistakable error. If evidence establishes the error, the prior decision shall be reversed or revised.

''(b) For the purposes of authorizing benefits, a rating or other adjudicative decision that constitutes a reversal or revision of a prior decision on the grounds of clear and unmistakable error has the same effect as if the decision had been made on the date of the prior decision.

''(c) Review to determine whether clear and unmistakable error exists in a case may be instituted by the Secretary on the Secretary's own motion or upon request of the claimant.

''(d) A request for revision of a decision of the Secretary based on clear and unmistakable error may be made at any time after that decision is made.

''(e) Such a request shall be submitted to the Secretary and shall be decided in the same manner as any other claim.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5109 the following new item:

''5109A. Revision of decisions on grounds of clear and unmistakable error.''.

(b) BVA DECISIONS.—(1) Chapter 71 of such title is amended by adding at the end the following new section:

''§ 7111. Revision of decisions on grounds of clear and unmistakable error

''(a) A decision by the Board is subject to revision on the grounds of clear and unmistakable error. If evidence establishes the error, the prior decision shall be reversed or revised.

''(b) For the purposes of authorizing benefits, a rating or other adjudicative decision of the Board that constitutes a reversal or revision of a prior decision of the Board on the grounds of clear and unmistakable error has the same effect as if the decision had been made on the date of the prior decision.

''(c) Review to determine whether clear and unmistakable error exists in a case may be instituted by the Board on the Board's own motion or upon request of the claimant.

''(d) A request for revision of a decision of the Board based on clear and unmistakable error may be made at any time after that decision is made.

''(e) Such a request shall be submitted directly to the Board and shall be decided by the Board on the merits, without referral to any adjudicative or hearing official acting on behalf of the Secretary.

''(f) A claim filed with the Secretary that requests reversal or revision of a previous Board decision due to clear and unmistakable error shall be considered to be a request to the Board under this section, and the Secretary shall promptly transmit any such request to the Board for its consideration under this section.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''7111. Revision of decisions on grounds of clear and unmistakable error.''.

(c) EFFECTIVE DATE.—(1) Sections 5109A and 7111 of title 38, United States Code, as added by this section, apply to any determination made before, on, or after the date of the enactment of this Act.

(2) Notwithstanding section 402 of the Veterans Judicial Review Act (38 U.S.C. 7251 note), chapter 72 of title 38, United States Code, shall apply with respect to any decision of the Board of Veterans' Appeals on a claim alleging that a previous determination of the Board was the product of clear and unmistakable error if that claim is filed after, or was pending before the Department of Veterans Affairs, the Court of Veterans Appeals, the Court of Appeals for the Federal Circuit, or the Supreme Court on, the date of the enactment of this Act.

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

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

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 1090, the bill presently under consideration.

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

There was no objection.

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

This bill was introduced by the gentleman from Illinois [Mr. EVANS] last year as H.R. 1483. It passed the House in May 1986, but was never considered in the other body.

H.R. 1090 extends the grounds upon which a veteran may appeal an adverse benefit decision to the Board of Veterans Appeals and to the Court of Veterans Appeals. The bill allows appeals based on what is known as a clear and unmistakable error. Veterans who have been denied benefits which have been in error like this must be given the right to have their claims reexamined. This should greatly improve the recourse provided to veterans when they believe that the VA has reached the wrong conclusion in a VA benefit decision.

Mr. Speaker, I would like to commend the gentleman from Illinois [Mr. EVANS], the ranking minority member of the committee, for introducing this bill and for all the hard work that he has put into this.

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

□ 1345

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

Mr. Speaker, first of all, I want to thank the gentleman from Arizona, BOB STUMP, for helping us get this bill through the committee process so quickly this year. Without his diligence we would not be here this afternoon. I appreciate it very much, Mr. Speaker.

Mr. Speaker, the most significant change made by this bill would be the new authority for veterans with prior claims involving clear and unmistakable errors to resubmit their claims for new review by the Board of Veterans Appeals. Under present law, a veteran has no right to obtain review of clear and unmistakable errors in the previous decision of the board, no matter how blatant that error.

In the cases where the asserted error was made by the regional office of the Department of Veterans Affairs, this right already exists by regulation. My bill would codify this regulation in title 38.

The kinds of errors which this bill would rectify are those which are undebatable. These are errors which when called to the attention of a subsequent reviewer, compel the conclusion that but for the error, the result would have been manifestly different.

The bill also addresses the situations where evidence in the veteran's file at the time of the prior decision was ignored or wrongfully evaluated under the law as it existed at the time of the original decision. This legislation would give veterans the same kind of opportunity to pursue an erroneous claim decision now provided to Social Security beneficiaries when they had been given misinformation. Veterans deserve the same rights as Social Security recipients to have errors corrected.

H.R. 1090 also provides for a limited expansion of the right for judicial review. Veterans who initiate a claim of clear and unmistakable error in either a prior regional office decision or a prior Board of Veterans Appeals decision would be able to appeal that claim through the administrative process to the Court of Veterans Appeals. Once the court had ruled on the issue, no further claims of clear and unmistakable error could be pursued at the administrative level.

This bill is identical to legislation passed by the Congress last session, and it has strong support from the Disabled American Veterans, as well as other veterans' service organizations.

This legislation is about justice for our veterans. Veterans who have given first-class service to our country should not be experiencing anything less than first-class justice. I want to thank my colleagues for their support of this legislation.

Mr. Speaker, thank you for your willingness to cosponsor this important bill. The most significant change made by this bill is to authorize veterans with prior claims involving clear and unmistakable errors to resubmit their claims for a new review by the Board of Veterans Appeals. Because there is presently no statute or regulation allowing a veteran to claim clear and unmistakable error in a prior decision of the Board of Veterans Appeals, the erroneous decision is binding on the veteran no matter how obvious and egregious the error.

In cases where the asserted error was made by a Regional Office of the Department of Veterans Affairs [VA], a VA regulation permits the veteran to assert clear and unmistakable error in a prior decision. H.R. 1090 would codify this regulation in title 38. The absence of a statute addressing the issue of clear and unmistakable error creates an anomaly by which a veteran who previously appealed a claim to the Board of Veterans Appeals on the basis of clear and unmistakable error is placed in a worse position than a veteran who never appealed the original Regional Office decision.

The kind of errors which this bill will rectify are those which are egregious and undebatable. These are errors which when called to the attention of a subsequent reviewer compel the conclusion that, but for that

error, the result would have been manifestly different. The need for this legislation is illustrated by Precedent Opinion 2–97 recently issued by the Department of Veterans Affairs General Counsel. That opinion, which is binding on all levels of the administrative process, affirmed that if a BVA decision is rendered based upon an erroneous interpretation of the law, that decision is final and binding on all VA components unless the Board reconsiders the decision. Under present law, only the VA, and not the veteran has the right to obtain reconsideration of a Board decision. Unlike other actions of the Board, reconsideration decisions are not subject to judicial review.

The following cases brought by veterans who sought review of prior decisions illustrate the kinds of clear and unmistakable errors which would be subject to correction under this legislation.

A veteran with an above-the-knee amputation due to a service-connected condition was entitled to a 60 percent rating under existing law. If at the time of the original rating, the veteran's file showed that he had an above-the-knee amputation, but received only a 40 percent rating, clear and unmistakable error would exist. Under present law, if the Board of Appeals had previously found that their was no clear and unmistakable error in the rating, this veteran could seek, but not compel reconsideration and would have no remedy if the request was denied. Under this bill, the veteran would have the right to have the Board review his claim of clear and unmistakable error and, if dissatisfied with that decision, could seek review in the Court of Veterans Appeals.

A veteran was shot by a single bullet traveling through both the upper and lower leg while in combat. He was awarded service-connection for the injury to the lower leg, but not for the injury to the thigh. Since the record at the time of the original decision showed through and through wounds of both the upper and lower leg, both wounds should have been rated. The failure to rate both wounds would constitute clear and unmistakable error. Since a Regional Office of the VA had made the original clear and unmistakable error, present regulations allow it to be corrected. Under this bill, such a condition could be similarly revisited even if the clear and unmistakable error had been made at the Board of Veterans Appeals.

The bill also addresses those situations where evidence in the veteran's file at the time of the prior decision was ignored or wrongly evaluated under the law as it existed at the time of the original decision. For example, if a dependent's benefit had been wrongly denied because a legal and valid adoption was not recognized by the VA, the bill would allow for correction of the error.

This legislation would provide veterans an opportunity similar to that presently provided to Social Security beneficiaries under title 42 of the United States Code, sections 402(j)(5) and 1383(e)(5). Under those provisions an individual may receive retroactive benefits when a claim for benefits was not pursued due to misinformation provided by any officer or employee of the Social Security Administration. The standard for claims of clear and unmistakable error is similar to the standard currently contained in Social Security regulations at 42 Code of Federal Regulations, section 404.988, for revision of a claim at any time due to error that appears on the face of the evidence considered when the determination or decision was made. Veterans deserve the same right as Social Security beneficiaries to have manifest errors corrected.

The bill does not alter the standard for evaluation of claims of clear and unmistakable error. In order to sustain such a claim, the veteran must specifically identify the alleged error. The claim must assert either a basic error of law or fact in the prior decision or must give persuasive reasons as to why the outcome would be manifestly different had the error not been made. Once a claim of clear and unmistakable error has been raised and decided, the veteran may not raise the same claim again.

This legislation also provides for a limited expansion of the right to judicial review. This expansion is premised upon an understanding that the error in the original adjudication of the claim was so egregious that it should be revised to conform to the true state of the law and the facts as they existed at the time of the original decision. Veterans who initiate a claim of clear and unmistakable error in either a prior Regional Office decision or a prior Board of Veterans Appeals decision would be able to appeal that claim through the administrative process to the Court of Veterans Appeals. Once the court had ruled on the issue, no further claims of clear and unmistakable error could be pursued at the administrative level.

H.R. 1090 is identical to legislation approved by the House last Congress. It is not concerned with minor disputes or the weight given to evidence. Instead it provides an avenue of correction of only those serious and obvious errors about which there can be no doubt. The bill has strong support from the veterans service organizations.

This legislation is about justice for veterans. Veterans who have honorably served our country deserve no less. Where the prior adjudication of claims are found to contain egregious violations of law, veterans should have an opportunity for a full and fair consideration of the errors. Our Nation's veterans are entitled to this.

I thank my colleagues, including the 46 cosponsors of this bill, for their support of H.R. 1090.

Mr. QUINN. Mr. Speaker, H.R. 1090 will provide important new appeal rights to veterans whose claims have been denied by the Veterans Administration.

Mr. Speaker, this bill will put current VBA regulations on clear and unmistakable error into law. Those regulations now apply only to VA Regional Offices. It will also allow veterans to appeal on the basis of clear and unmistakable error at the Board of Veterans Appeals. Currently, veterans may file a motion for reconsideration at the Board on the grounds of obvious error, which the Court of Veterans Appeals has determined to be the same as clear and unmistakable error. Unfortunately, that motion for reconsideration falls short of a right of appeal and is allowable only at the discretion of the Chairman of the Board of Veterans Appeals.

Mr. Speaker, this bill sets a high standard for appeal. The grounds on which such an appeal may be made must be so obvious that a reasonable person would allow the appeal. The error must also materially contribute to a faulty decision by the VA. The court has stated that a mere allegation of such error is not sufficient to automatically grant the appeal.

Mr. Speaker, this right of appeal is long overdue and I urge my colleagues to support H.R. 1090.

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

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

The SPEAKER pro tempore (Mr. GILLMOR). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 1090.

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

A motion to reconsider was laid on the table.

EXTENDING AUTHORITY TO ENTER INTO ENHANCED-USE LEASES, AND RENAMING U.S. COURT OF VETERANS APPEALS AND NATIONAL CEMETERY SYSTEM

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1092) to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to enter into enhanced-use leases for Department of Veterans Affairs property, to rename the U.S. Court of Veterans Appeals and the National Cemetery System, and for other purposes.

The Clerk read as follows:

H.R. 1092

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

SECTION 1. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ENHANCED-USE LEASES OF DEPARTMENT OF VETERANS AFFAIRS REAL PROPERTY

SEC. 101. EXPANSION OF AUTHORITY FOR ENHANCED-USE LEASES OF DEPARTMENT OF VETERANS AFFAIRS REAL PROPERTY.

(a) FIVE-YEAR EXTENSION OF AUTHORITY.—Section 8169 is amended by striking out ''December 31, 1997'' and inserting in lieu thereof ''December 31, 2002''.

(b) REPEAL OF LIMITATION ON NUMBER OF AGREEMENTS.—(1) Section 8168 is repealed.

(2) The table of sections at the beginning of chapter 81 is amended by striking out the item relating to section 8168.

TITLE II—RENAMING PROVISIONS

SEC. 201. RENAMING OF THE COURT OF VETERANS APPEALS.

(a) IN GENERAL.—(1) The United States Court of Veterans Appeals shall hereafter be known and designated as the United States Court of Appeals for Veterans Claims.

(2) Section 7251 is amended by striking out ''United States Court of Veterans Appeals'' and inserting in lieu thereof ''United States Court of Appeals for Veterans Claims''.

(b) CONFORMING AMENDMENTS.—

(1) The following sections are amended by striking out ''Court of Veterans Appeals''

each place it appears and inserting in lieu thereof ''Court of Appeals for Veterans Claims'': sections 5904, 7101(b), 7252(a), 7253, 7254, 7255, 7256, 7261, 7262, 7263, 7264, 7266(a)(1), 7267(a), 7268(a), 7269, 7281(a), 7282(a), 7283, 7284, 7285(a), 7286, 7291, 7292, 7296, 7297, and 7298.

(2)(A)(i) The heading of section 7286 is amended to read as follows:

''§ 7286. Judicial Conference of the Court of Appeals for Veterans Claims''.

(ii) The item relating to section 7286 in the table of sections at the beginning of chapter 72 is amended to read as follows:

''7286. Judicial Conference of the Court of Appeals for Veterans Claims.''.

(B)(i) The heading of section 7291 is amended to read as follows:

''§ 7291. Date when United States Court of Appeals for Veterans Claims decision becomes final''.

(ii) The item relating to section 7291 in the table of sections at the beginning of chapter 72 is amended to read as follows:

''7291. Date when United States Court of Appeals for Veterans Claims decision becomes final.''.

(C)(i) The heading of section 7298 is amended to read as follows:

''§ 7298. Court of Appeals for Veterans Claims Retirement Fund''.

(ii) The item relating to section 7298 in the table of sections at the beginning of chapter 72 is amended to read as follows:

''7298. Court of Appeals for Veterans Claims Retirement Fund.''.

(3) The item relating to chapter 72 in the table of chapters at the beginning of title 38 and the item relating to such chapter in the table of chapters at the beginning of part V are amended to read as follows:

''72. United States Court of Appeals for Veterans Claims ..... 7251''.

(c) CONFORMING AMENDMENTS TO OTHER LAWS.—

(1) The following provisions of law are amended by striking out ''Court of Veterans Appeals'' each place it appears and inserting in lieu thereof ''Court of Appeals for Veterans Claims'':

(A) Section 8440d of title 5, United States Code.

(B) Section 2412 of title 28, United States Code.

(C) Section 906 of title 44, United States Code.

(D) Section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(2)(A) The heading of section 8440d of title 5, United States Code, is amended to read as follows:

''§ 8440d. Judges of the United States Court of Appeals for Veterans Claims''.

(B) The item relating to such section in the table of sections at the beginning of chapter 84 of such title is amended to read as follows:

''8440d. Judges of the United States Court of Appeals for Veterans Claims.''.

(d) OTHER LEGAL REFERENCES.—Any reference in a law, regulation, document, paper, or other record of the United States to the United States Court of Veterans Appeals shall be deemed to be a reference to the United States Court of Appeals for Veterans Claims.

SEC. 202. REDESIGNATION OF NATIONAL CEMETERY SYSTEM.

(a) REDESIGNATION AS NATIONAL CEMETERY ADMINISTRATION.—(1) The National Cemetery System of the Department of Veterans Affairs shall hereafter be known and designated as the National Cemetery Administration. The position of Director of the National Cemetery System is hereby redesignated as Assistant Secretary of Veterans Affairs for Memorial Affairs.

(2) Section 301(c)(4) is amended by striking out ''National Cemetery System'' and inserting in lieu thereof ''National Cemetery Administration''.

(3) Section 307 of such title is amended—

(A) in the first sentence, by striking out ''a Director of the National Cemetery System'' and inserting in lieu thereof ''an Assistant Secretary for Memorial Affairs''; and

(B) in the second sentence, by striking out ''The Director'' and all that follows through ''National Cemetery System'' and inserting in lieu thereof ''The Assistant Secretary is the head of the National Cemetery Administration''.

(b) CONFORMING AMENDMENTS.—

(1)(A) The heading of section 307 is amended to read as follows:

''§ 307. Assistant Secretary for Memorial Affairs''.

(B) The item relating to section 307 in the table of sections at the beginning of chapter 3 is amended to read as follows:

''307. Assistant Secretary for Memorial Affairs.''.

(2) Section 308 is amended—

(A) in subsection (a), by inserting before the period at the end of the first sentence '', in addition to the Assistant Secretary for Memorial Affairs'';

(B) in subsection (b), by inserting ''other than the Assistant Secretary for Memorial Affairs'' after ''Assistant Secretaries''; and

(C) in subsection (c), by inserting ''pursuant to subsection (b)'' after ''Assistant Secretary''.

(3) Section 2306(d) is amended by striking out ''within the National Cemetery System'' each place such term appears and inserting in lieu thereof ''under the control of the National Cemetery Administration''.

(4) Section 2400 is amended—

(A) in subsection (a)—

(i) by striking out ''National Cemetery System'' and inserting in lieu thereof ''National Cemetery Administration responsible''; and

(ii) in the second sentence, by striking out ''Such system'' and all that follows through ''National Cemetery System'' and inserting in lieu thereof ''The National Cemetery Administration shall be headed by the Assistant Secretary for Memorial Affairs'';

(B) in subsection (b), by striking out ''National Cemetery System'' and inserting in lieu thereof ''national cemeteries and other facilities under the control of the National Cemetery Administration''; and

(C) by amending the heading to read as follows:

''§ 2400. Establishment of National Cemetery Administration; composition of Administration''.

(5) The item relating to section 2400 in the table of sections at the beginning of chapter 24 is amended to read as follows:

''2400. Establishment of National Cemetery Administration; composition of Administration.''.

(6) Section 2402 is amended in the matter preceding paragraph (1) by striking out ''in the National Cemetery System'' and inserting in lieu thereof ''under the control of the National Cemetery Administration''.

(7) Section 2403(c) is amended by striking out ''in the National Cemetery System created by this chapter'' and inserting in lieu thereof ''under the control of the National Cemetery Administration''.

(8) Section 2405(c) is amended—

(A) by striking out ''within the National Cemetery System'' and inserting in lieu thereof ''under the control of the National Cemetery Administration''; and

(B) by striking out ''within such System'' and inserting in lieu thereof ''under the control of such Administration''.

(9) Section 2408(c)(1) is amended by striking out ''in the National Cemetery System'' and inserting in lieu thereof ''under the control of the National Cemetery Administration''.

(10) Section 5315 of title 5, United States Code, is amended—

(A) by striking out ''(6)'' after ''Assistant Secretaries, Department of Veterans Affairs'' and inserting in lieu thereof ''(7)''; and

(B) by striking out ''Director of the National Cemetery System.''.

(c) SAVINGS PROVISIONS.—

(1) Any reference in a law, map, regulation, document, paper, or other record of the United States to the National Cemetery System shall be deemed to be a reference to the National Cemetery Administration.

(2) Any reference in a law, map, regulation, document, paper, or other record of the United States to the Director of the National Cemetery System shall be deemed to be a reference to the Assistant Secretary of Veterans Affairs for Memorial Affairs.

(d) INITIAL APPOINTMENT.—The initial appointment of an individual to the position of Assistant Secretary of Veterans Affairs for Memorial Affairs may be made by the President alone if the individual appointed is the individual who was serving as the Director of the National Cemetery System on the day before the date of the enactment of this Act.

TITLE III—CODIFICATION OF PRIOR COMPENSATION RATE INCREASES

SEC. 301. DISABILITY COMPENSATION.

Section 1114 is amended—

(1) by striking out ''$87'' in subsection (a) and inserting in lieu thereof ''$94'';

(2) by striking out ''$166'' in subsection (b) and inserting in lieu thereof ''$179'';

(3) by striking out ''$253'' in subsection (c) and inserting in lieu thereof ''$274'';

(4) by striking out ''$361'' in subsection (d) and inserting in lieu thereof ''$391'';

(5) by striking out ''$515'' in subsection (e) and inserting in lieu thereof ''$558'';

(6) by striking out ''$648'' in subsection (f) and inserting in lieu thereof ''$703'';

(7) by striking out ''$819'' in subsection (g) and inserting in lieu thereof ''$887'';

(8) by striking out ''$948'' in subsection (h) and inserting in lieu thereof ''$1,028'';

(9) by striking out ''$1,067'' in subsection (i) and inserting in lieu thereof ''$1,157'';

(10) by striking out ''$1,774'' in subsection (j) and inserting in lieu thereof ''$1,924'';

(11) in subsection (k)—

(A) by striking out ''$70'' each place it appears and inserting in lieu thereof ''$74''; and

(B) by striking out ''$2,207'' and ''$3,093'' and inserting in lieu thereof ''$2,393'' and ''$3,356'', respectively;

(12) by striking out ''$2,207'' in subsection (l) and inserting in lieu thereof ''$2,393'';

(13) by striking out ''$2,432'' in subsection (m) and inserting in lieu thereof ''$2,639'';

(14) by striking out ''$2,768'' in subsection (n) and inserting in lieu thereof ''$3,003'';

(15) by striking out ''$3,093'' each place it appears in subsections (o) and (p) and inserting in lieu thereof ''$3,356'';

(16) by striking out ''$1,328'' and ''$1,978'' in subsection (r) and inserting in lieu thereof ''$1,441'' and ''$2,145'', respectively; and

(17) by striking out ''$1,985'' in subsection (s) and inserting in lieu thereof ''$2,154''.

SEC. 302. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking out ''$105'' in clause (A) and inserting in lieu thereof ''$112'';

(2) by striking out ''$178'' and ''$55'' in clause (B) and inserting in lieu thereof ''$191'' and ''$59'', respectively;

(3) by striking out ''$72'' and ''$55'' in clause (C) and inserting in lieu thereof ''$77'' and ''$59'', respectively;

(4) by striking out ''$84'' in clause (D) and inserting in lieu thereof ''$91'';

(5) by striking out ''$195'' in clause (E) and inserting in lieu thereof ''$211''; and

(6) by striking out ''$164'' in clause (F) and inserting in lieu thereof ''$177''.

SEC. 303. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking out ''$478'' and inserting in lieu thereof ''$518.''

SEC. 304. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 1311 is amended—

(1) in subsection (a)(1), by striking out ''$769'' and inserting in lieu thereof ''$833'';

(2) in subsection (a)(2), by striking out ''$169'' and inserting in lieu thereof ''$182'';

(3) in subsection (a)(3), by striking out the table therein and inserting in lieu thereof the following:

''Pay grade	Monthly rate
E–7	$861
E–8	909
E–9	[1] 949
W–1	880
W–2	915
W–3	943
W–4	997
O–1	880
O–2	909
O–3	972
O–4	1,028
O–5	1,132
O–6	1,276
O–7	1,378
O–8	1,510
O–9	1,618
O–10	[2] 1,774

''[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1,023.

''[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1,902.'';

(4) in subsection (b), by striking out ''$100 for each such child'' and all that follows through ''thereafter'' and inserting in lieu thereof ''$211 for each such child'';

(5) in subsection (c), by striking out ''$195'' and inserting in lieu thereof ''$211''; and

(6) in subsection (d), by striking out ''$95'' and inserting in lieu thereof ''$102''.

SEC. 305. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking out ''$327'' in clause (1) and inserting in lieu thereof ''$354'';

(2) by striking out ''$471'' in clause (2) and inserting in lieu thereof ''$510'';

(3) by striking out ''$610'' in clause (3) and inserting in lieu thereof ''$662''; and

(4) by striking out ''$610'' and ''$120'' in clause (4) and inserting in lieu thereof ''$662'' and ''$130'', respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking out ''$195'' in subsection (a) and inserting in lieu thereof ''$211'';

(2) by striking out ''$327'' in subsection (b) and inserting in lieu thereof ''$354''; and

(3) by striking out ''$166'' in subsection (c) and inserting in lieu thereof ''$179''.

SEC. 306. EFFECTIVE DATE.

The amendments made by this title shall take effect as of December 1, 1996.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Illinois [Mr. EVANS] each will control 20 minutes.

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

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

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1092.

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

There was no objection.

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

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

Mr. Speaker, H.R. 1092 has several provisions which, one, extends the authority of the VA to enter into enhanced-use leases for VA property, renames the U.S. Court of Veterans Appeals, renames the National Cemetery System, codifies the increased compensation rates authorized in last year's COLA bill.

Enhanced-use leasing is a tool with which the VA can work with the private sector to develop VA property for mutual beneficial uses. This authority has proven effective in developing child care centers, parking facilities, and regional offices on VA campuses. We want to encourage the Department to continue and expand these efforts.

The bill also changes the name of the U.S. Court of Veterans Appeals to the U.S. Court of Appeals for Veterans Claims. According to Chief Judge Nebeker, this will clarify that the court is independent of the Department of Veterans Affairs.

Changing the name of the National Cemetery System to the National Cemetery Administration would make it consistent with other administrations within the VA.

Finally, the bill codfies the compensation and D-I-C increase we enacted in last year's COLA bill. This will make the correct rates available to more people, and has no effect on the amounts actually paid.

I would like to thank all the members of the Committee on Veterans' Affairs, and in particular the gentleman from Illinois [Mr. EVANS], the ranking member, for their willingness to move these provisions through the committee very expeditiously.

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

This legislation is an important measure for our Nation's veterans. I encourage all of our colleagues to support its approval today by the House.

In the interests of time, Mr. Speaker, I would limit my comments on H.R. 1092 to title II of the bill. Title II of this bill renames the Court of Veterans Appeals. This title of the bill incorporates the provisions of H.R. 1089, which I introduced on March 18, 1997.

Too often veterans and others have been confused with the Court of Veterans Appeals and with the Board of Veterans Appeals. I understand this confusion has caused the court to record a message advising callers that they had reached the Court of Veterans Appeals. The caller is then instructed to dial a different number if he or she is inquiring about the status of a case before the Board of Veterans Appeals.

This change was requested and recommended by the chief judge of the court, Judge Nebeker, in recent testimony before the committee. The new name, the U.S. Court of Appeals for Veterans Claims, is consistent with the name of other similar appellate courts and should help end this widespread confusion.

Title II also changes the name of the National Cemetery System to the National Cemetery Administration, and designates the head of the National Cemetery Administration as the Assistant Secretary for Memorial Affairs. The reference to Memorial Affairs reflects the broader functions assigned to the Office of the Assistant Secretary.

Title III of this bill will simply codify the fiscal year 1997 compensation rate increase previously adopted. Mr. Speaker, I am pleased to have joined with Chairman STUMP in the introduction of this legislation, and I urge my colleagues to support it.

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

Mr. STUMP. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. STEARNS], chairman of the Subcommittee on Hospitals and Health Care.

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

Mr. Speaker, I rise in support of H.R. 1092, and commend my chairman for bringing this bill to the floor for consideration early in this session. I believe we are sending the VA an important signal today in taking early action on this legislation.

With this bill, we are not only extending a good program but expanding it to encourage highly productive public-private partnerships. This bill would extend for 5 years the VA's authority to enter into long-term leases of underutilized VA property in order to foster development of projects which will benefit the VA as well as the lessee.

This authority has been effective in encouraging development of construction projects that have proven both directly and monetarily beneficial to the Department. Mr. Speaker, existing law imposes certain limits on this authority, which I believe have outlived their usefulness. It limits to 10 the number

of enhanced-use leases that the VA may execute in any year, and caps at 20 the total number of such projects under this authority. In lifting these limitations, H.R. 1092 should help spark an expansion of an important partnership concept.

Mr. Speaker, I urge all of the Members to support H.R. 1092.

Mr. EVANS. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I thank the gentleman for yielding time to me, and the chairman of the full committee, the gentleman from Arizona [Mr. STUMP] for his leadership, and the chairman of the subcommittee, the gentleman from Florida [Mr. STEARNS] for helping bring this to the floor.

Mr. Speaker, I, too, support H.R. 1092. As we have heard from the chairman, it will expand the ability of the Veterans Administration to enter into what is called enhanced-use leases. These leases, with both private and public entities, require that underused VA property be improved to contribute to the VA mission. The leases that have been established in the past under this authority have, without any exception, helped the VA to better serve our Nation's veterans.

So not only are we leasing for revenue, but we are improving the ability of the VA to serve our veterans in the future. I am looking forward to an expansion of this important and very successful program.

As the ranking member, the gentleman from Illinois [Mr. EVANS] said, H.R. 1092 would rename the Court of Veterans Appeals as the U.S. Court of Appeals for Veterans Claims.

The committee has been told by veterans and attorneys representing them that the court, an independent judicial body, is frequently confused with the Board of Veterans Appeals, which is an administrative arm of the VA. We expect this name change to eliminate the widespread confusion. This renaming would also be consistent with recent changes in the names of other courts.

Last, Mr. Speaker, the National Cemetery System would be redesignated as the National Cemetery Administration under this legislation. The cemetery system would thus have the same organizational status within the VA as the other VA major components responsible for delivering benefits; that is, the Veterans Benefit Administration and the Veterans Health Administration.

The bill would also redesignate the director of the National Cemetery System as the assistant secretary for memorial affairs, thus assuring that this position has the status which reflects its responsibilities.

There is a provision also in H.R. 1092 that would protect our veterans by putting into law the increase in veterans compensation benefits that took effect December 1, 1996. H.R. 1092 is supported by the entire Committee on Veterans Affairs, under the leadership of the gentleman from Arizona [Mr. STUMP], as well as the major veterans service organizations. I, too, urge my colleagues to approve this measure.

Mr. BISHOP. Mr. Speaker, I rise today in support of H.R. 1092, a bill to extend the VA's authority to enter into enhanced use leases; rename the U.S. Court of Veterans' Appeals the U.S. Court of Appeals for Veterans Claims; and codify the fiscal year 1997 VA compensation rates to reflect cost-of-living adjustments effective December 1, 1996. Additionally, I support H.R. 1090, a bill to allow veterans to appeal certain claims which may have been erroneously denied by the VA. Both of these bills will assist us with our efforts to provide a suitable quality of life for our Nation's veterans. I want to commend Chairman STUMP, Congressman EVANS, and the Veterans Committee for continued leadership and hard work on these measures and others affecting the veterans community.

America owes its freedom and prosperity to its veterans. So many of them put their lives on the line so that the guiding principles we hold so dear remain protected. Just as they fought on the front lines protecting the security of our great Nation, we must be on the front lines fighting for their well-being and security.

The two veterans bills on the floor today will assist us in this endeavor. H.R. 1092 will extend the authority of the Secretary of Veterans Affairs to enter into enhanced use leases for underutilized VA property. The public-private partnerships created as a result of these leases has proven to be worthwhile. Enhanced use leasing authority has led to the development of a number of beneficial projects: child care centers, parking facilities, and VA office space. These projects and others currently in the development stage greatly contribute to the strength of the VA and its mission. Also, additional revenue received from these leases is used for critical medical care services and nursing homes.

I also support provisions of the bill renaming the U.S. Court of Veterans Appeals. Because of its name, many veterans and attorneys have been highly confused about the jurisdiction and authority of this body. The name change established by the bill will prove beneficial by clarifying that this is an independent judicial body and not an administrative tribunal within the Department of Veterans Affairs.

Additionally, the bill codifies fiscal year 1997 VA compensation rates to reflect cost-of-living adjustments effective December 1, 1996. This is important so that we can protect veterans compensation by locking in rates established by the adjustment.

Again, I want to commend the committee for passing H.R. 1090. This bill would make an important change by allowing veterans to appeal decisions by the Board of Veterans Appeals for clear and unmistakable errors. The veterans' community has been pointing out for some time that the restrictions against appealing VA decisions for clear and unmistakable error are grossly unfair. This bill is very important because it gives veterans an adequate recourse when there has been grave error by the VA. More importantly, it ensures that if the VA makes an error, veterans will not be denied compensation benefits.

H.R. 1092 and H.R. 1090 are tools to be used in the tireless fight on behalf of the veterans community. Again, I express my support and thank the Veterans Committee for its work. I urge my colleagues to support these bills.

Mr. QUINN. Mr. Speaker, H.R. 1092 eliminates the current cap on enhanced use leases for the VA. These leases are models of how Federal agencies may enter into agreements with developers and other entities to get the most out of VA-owned real property. These leases allow developers to build on VA property to provide space to both the VA and private concerns. The result is a lower cost VA infrastructure for the taxpayers and quality commercial space for local businesses.

The bill also changes the name of the National Cemetery System to the National Cemetery Administration and the title of the Director to the Assistant Secretary for Memorial Affairs to more accurately describe the scope of the position's responsibilities.

Additionally, the bill changes the name of the Court of Veterans Appeals to the U.S. Court of Appeals for Veterans Claims.

Finally, the bill codifies the increased rates of veterans service-connected compensation resulting from the cost-of-living allowance effective last December.

Mr. Speaker, I urge my colleagues to support H.R. 1092.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 1092.

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.

TRAVEL AND TRANSPORTATION REFORM ACT OF 1997

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 930) to require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses, as amended.

The Clerk read the bill, as follows:

H.R. 930

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 ''Travel and Transportation Reform Act of 1997''.

SEC. 2. REQUIRING USE OF THE TRAVEL CHARGE CARD.

(a) IN GENERAL.—Under regulations issued by the Administrator of General Services

after consultation with the Secretary of the Treasury, the Administrator shall require that Federal employees use the travel charge card established pursuant to the United States Travel and Transportation Payment and Expense Control System, or any Federal contractor-issued travel charge card, for all payments of expenses of official Government travel. The Administrator shall exempt any payment, person, type or class of payments, or type or class of personnel from any requirement established under the preceding sentence in any case in which—

(1) it is in the best interest of the United States to do so;

(2) payment through a travel charge card is impractical or imposes unreasonable burdens or costs on Federal employees or Federal agencies; or

(3) the Secretary of Defense or the Secretary of Transportation (with respect to the Coast Guard) requests an exemption with respect to the members of the uniformed services.

(b) LIMITATION ON RESTRICTION ON DISCLOSURE.—

(1) IN GENERAL.—Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by adding at the end the following new subsection:

''(q) Nothing in this title shall apply to the disclosure of any financial record or information to a Government authority in conjunction with a Federal contractor-issued travel charge card issued for official Government travel.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) is effective as of October 1, 1983, and applies to any records created pursuant to the United States Travel and Transportation Payment and Expense Control System or any Federal contractor-issued travel charge card issued for official Government travel.

(c) COLLECTION OF AMOUNTS OWED.—

(1) IN GENERAL.—Under regulations issued by the Administrator of General Services and upon written request of a Federal contractor, the head of any Federal agency or a disbursing official of the United States may, on behalf of the contractor, collect by deduction from the amount of pay owed to an employee of the agency any amount of funds the employee owes to the contractor as a result of delinquencies not disputed by the employee on a travel charge card issued for payment of expenses incurred in connection with official Government travel. The amount deducted from the pay owed to an employee with respect to a pay period may not exceed 15 percent of the disposable pay of the employee for that pay period, except that a greater percentage may be deducted upon the written consent of the employee.

(2) DUE PROCESS PROTECTIONS.—Collection under this subsection shall be carried out in accordance with procedures substantially equivalent to the procedures required under section 3716(a) of title 31, United States Code.

(3) DEFINITIONS.—For the purpose of this subsection:

(A) AGENCY.—The term ''agency'' has the meaning that term has under section 101 of title 31, United States Code.

(B) EMPLOYEE.—The term ''employee'' means an individual employed in or under an agency, including a member of any of the uniformed services. For purposes of this subsection, a member of one of the uniformed services is an employee of that uniformed service.

(C) MEMBER; UNIFORMED SERVICE.—Each of the terms ''member'' and ''uniformed service'' has the meaning that term has in section 101 of title 37, United States Code.

(d) REGULATIONS.—Within 270 days after the date of enactment of this Act, the Administrator of General Services shall promulgate regulations implementing this section, that—

(1) make the use of the travel charge card established pursuant to the United States Travel and Transportation System and Expense Control System, or any Federal contractor-issued travel charge card, mandatory for all payments of expenses of official Government travel pursuant to this section;

(2) specify the procedures for effecting under subsection (c) a deduction from pay owed to an employee, and ensure that the due process protections provided to employees under such procedures are no less than the protections provided to employees pursuant to section 3716 of title 31, United States Code;

(3) provide that any deduction under subsection (c) from pay owed to an employee may occur only after reimbursement of the employee for the expenses of Government travel with respect to which the deduction is made; and

(4) require agencies to promptly reimburse employees for expenses charged on a travel charge card pursuant to this section, and by no later than 30 days after the submission of a claim for reimbursement.

(e) REPORTS.—

(1) IN GENERAL.—The Administrator of General Services shall submit 2 reports to the Congress on agency compliance with this section and regulations that have been issued under this section.

(2) TIMING.—The first report under this subsection shall be submitted before the end of the 180-day period beginning on the date of enactment of this Act, and the second report shall be submitted after that period and before the end of the 540-day period beginning on that date of enactment.

(3) PREPARATION.—Each report shall be based on a sampling survey of agencies that expended more than $5,000,000 during the previous fiscal year on travel and transportation payments, including payments for employee relocation. The head of an agency shall provide to the Administrator the necessary information in a format prescribed by the Administrator and approved by the Director of the Office of Management and Budget.

SEC. 3. PREPAYMENT AUDITS OF TRANSPORTATION EXPENSES.

(a) IN GENERAL.—(1) Section 3322 of title 31, United States Code, is amended in subsection (c) by inserting after ''classifications'' the following: ''if the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government''.

(2) Section 3528 of title 31, United States Code, is amended—

(A) in subsection (a) by striking ''and'' after the semicolon at the end of paragraph (3), by striking the period at the end of subsection (a)(4)(C) and inserting ''; and'', and by adding at the end the following new paragraph:

''(5) verifying transportation rates, freight classifications, and other information provided on a Government bill of lading or transportation request, unless the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government.'';

(B) in subsection (c)(1), by inserting after ''deductions'' the following: ''and the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government''; and

(C) in subsection (c)(2), by inserting after ''agreement'' the following: ''and the Administrator of General Services has determined that verification by a prepayment audit conducted pursuant to section 3726(a) of this title for a particular mode or modes of transportation, or for an agency or subagency, will not adequately protect the interests of the Government''.

(3) Section 3726 of title 31, United States Code, is amended—

(A) by amending subsection (a) to read as follows:

''(a)(1) Each agency that receives a bill from a carrier or freight forwarder for transporting an individual or property for the United States Government shall verify its correctness (to include transportation rates, freight classifications, or proper combinations thereof), using prepayment audit, prior to payment in accordance with the requirements of this section and regulations prescribed by the Administrator of General Services.

''(2) The Administrator of General Services may exempt bills, a particular mode or modes of transportation, or an agency or subagency from a prepayment audit and verification and in lieu thereof require a postpayment audit, based on cost effectiveness, public interest, or other factors the Administrator considers appropriate.

''(3) Expenses for prepayment audits shall be funded by the agency's appropriations used for the transportation services.

''(4) The audit authority provided to agencies by this section is subject to oversight by the Administrator.'';

(B) by redesignating subsections (b), (c), (d), (e), (f), and (g) in order as subsections (d), (e), (f), (g), (h), and (i), respectively;

(C) by inserting after subsection (a) the following new subsections:

''(b) The Administrator may conduct pre- or postpayment audits of transportation bills of any Federal agency. The number and types of bills audited shall be based on the Administrator's judgment.

''(c)(1) The Administrator shall adjudicate transportation claims which cannot be resolved by the agency procuring the transportation services, or the carrier or freight-forwarder presenting the bill.

''(2) A claim under this section shall be allowed only if it is received by the Administrator not later than 3 years (excluding time of war) after the later of the following dates:

''(A) The date of accrual of the claim.

''(B) The date payment for the transportation is made.

''(C) The date a refund for an overpayment for the transportation is made.

''(D) The date a deduction under subsection (d) of this section is made.'';

(D) in subsection (f), as so redesignated, by striking ''subsection (c)'' and inserting ''subsection (e)'', and by adding at the end the following new sentence: ''This reporting requirement expires December 31, 1998.'';

(E) in subsection (i)(1), as so redesignated, by striking ''subsection (a)'' and inserting ''subsection (c)''; and

(F) by adding after subsection (i), as so redesignated, the following new subsection:

''(j) The Administrator of General Services may provide transportation audit and related technical assistance services, on a reimbursable basis, to any other agency. Such reimbursements may be credited to the appropriate revolving fund or appropriation from which the expenses were incurred.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective

18 months after the date of enactment of this Act.

SEC. 4. REIMBURSEMENT FOR TAXES ON MONEY RECEIVED FOR TRAVEL EXPENSES.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after section 5706b the following new section:

''§ 5706c. Reimbursement for taxes incurred on money received for travel expenses

''(a) Under regulations prescribed pursuant to section 5707 of this title, the head of an agency or department, or his or her designee, may use appropriations or other funds available to the agency for administrative expenses, for the reimbursement of Federal, State, and local income taxes incurred by an employee of the agency or by an employee and such employee's spouse (if filing jointly), for any travel or transportation reimbursement made to an employee for which reimbursement or an allowance is provided.

''(b) Reimbursements under this section shall include an amount equal to all income taxes for which the employee and spouse, as the case may be, would be liable due to the reimbursement for the taxes referred to in subsection (a). In addition, reimbursements under this section shall include penalties and interest, for the tax years 1993 and 1994 only, as a result of agencies failing to withhold the appropriate amounts for tax liabilities of employees affected by the change in the deductibility of travel expenses made by Public Law 102–486.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5706b the following new item:

''5706c. Reimbursement for taxes incurred on money received for travel expenses.''.

(c) EFFECTIVE DATE.—This section shall be effective as of January 1, 1993.

SEC. 5. AUTHORITY FOR TEST PROGRAMS.

(a) TRAVEL EXPENSES TEST PROGRAMS.—Subchapter I of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

''§ 5710. Authority for travel expenses test programs

''(a)(1) Notwithstanding any other provision of this subchapter, under a test program which the Administrator of General Services determines to be in the interest of the Government and approves, an agency may pay through the proper disbursing official for a period not to exceed 24 months any necessary travel expenses in lieu of any payment otherwise authorized or required under this subchapter. An agency shall include in any request to the Administrator for approval of such a test program an analysis of the expected costs and benefits and a set of criteria for evaluating the effectiveness of the program.

''(2) Any test program conducted under this section shall be designed to enhance cost savings or other efficiencies that accrue to the Government.

''(3) Nothing in this section is intended to limit the authority of any agency to conduct test programs.

''(b) The Administrator shall transmit a copy of any test program approved by the Administrator under this section to the appropriate committees of the Congress at least 30 days before the effective date of the program.

''(c) An agency authorized to conduct a test program under subsection (a) shall provide to the Administrator and the appropriate committees of the Congress a report on the results of the program no later than 3 months after completion of the program.

''(d) No more than 10 test programs under this section may be conducted simultaneously.

''(e) The authority to conduct test programs under this section shall expire 7 years after the date of enactment of the Travel and Transportation Reform Act of 1997.''.

(b) RELOCATION EXPENSES TEST PROGRAMS.—Subchapter II of chapter 57 of title 5, United States Code, is further amended by adding at the end the following new section:

''§ 5739. Authority for relocation expenses test programs

''(a)(1) Notwithstanding any other provision of this subchapter, under a test program which the Administrator of General Services determines to be in the interest of the Government and approves, an agency may pay through the proper disbursing official for a period not to exceed 24 months any necessary relocation expenses in lieu of any payment otherwise authorized or required under this subchapter. An agency shall include in any request to the Administrator for approval of such a test program an analysis of the expected costs and benefits and a set of criteria for evaluating the effectiveness of the program.

''(2) Any test program conducted under this section shall be designed to enhance cost savings or other efficiencies that accrue to the Government.

''(3) Nothing in this section is intended to limit the authority of any agency to conduct test programs.

''(b) The Administrator shall transmit a copy of any test program approved by the Administrator under this section to the appropriate committees of the Congress at least 30 days before the effective date of the program.

''(c) An agency authorized to conduct a test program under subsection (a) shall provide to the Administrator and the appropriate committees of the Congress a report on the results of the program no later than 3 months after completion of the program.

''(d) No more than 10 test programs under this section may be conducted simultaneously.

''(e) The authority to conduct test programs under this section shall expire 7 years after the date of enactment of the Travel and Transportation Reform Act of 1997.''.

(c) CLERICAL AMENDMENTS.—The table of sections for chapter 57 of title 5, United States Code, is further amended by—

(1) inserting after the item relating to section 5709 the following new item:

''5710. Authority for travel expenses test programs.'';

and

(2) inserting after the item relating to section 5738 the following new item:

''5739. Authority for relocation expenses test programs.''.

SEC. 6. DEFINITION OF UNITED STATES.

Chapter 57 of title 5, United States Code, is amended—

(1) in section 5721—

(A) in paragraph (4), by striking ''and'' following the semicolon at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

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

''(6) 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the territories and possessions of the United States, and the areas and installations in the Republic of Panama that are made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979); and

''(7) 'Foreign Service of the United States' means the Foreign Service as constituted under the Foreign Service Act of 1980.'';

(2) in section 5722—

(A) in subsection (a)(2), by striking ''outside the United States'' and inserting ''outside the continental United States''; and

(B) in subsection (b), by striking ''United States'' each place it appears and inserting ''Government'';

(3) in section 5723(b), by striking ''United States'' each place it appears and inserting ''Government'';

(4) in section 5724—

(A) in subsection (a)(3), by striking '', its territories or possessions'' and all that follows through ''1979''; and

(B) in subsection (i), by striking ''United States'' each place it appears in the last sentence and inserting ''Government'';

(5) in section 5724a, by striking subsection (j);

(6) in section 5725(a), by striking ''United States'' and inserting ''Government'';

(7) in section 5727(d), by striking ''United States'' and inserting ''continental United States'';

(8) in section 5728(b), by striking ''an employee of the United States'' and inserting ''an employee of the Government'';

(9) in section 5729, by striking ''or its territories or possessions'' each place it appears;

(10) in section 5731(b), by striking ''United States'' and inserting ''Government''; and

(11) in section 5732, by striking ''United States'' and inserting ''Government''.

SEC. 7. TECHNICAL CORRECTIONS TO THE FEDERAL EMPLOYEE TRAVEL REFORM ACT OF 1996.

Section 5724a of title 5, United States Code, is amended—

(1) in subsections (a) and (d)(1) and (2), by striking ''An agency shall pay'' each place it appears and inserting ''Under regulations prescribed under section 5738, an agency shall pay'';

(2) in subsections (b)(1), (c)(1), (d)(8), and (e), by striking ''An agency may pay'' each place it appears and inserting ''Under regulations prescribed under section 5738, an agency may pay'';

(3) by amending subsection (b)(1)(B)(ii) to read as follows:

''(ii) an amount for subsistence expenses, that may not exceed a maximum amount determined by the Administrator of General Services.'';

(4) in subsection (c)(1)(B), by striking ''an amount for subsistence expenses'' and inserting ''an amount for subsistence expenses, that may not exceed a maximum amount determined by the Administrator of General Services,'';

(5) in subsection (d)(2)(A), by striking ''for the sale'' and inserting ''of the sale'';

(6) in subsection (d)(2)(B), by striking ''for the purchase'' and inserting ''of the purchase'';

(7) in subsection (d)(8), by striking ''paragraph (2) or (3)'' and inserting ''paragraph (1) or (2)'';

(8) in subsection (f)(1), by striking ''Subject to paragraph (2),'' and inserting ''Under regulations prescribed under section 5738 and subject to paragraph (2),''; and

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. HORN] and the gentlewoman from New York [Mrs. MALONEY] each will control 20 minutes.

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

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

Mr. Speaker, the Federal Government's travel expenditures are massive. In fiscal year 1994, the last year for which precise figures are available, the Government spent more than $7.6

billion on travel, including transportation, lodging, rental cars, and other related expenses.

There were ample opportunities to save money from this huge sum without restricting important travel. Administrative costs, for example, are shockingly bloated. The cost of completing a travel voucher is about $15 in the private sector, while it can run as high as $123 for each voucher in the Federal Government.

There are several obstacles standing in the way of efficient and affordable Government travel. Agency managers simply do not have complete travel information available to them because of inconsistent payment methods. As a result, it is impossible to effectively analyze their travel budgets in order to locate waste and reduce costs.

Related agencies are often unable to verify that travel charges are business related. They need clear authority to obtain information regarding the credit cards issued to employees for official Government travel. This information will make the Federal Government a better customer, which will in turn increase the size of the rebate the Government receives from businesses that provide services to Federal workers. Private firms currently receive larger rebates from businesses than does the Government.

We should learn from private sector techniques. The Travel and Transportation Act of 1997 contains four major provisions that will clear away obstacles to better management.

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By applying lessons from the private sector, it will encourage a concerted effort to improve the efficiency and the cost effectiveness of Federal travel. Section 1 of H.R. 930 specifies its short title, the Travel and Transportation Reform Act of 1997.

Section 2 concerns the Federal travel charge card. H.R. 930 contains several changes to charge card policy that would save money and make the system work better. Use of the charge card provides managers with valuable information about their agency's travel costs. Currently, however, the card is used inconsistently and, therefore, valuable information that would be recorded on the charge card invoice is never gathered.

As a result, agency managers lack the kind of detailed travel information necessary to effectively analyze their travel budgets, locate waste, and reduce costs. Congress realizes that not every merchant can accept charge cards, but the travel charge card should be used to the maximum extent possible. In addition, there may be some employees, Mr. Speaker, who may not be eligible for the travel charge card due to their poor credit histories or for some other reason. Obviously, the employee may be required to travel for official Government purposes, and an exemption may be required for these personnel.

Universal use of the card would improve information available to managers, increase the rebate due to the Federal Government, and expedite the processing of travel reimbursements. H.R. 930 provides for universal use of the travel card throughout the Government by requiring the Administrator of General Services [GSA] to mandate use of the travel charge card. There are some exceptions that are permitted by the administrator. The intent behind this legislation is that use of the card will be used to the maximum extent practicable by Federal travelers.

The definition of a travel charge card also includes a centrally billed account maintained by the agency. Agencies must be able to verify that charges on the travel card are business related. The Government's ability to access this information has been in question because of the Right to Financial Privacy Act, which restricts the release of an individual's financial records, including accounts maintained by the credit card issuer.

This bill clarifies that the Government has the authority it needs to gather this information to ensure that the card is used properly. It also authorizes the head of a agency to conduct salary offset for Federal employees delinquent on their Federal travel charge accounts. This provision would make the Federal Government a better customer, as I noted earlier, and simplify administration for Federal agencies. The result would be an increase in the size of the Federal Government's rebate.

H.R. 930 also includes an offset program to allow Federal agencies with travel charge card delinquency problems to deduct from the pay of an employee amounts needed to satisfy a delinquent debt owed to a card vendor. It is the intent of Congress that this deduction be made in coordination with the disbursing official in the U.S. Government. If the Treasury Department's financial management service cannot coordinate with agencies, Federal contractors may be paid prior to payments being made to Federal agencies. It it the intent of Congress that, when there is a conflict between a debt owed to a Federal contractor and a debt owed to a Federal agency, the Federal agency will be paid first.

H.R. 930 also requires that GSA write regulations implementing this act. One portion of these regulations calls for timely disbursement of travel repayments due to employees. GSA will be responsible for determining what constitutes submission of travel expense vouchers in its regulatory process. Our committee, on both sides of the aisle, looks forward to working with GSA to ensure that the intent of Congress is reflected. In implementing this section and the remaining portions of the act, it is of utmost importance that GSA do so in a manner that will not impair competition among different vendors in the travel card program and will not unfairly affect Federal workers.

Specifically, the inclusion of interest, fines, penalties or fees charged by bank charge card issuers should not be prohibited, eliminated or complicated by GSA regulations promulgated under this section. We in Congress believe that any such action limiting competition ultimately will not be in the best interest of the United States.

Section 3 of the Travel and Transportation Reform Act of 1997 concerns prepayment audits of travel charges. GSA's office of transportation audits conducted a pilot program that used audit contractors to perform prepayment audits on some transportation vouchers. This pilot identified overpayments worth four times the amount of the payments to the contractors, proving that this is a cost-effective tool. All other invoices submitted to the Federal Government are reviewed for accuracy by the agency incurring the expense prior to payment. The bill authorizes prepayment audits by contractors to verify that the charges are correct prior to disbursement of transportation expenses. According to the General Services Administration, this change would save $50 million per year in reduced transportation expenses.

Section 4 corrects an unjust tax liability. This will be of great interest to a number of Federal employees. The bill authorizes reimbursement to employees who were subjected to a tax liability in tax years 1993 and 1994, due to their service with the Federal Government. This tax liability was established by the 1992 Energy Act. The Energy Act limited the income tax deduction for business related travel to expenses incurred on trips of 1 year or less in duration. Most Federal agencies were unaware of this requirement because the IRS did not notify them until late December, 4 days to go before the new year in December 1993. And they did not withhold tax payments from the employees' salaries.

Many of the affected Federal employees were liable for a lump sum payment, plus penalty and interest charges. In some instances, the tax liability exceeds $1,000 per employee. According to GSA, this correction would cost $4 million on a one-time basis.

Section 5 encourages innovation in Federal travel. The sections of the U.S. Code relating to travel are extremely proscriptive and limit agency flexibility in developing improved benefit systems. This section allows Federal agencies to participate in travel pilot tests that would, it is hoped, save taxpayer dollars.

Saving taxpayer dollars and enhancing Federal travel operations is the goal of this section. Agencies wishing to initiate pilot projects would need approval from the General Services Administration and would be required to submit proposals to the appropriate committees of Congress 30 days before the initiation of the pilot. This authority is limited to 10 pilot programs in each of the temporary duty travel and relocation travel areas.

Mr. Speaker, the Congressional Budget Office estimates that the Travel and Transportation Reform Act of 1997 will save $105 million. I believe the actual amount will be higher, as GSA suggests, particularly if implementation is performed diligently. Poor management of the Federal Government's massive travel expenditures is wasting millions of tax dollars every year. The Travel and Transportation Reform Act of 1997 will improve Federal agency operations and enhance efficiency. I look forward to the passage of H.R. 930.

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

Mrs. MALONEY of New York. Mr. Speaker, I yield myself such time as I may consume.

My thanks to the chairman for working with the minority in drafting the manager's amendment to this bill. The Government spends over $7.5 billion annually on travel and relocation costs. I rise in support of this bill and in support of streamlining Government paperwork and saving the taxpayers millions in Government travel expenses.

It is so simple. H.R. 930 just calls for the use of one travel card, one bill to pay, one bill to check. If every Government employee simply used this card for all travel related expenses, taxpayers would gain $105 million. The card comes with a 30-day money-back guarantee. Employees must be reimbursed within a month of their payment. H.R. 930 does allow the agency to deduct certain unpaid travel charges from paychecks, unless the employee is disputing the charges.

Even those deductions will not exceed 15 percent of the traveler's wages. H.R. 930 also calls for a review of shipping and other transportation expenses before they are paid. That seems extremely reasonable.

Do not we all look at our bills before we pay them? This measure alone will save $50 million a year. Simplicity saves. Complications cost. I urge my colleagues to support this bill.

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

Mr. Speaker, I want to commend the gentlewoman from New York [Mrs. MALONEY], the ranking Democrat on the subcommittee, for her complete cooperation in this further economy which the subcommittee has made over the last 2½ years.

I think we saved $2 to $3 billion in legislation last year. And, as was noted, GSA says we will save $50 million this year. The Congressional Budget Office says we will save $150 million over the next 5 years.

In any case, it is real money and it is money the taxpayers do not have to expend by more efficiency and effectiveness.

Mrs. MALONEY of New York. Mr. Speaker, today, the House will pass H.R. 930, the Travel and Transportation Reform Act of 1997 under suspension of the rules. I would like to discuss a provision of that bill which was not raised today concerning the pilot programs on travel which agencies may conduct under the bill.

Mr. Speaker, one of the pilot programs which I would like to see conducted involves not only sound management practices, but family values as well. Last year, H.R. 3637, the Travel Reform and Savings Act, contained a provision which would have given discretionary authority to an agency to pay employment assistance services to a spouse of an employee relocated to another duty station by the agency. That provision was not specifically included in H.R. 930. However, there is authority under section 4 of that bill to test this worthy provision, subject to certain congressional oversight procedures. GSA's general counsel's office concurs with this reading of the legislation, and Chairman HORN indicated a positive reaction to this suggestion at a subcommittee hearing held on the bill.

Authorizing employment services on behalf of a spouse of a relocated employee is one of the recommendations of an indepth report by the interagency Joint Financial Management Improvement project. As that report points out, private sector companies have already discovered that to recruit and retain the best work force and ensure that relocated employees are fully productive, some form of employment assistance for relocating spouses represents money well spent. I am persuaded that what makes sense for the private sector makes sense in most cases for the Government. We need to determine if that is the case here.

As I said, section 4 of H.R. 930 authorizes GSA to approve test programs in connection with payment of employee relocation. I believe that such a test program may well show that such assistance is in the best interest of the Government. And I believe it would be cost effective in terms of improved employee performance and reliability. We need to find out. In that regard, it is important to note that Congress will have an opportunity to preview proposed test programs and to review a report of their results. We can then make a fully informed decision about the extent to which these services are in the Government's interest.

In conclusion, Mr. Speaker, I believe we need to test this proposal and urge GSA to favorably consider such a pilot program.

Mrs. MALONEY of New York. Mr. Speaker, I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from California [Mr. HORN] to suspend the rules and pass the bill, H.R. 930, 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.

DONATING RETIRING FEDERAL LAW ENFORCEMENT CANINES TO HANDLERS

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 173) to amend the Federal Property and Administrative Services Act of 1949 to authorize donation of surplus Federal law enforcement canines to their handlers, as amended.

The Clerk read as follows:

H.R. 173

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

SECTION 1. AUTHORIZATION TO DONATE SURPLUS LAW ENFORCEMENT CANINES TO THEIR HANDLERS.

Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended by adding at the end of the following:

''(r) The head of a Federal agency having control of a canine that has been used by a Federal agency in the performance of law enforcement duties and that has been determined by the agency to be no longer needed for official purposes may donate the canine to an individual who has experience handling canines in the performance of those duties.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. HORN] and the gentlewoman from New York [Mrs. MALONEY] will each control 20 minutes.

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

Mr. HORN. Mr. Speaker, this measure concerns Federal surplus property in the form of dogs. Typically, these dogs are trained in law enforcement and drug interdiction. The bulk of the 500 dogs currently serving the Federal Government are used by the Customs Service, the Immigration and Naturalization Service, and other law enforcement agencies.

Under current law, when an agency no longer needs a dog, it is screened to see if another Federal agency needs that dog. If no Federal use is required, the dog can be donated to a State or local law enforcement agency.

Mrs. MALONEY of New York. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the minority has no objection to this bill. We support it.

Mr. Speaker, I yield back my time.

Mr. HORN. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. GALLEGLY], the author of this innovative piece of legislation,

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

Mr. GALLEGLY. Mr. Speaker, I rise today in support of H.R. 173, legislation I introduced to address the unique situation encountered when Federal law enforcement canines are no longer able to perform the duties for which they were trained.

Essentially, this bill streamlines the adoption of Federal law enforcement canines by handlers and allows for a more humane end to the canine's career. As my colleagues know, these trained dogs are considered Federal property, but when their service comes to an end, they are declared surplus property.

Under GSA regulations to dispose of Federal property, agencies must follow certain procedures that ensure the maximum amount competition for the purchase of such property.

In many cases, such as the Border Patrol, Park Police, Customs, and Secret Service, this surplus property is a

canine that has served alongside officers enforcing our laws. Because of their unique role, many of these animals have had protection training, which could make them a danger to public safety if they are handled by someone who had not been trained in this capacity.

As a result, these canines should not simply be sold to the highest bidder at an auction to be taken home as a family pet. Unfortunately, if no appropriate trained handler comes forward to bid on the property, there is a possibility that this dog would be caged or even in some cases destroyed.

This is hardly humane, a hardly humane treatment of an animal that has spent its life protecting Americans and upholding our laws.

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According to the CRS research, there are over 500 canines in service of the Federal Government. H.R. 173 would allow the surplus canines to be donated to their handlers, who would thereby assume all the costs and responsibilities related to the care of that animal.

This is a simple solution to a unique problem that confronts our Federal law enforcement canine units. H.R. 173 removes the hoops agencies must jump through to place a canine that has served our country with a handler and a nurturing home.

Mr. Speaker, I want to thank the gentleman from California [Mr. HORN] and the gentleman from Indiana [Mr. BURTON] and the committee's action on this bill, and I urge my colleagues to support H.R. 173 to ease the adoption of Federal law enforcement canines.

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from California [Mr. HORN] that the House suspend the rules and pass the bill, H.R. 173, 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.

The title of the bill was amended so as to read: ''A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize donation of Federal law enforcement canines that are no longer needed for official purposes to individuals with experience handling canines in the performance of law enforcement duties.''

A motion to reconsider was laid on the table.

HONORING THE LIFETIME ACHIEVEMENTS OF JACKIE ROBINSON

Mr. HORN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 61) honoring the lifetime achievements of Jackie Robinson.

The Clerk read as follows:

H. CON. RES. 61

Whereas Jackie Robinson was the first four sport letterman at the University of California at Los Angeles;

Whereas on April 15, 1947, Jackie Robinson was the first African-American to cross the color barrier and play for a major league baseball team;

Whereas Jackie Robinson, whose career began in the Negro Leagues, went on to be named Rookie of the Year and subsequently led the Brooklyn Dodgers to six National League pennants and a World Series championship;

Whereas Jackie Robinson's inspiring career earned him recognition as the first African-American to win a batting title, lead the league in stolen bases, play in an All-Star game, win a Most Valuable Player award, play in the World Series and be elected to baseball's Hall of Fame;

Whereas after retiring from baseball Jackie Robinson was active in the civil rights movement and founded the first bank owned by African-Americans in New York City;

Whereas his legacy continues to uplift the Nation through the Jackie Robinson Foundation that has provided 425 scholarships to needy students;

Whereas Jackie Robinson's courage, dignity, and example taught the Nation that what matters most is not the color of a man's skin but rather the content of his character;

Whereas Jackie Robinson, in his career, consistently demonstrated that how you play the game is more important than the final score;

Whereas Jackie Robinson's life and heritage help make the American dream more accessible to all; and

Whereas April 15, 1997, marks the 50th anniversary of Jackie Robinson's entrance into major league baseball: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the achievements and contributions of Jackie Robinson be honored and celebrated; that his dedication and sacrifice be recognized; and that his contributions to African-Americans and to the Nation be remembered.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. HORN] and the gentlewoman from New York [Mrs. Maloney] each will control 20 minutes.

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

Mr. HORN. Mr. Speaker, I ask unanimous consent that I may yield my time to the gentleman from Oklahoma, [Mr. WATTS], and that he be permitted to yield blocks of time.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma [Mr. WATTS].

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

Mr. Speaker, today I rise in support of House Concurrent Resolution 61. This resolution encourages all Americans to remember the achievements of Jackie Robinson at this important time in our country's history.

There is something magical about the firsts in our society. I sometimes think God gave them broader shoulders to carry the tremendous load they have had to bear to make life better and provide greater opportunities for the rest of us.

The list of firsts is long and should never be forgotten. The Rosa Parkses, the Frederick Douglasses, the Arthur Ashes, the Marian Andersons, the James Merediths, the Jesse Owenses and, in Oklahoma, Prentiss Gautt and Ada Louis Sipuels, and most recently in our Nation we know of Tiger Woods. These are all men and women who had the courage, heart and insight to be the first to create change in our society.

Being the first can often be lonely, but these American heroes have had the strength to push ahead and find justice where injustice had prevailed.

As a former professional athlete, I am thankful for the Jackie Robinsons and the firsts of this world. They have gone before and not only opened the door but they have left it wide open for people like me.

April 15, 1947, was the first day that Jackie Robinson crossed the color barrier with the Brooklyn Dodgers. What made Jackie Robinson so memorable was that his list of achievements did not stop with that crashing of racial barriers. His accomplishments, including being named Rookie of the Year and leading the Dodgers to six National League pennants, including a World Series championship, matched his bravery.

Jackie Robinson understood that he could lock arms with other blacks and fight racism and fight bigotry, but he also understood that success is determined by the individual effort, not by the group.

Jackie was a true entrepreneur. His life did not stop with baseball. He went on to be active in the Civil Rights movement during the 1960's. He served in Governor Nelson Rockefeller's administration and started the first black-owned bank in New York City, as well as a construction firm.

Last night the Nation celebrated this anniversary during the fifth inning of the Dodgers-Mets game. Mrs. Robinson graciously accepted the accolades and America paused to recognize number 42.

Athletics is one of the few arenas today where we are judged on our merits. If an individual is good enough to play, they play. Jackie is an icon because of his integrity and character and what he proved by being the first and opening the door. He accomplished more for all people than he could have accomplished in Washington with more legislation.

There is a lesson in the life of Jackie Robinson for all of us.

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

Mrs. MALONEY of New York. Mr. Speaker, I yield myself such time as I may consume.

Jackie Robinson is a true American hero. Fifty years ago yesterday he stood up against racism, prejudice and hate and changed this country for the better. We applaud the strength that

he showed on the field and especially the courage he exerted off the field. He was a pillar of strength in the civil rights movement and we are fortunate that his legacy is continued today in the Jackie Robinson Foundation.

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

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

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding me this time. It is a great day when Members in both parties can honor one of the really fine Americans of this century.

Jackie Robinson did break barriers throughout his life: as a college student, a college player, and as a professional player. I am delighted to note in the city of Long Beach, which I am honored to represent and in which I live, a few years ago we established the Jackie Robinson Academy. It is located in the inner city. It is an academic achieving school. President Clinton has visited there, spent time with the students and the faculty in the school, and Mrs. Robinson was there on the dedication day, as were a few thousand others. And it was a great spirit that he would have been proud to see if he were still alive.

It is that spirit and gentlemanliness, that compassion that he personifies, and that I think all who study his career hopefully will emulate.

Mrs. MALONEY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois, [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentlewoman from New York for yielding me this time.

Mr. Speaker, I am pleased to join with all of those who have come together in this resolution to honor the life, the legacy, and the contributions of a great American.

I grew up during the Jackie Robinson era and I can tell my colleagues, as a young person there was nobody alive at that moment who had as much impact. As a matter of fact, Jackie Robinson was so important to us and to everybody that I knew that we could recite the Brooklyn Dodger lineup, beginning with the catcher to the right fielder.

More important than that, Jackie Robinson demonstrated not only skill but courage and determination to help break down the barriers of racism, of prejudice, of assumptions that individuals could not all play on one field and make a score. If we can remember that, then I think we will score well not only for ourselves but for generations yet to come.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky, [Mr. BUNNING.]

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

Mr. BUNNING. Mr. Speaker, I rise in strong support of House Concurrent Resolution 61. I did not get to pitch against Jackie Robinson very many times in his career, because it was just about over when I finally got to the big leagues. When I started out I was in the American League with Detroit and he was in the National League with Brooklyn, so the only time I really got to face him was in spring training games in 1954, 1955, and 1956.

But in those days, Brooklyn was the team to beat. They had a real dynasty going. In fact, they made it to the World Series in 1952, 1953, and again in 1955 and 1956. And Jackie Robinson was one of the biggest reasons they were such an outstanding team.

He was a real trail blazer and an outstanding ball player. A man of destiny. In the mid 1950's, when I finally made it to the major leagues, nearly 10 years after Jackie Robinson broke the color barrier, there were not too many blacks in the American League, and that was 8 years after Jackie Robinson played his first game for Brooklyn.

I can tell my colleagues this: Under the best of circumstances, when an individual is starting out, it is pretty frightening to walk out to the pitcher's mound or to the batter's box in a big league game. That is even true when an individual's race is not an issue. So it is mind-boggling to consider the kind of pressure that Jackie Robinson must have been under when he walked out there the first time when race was an issue, a very big issue.

The fact that he tried, the fact that he dared, the fact that he made it is tremendous testimony to his courage, his self-confidence, and to his love of baseball. Jackie Robinson changed the face of baseball and, for that matter, all other sports, and he made a tremendous contribution to race relations in this Nation.

Fifty years ago Jackie Robinson made a difference. It is right and fitting that we honor the memory of his achievements here today and his courage in doing the things that he did when he lived. My good wishes to Rachael and all his family today.

Mrs. MALONEY. Mr. Speaker, I ask unanimous consent that I may yield my time to the gentleman from Maryland, [Mr. CUMMINGS], and that he be permitted to yield blocks of time.

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

There was no objection.

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

It certainly is an honor to stand here today to salute a great hero. As I watched the President on television last night, and as I listen to my colleagues, and I am very grateful to all of them for every syllable that is spoken on behalf of Jackie Robinson, I stand, Mr. Speaker, and wonder what he would feel if he were standing here today.

In Baltimore, where I hail from, we have a team that is doing pretty good right now. I look at that team and I ask myself, if it were not for a Jackie Robinson, how many African-American players would be there today?

But going back to the question that I asked before, the question is how would he feel. I think that and I hope that as we celebrate this great man's life, and certainly we do not celebrate because he died but because he lived, I hope that we will keep a lot of things in mind, and I am sure if Jackie Robinson were here today he would agree with me.

First of all, it is true that he did break the color barrier with regard to baseball. But as I read his history, it went far beyond that. He was a man who spoke eloquently about race relations. He stood up for what was right, no matter what the situation was. And that is very important in our society; that we ought to bring about positive change.

I would submit that he was a great man of integrity. The great writer Stephen Carter, in his book ''Integrity'' says that integrity is based upon three things: No. 1, he says one must discern between what is right and wrong, what is good and bad. And Jackie Robinson surely did that.

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He did it over and over and over again. He did not take a walk when it came time to stand up for what he believed in. He made a decision between right and wrong, and he stood on that. Even when people spat on him and people called him all kinds of names, names that I dare not say in this Chamber, the fact is that he stood for what he believed in.

The great writer, Stephen Carter, goes on to say that there is a No. 2 thing that we must do to have true integrity, and Jackie Robinson had it. That is that you must act upon what you believe in even to your own peril.

So I say to America and to our country and to this great Congress that his example is one that we must live up to. That is, that we must look at a man called Jackie Robinson, who broke this color barrier 50 years ago, who stood up over and over and over again for what he believed in, even to his own peril. I cannot even imagine what he must have felt going onto a field with people calling him everything but a child of God. I cannot imagine it. But yet and still, he performed quite nicely under all of those circumstances.

Going back to the writer Stephen Carter, he says you must do one other thing. He says, No. 1, you must discern between right and wrong; No. 2, you must act, even to your own peril, on what is right; but then he says something else, that you must tell someone about it. The reason why he says you must tell someone about it is because of the fact that in order to change the world, in order to change the world, you have to tell people what you stood for and what you did with regard to that.

And so it is that Jackie Robinson told the world. He told the world that no matter what, I shall stand up for what I believe in. He told the world

that I will play baseball even under difficult circumstances.

But, Mr. Speaker, he had something else going for him, too. He had a vision. I am sure he had a vision that one day every team in the American League, every team in the National League would have African-American players playing great baseball, African-American players sharing rooms with white players, African-American players doing everything that they could to stand up for what they believed in, just as Jackie Robinson did. And so it is with great honor that I stand here in support of House Concurrent Resolution 61.

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

Mr. WATTS of Oklahoma. Mr. Speaker, I say to the gentleman from Maryland, that was very well said.

Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. I thank my colleague from Oklahoma for yielding me this time and my colleague from Maryland who preceded me with his comments.

Mr. Speaker, I rise in strong support of this resolution to honor the memory and the legacy of Jack Roosevelt Robinson. A couple of Arizonans offer a unique perspective on the life of Jackie Robinson. One is former Phoenix Mayor Sam Mardian, who grew up in the modest Pasadena neighborhood in close proximity to Jackie Robinson.

In a recent column in the Arizona Republic, he spoke of Robinson's unique gift not only as a great athlete but as one who could reach across barriers, as one who could work to extol the virtues of teamwork. And even as we recognize that, we dare not, we cannot pause without reflecting on Robinson's incredible athletic gifts. A four-sport letterman at UCLA. Indeed, baseball, ironically, was not his greatest sport. But in baseball it is where he began to make a difference for this land of ours.

Another recollection comes from another man who now calls Phoenix home, former Dodger pitcher Joe Black, who joined the Brooklyn organization after Jackie broke the color line and who had the occasion to room with Mr. Robinson. Joe Black recalls that Jackie's first words to him were, ''You're a big man, Joe. I bet you're good in a fight, but we're not here to fight.''

A personal recollection. My grandfather spent 50 years in major league baseball. He was honored to scout, alongside Branch Rickey, many of those who would come from the Negro leagues into major league baseball. And what Jack Robinson brought to the game was more than a great physical ability, it was an incredible ability to bring his intellectual capacities, the notion of strategy. Indeed, he helped to change the face of baseball. The strategy of using his speed to even steal home changed the face of baseball just as suredly as he broke the color line.

Mr. Speaker, we rise today to honor the memory and legacy of Jackie Robinson, who described himself as an eternal optimist. He did so in one of the most difficult moments in our history. In the wake of the assassination of Dr. Martin Luther King, Jr., Jack Roosevelt Robinson said, I am an eternal optimist and I believe some good will come even of this tragedy.

Jack Robinson was one who was a pioneer in many areas. He stood unafraid to speak the truth as he saw it, active in both major political parties, and it is that eloquence, that ability and, yes, that pioneer spirit that we honor today.

Mr. Speaker, to his widow Rachel, to his family and most of all to the people of the United States of America, we go on record today proud to honor the legacy of Jack Roosevelt Robinson.

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

Mr. Speaker, I want to thank the gentleman from Arizona who just spoke for his comments. He said something that I would like to just piggyback on just a bit.

So often out of difficult circumstances come great things. I think that when you look at what Jackie Robinson did and coming through the difficulty that he did come through, the fact is, is that he opened the doors for so, so many. I would venture to guess that the 39 members of the Black Caucus, the Congressional Black Caucus, owe a great debt of gratitude to this great man, for he did open many doors. But he did it through pain. I think that if we are to learn anything from this great man, we should learn that through pain, a lot of times come great things.

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

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. SHADEGG].

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

Mr. SHADEGG. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank and compliment all of those involved in this great discussion this afternoon.

Jackie Robinson played his first major league baseball game on April 15, 1947. That was 7 years before the Supreme Court's historic decision in Brown versus Board of Education. It was 18 years before the voter registration drives in Selma, AL. It was 16 years before Martin Luther King's famous ''I have a dream'' speech. And it was 18 years before passage of the Voting Rights Act of 1965.

It was 1 year before President Truman ordered the integration of the United States Army and 21 years before Arthur Ashe would become the first black man to win the U.S. Open men's singles title. It was 16 years before Michael Jordan was born and 50 years before Tiger Woods, to the pride of millions this weekend, became the first black man to win the Master's golf tournament.

Jackie Robinson and baseball were at the forefront of America's race relations. As baseball went, I am proud to say, so too has gone the country, slowly improving race relations and moving toward equality for all Americans regardless of color. Children growing up in the late 1940's and the early 1950's could look to Jackie Robinson and to his Dodger teammates and witness firsthand black and white working together, being part of a common team. And while there remained much progress to be made after Jackie Robinson integrated baseball and much progress still to be made today, a major step had been taken.

When Jackie Robinson and Branch Rickey showed the courage to challenge baseball and America, to reevaluate American racial policy, they helped start a movement that continues to this day. While much progress remains to be made in today's race relations, we have made great strides in the last 50 years, strides that would not have been possible but for heroes like Jackie Robinson and others similar.

I join the gentleman and am pleased to support this resolution and am proud to be a part of this effort.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Philadelphia, PA [Mr. FATTAH].

Mr. FATTAH. Mr. Speaker, I thank the gentleman from Maryland for yielding me this time, and I rise in support of our attempt to honor the life and legacy of this great African American.

I am reminded, however, that as we come to honor Jackie Robinson, we should be clear what brought him to the opportunity to play major league baseball. It was in its own way an affirmative action program in which he was sought out, brought in to deal with the fact that African-Americans had been excluded from the opportunity to play in major league baseball. If it were not for the active effort to include him, then we would not be here today honoring him, and as we honor him as a nation, we should think about the other doors that are sometimes locked to persons of color because, for whatever reason, people are unable to get past prejudices, to deny people access to law school and medical school, to colleges, college preparatory schools, to deny them access to contracts and employment opportunities.

We know all too well that the racism that existed that prevented Jackie Robinson from being able to play and others who were even more qualified than him perhaps and were denied the opportunity to play in major league baseball at that time has not evaporated totally in this country over the last 50 years.

So I come to the floor to join my voice to the voices of others, but I want to remind us that as we pay homage to Jackie Robinson and as we marvel at the ability of a Tiger Woods, we

should know that they represent the reality that Americans of every color and persuasion have gifts given to them by the Creator and are capable if they are given the opportunity. We should continue as a Congress to try to find ways to open those doors of opportunities so that these young people and people like them can continue to create a circumstance in which we can all be proud.

Mr. Speaker, I want to thank the gentleman from Maryland, and thank my colleagues from the other side of the aisle. I hope that as we vote to honor Jackie Robinson, we will not vote to close doors of opportunity to other young people, those same doors that we today rise to congratulate and recognize the accomplishments of this great African-American.

Mr. CUMMINGS. Mr. Speaker, I yield myself the balance of my time.

As I close, Mr. Speaker, I just want to go back to something that the distinguished gentleman from Pennsylvania just talked about. He talked about the fact that there had been doors closed over and over again to people of African-American descent. And there have been doors closed to many immigrants that have come to this country. As I sat there listening to what he had to say, I could not help but be reminded of my childhood as a young boy in south Baltimore, where we did not have many opportunities. We did not play on grass. We played on asphalt. I will never forget looking up to a Jackie Robinson and saying there is a man who looks like me, who looks like my father, there is a man who came from the same kind of neighborhood that I came from, there is a man who is doing it, and so I know that I can do it, too. That was very significant for me.

I shall never forget standing and singing in class, in elementary school, ''My country, 'tis of thee, sweet land of liberty, of thee I sing.'' And then I asked the question, but am I singing for a dream that can be fulfilled? Am I singing for a dream like a Jackie Robinson?

Mr. Speaker, I would submit to the Members of this great Congress that it is people like Jackie Robinson that stood up for little boys and girls all over our country.

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When they looked at Jackie Robinson, they said to themselves, ''He looks like me, he comes from my same kind of neighborhood, he stands up like my father, he looks like my father, and if he can do it, so can I.''

And so it is that it is only fitting that on this 50th anniversary that we pause, and sometimes, Mr. Speaker, it is so important that we simply pause in our lives to take a moment to recognize great people, that we pause out of our busy schedules and say, wait a minute, time out; let us take a moment to realize and recognize what a great man did.

So to Jackie Robinson, who is not here, but I do believe that he is here in spirit, wherever he is, Jackie Robinson I say to him, thank you, thank you for standing up, thank you for being an example, thank you for being someone that little boys and little girls could follow and who can say that you were a true role model. Thank you for being a role model. Thank you for not taking a walk and saying to our young people that I will not be a role model, that I am not a role model. You were a role model.

So we say to him today, thank you, thank you for lifting us up, thank you for all of us who are now in our 40s, 50s, and 60s, thank you for being that example, thank you for bridging the gap. Thank you for building bridges so that we reach out to one another and say we too are America and so that when little children sing, my country 'tis of thee, sweet land of liberty, so that when they sing those wonderful songs about this patriotic world that we live in, this country that we live in, they can too stand there and say that I can too succeed, that I can too be powerful, that I can too make a difference.

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

Mr. WATTS of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

Jackie Robinson said,

> Life is not a spectator sport. If you're going to spend your whole life in the grandstands just watching what goes on, in my opinion you're wasting your life.

Mr. Speaker, Mr. Robinson did not waste his life. He inspired the lives of others. He carried the weight of the world on his shoulders on April 15, 1947, to make America better. He carried the weight of the world on his shoulders in order to raise the conscious level of the American people concerning injustices of our great Nation at the time, and because Jackie Robinson became better, not bitter, he challenged us all to be our best.

Mr. Speaker, I urge unanimous support for this resolution.

Mr. FRANKS of New Jersey. Mr. Speaker, today I join my colleagues in honoring a real American hero—a man who changed the face of baseball and inspired so many others to break down barriers. Fifty years ago this week, Jackie Robinson walked onto Ebbets Field, wearing his Brooklyn Dodgers uniform and before a crowd of 26,623 fans, became the first African-American to play major league baseball. For young people today, it's probably hard to imagine a time when the color of your skin could keep you from fulfilling your dream of playing professional ball. But for half a century, America's most beloved past time had been off limits to anyone who was not white.

When Jackie Robinson took to the field that day, it marked a turning point in American history. As Jackie Robinson's wife, Rachel, later wrote: ''I think the single most important impact of Jack's presence was that it enabled white baseball fans to root for a black man, thus encouraging more whites to realize that all our destinies were inextricably linked.'' Jackie Robinson's major league debut was a triumph for a naturally gifted athlete who grew up in Pasadena, CA, and excelled in every sport he tried. He was an all-American in basketball and broke the long jump record. During his time at UCLA, he also became a star football player.

When World War II broke out, Robinson joined the Army and was commissioned a second lieutenant. Despite his outstanding athletic ability and commissioned officer status, Robinson came face-to-face with the harsh reality of a segregated America. He was denied an opportunity to play on either the Army's football or baseball teams. When he personally challenged the so-called Jim Crow laws that prohibited Blacks from sitting in the front of a bus, Robinson faced a court martial. Although, he was found innocent, his Army career was soon over.

After his military service, Jackie Robinson returned to his first love, baseball, joining the Kansas City Monarchs of the Negro American League. When the Dodgers' general manager Branch Rickey recruited him for the major leagues, Robinson was not the most famous or talented of the Negro league players. But Rickey saw in Jackie Robinson a man of great courage and conviction, someone who could stand up to adversity and turn the other cheek to those who were out to destroy his career and the dreams of all African-Americans.

Over and over again Robinson was put to the test. He faced the boos, the racial slurs, and even death threats from many fans. Even the other players were far from supportive. Some of Jackie's own teammates threatened to strike. And, once on the field, players dug their spikes into him as they slid into base. Pitchers baited him by throwing balls directly at his head. Jackie Robinson responded saying, ''I'm not concerned with you liking me or disliking me. All I ask is that you respect me as a human being.''

Jackie Robinson had to put up with other indignities as well. He couldn't stay in the same hotels as his teammates or join them for a meal at many restaurants. In some cities, he had to drink from colored only water fountains and catch a ride in colored only cabs. Throughout it all, Jackie Robinson resisted the temptation to strike back. He let his actions on the field speak for themselves. By the end of his first season, his power hitting and aggressive base running earned him the Rookie of the Year honor as he led the Dodgers' to the National League Pennant.

Jackie Robinson went on to be the spark that ignited the great Dodger teams of the 1950's. He batted .300 or better 6 years in a row and led the National League in stolen bases during two seasons. He was the National League's Most Valuable Player in 1949 with a batting average of .342. And then, in 1962, he was inducted into the Baseball Hall of Fame. Years later, in 1987, the National League Rookie of the Year Award was renamed in his honor.

Mr. Speaker, Jackie Robinson was a great ball player, but as we celebrate his achievements on the field, we must also remember the contributions he made to the American way of life. Jackie Robinson put his own fears aside, stood up to bigotry and hatred, and he triumphed. His remarkable achievement has been a rallying cry to confront all forms of prejudice. Jackie Robinson's legacy is still visible today in the faces of the young boys and girls of all different colors who dream of becoming a professional athlete or of achieving, in some other way, their own special place in history.

In the words of Jackie Robinson ''a life is not important except in the impact it has on other lives.'' Jackie Robinson's life can serve as an inspiration to all of us, both young and old, that through hard work and determination we can overcome any obstacles and break down what appear to be insurmountable barriers.

Mr. SMITH of New Jersey. Mr. Speaker, on this 50th anniversary of Jackie Robinson's major league debut, I am proud to say that I am and always have been a fan of Jackie Robinson. Not just for his athletic prowess, but for what I believe is his greatest achievement: his ability to keep his eye on the goal of playing baseball and doing his best in the face of the catcalls, the hissing, and the jeers.

With all the societal pressures placed on him, Jackie Robinson breathed life to the idea of community and equality; and proved to his contemporaries that the only color that mattered to him was Dodger blue. But more importantly, he made sure he was judged not by the petty mans' standard of skin color, but by the higher standard of merit, performance, ability, tenacity, and perseverance.

No doubt, Jackie Robinson had tough times and dreary days throughout his career. His gift to baseball and, indeed, to America, was his sensibility to see past the setbacks, the biases, the bigotry, and the prejudices directed at him and focus on the enormous task of playing baseball, well, and proving that shades of skin color do not make the player or the man.

In high school, I was on the track and field team, and now, as many of my colleagues know, I play annually on the Republican baseball team. I cherish those times on the field. It's hard to imagine that, before Jackie Robinson broke the color barrier, so many were excluded from the opportunities and rewards that playing organized and professional sports provide us. Some of life's greatest skills—teamwork, stick-to-itiveness, determination, diligence and comradery—are learned and reinforced on the ball field, and to have excluded an entire race from our national pastime is unconscionable.

I have four children, Mr. Speaker, who, like myself, have a passion for sports. Every sport my children participate in, from baseball—that would be my son, Chris—to lacrosse—my daughter Melissa—to soccer—my son Mike and my youngest daughter, Elyse, is a lesson in unity and selflessness. And no one lived that lesson better than Jackie Robinson. With two out and one on in scoring position, and your teammate coming to the plate for the possible game winning RBI, you stand and root him on. And your teammate isn't Jackie, the African-American kid, he is Jackie, your friend, and the best darn player on the team.

Each time my children step on to a field with their teammates and I see the matching colors of their jerseys worn by a vibrant mix of ethnicity and race, I know that we are getting closer to an equal and unified society. I thank Jackie Robinson for breaking the color barrier and laying the foundation. Yet, I know Jackie Robinson would be disappointed in all of us if we didn't finish what he so courageously began. By remembering and honoring him today we rededicate ourselves and our nation to equality and liberty and justice for all.

Mr. PAYNE. Mr. Speaker, last night I had the honor of attending the ceremony at Shea Stadium marking the 50th anniversary of Jackie Robinson's first game with the Brooklyn Dodgers.

Not only was Jackie Robinson a great athlete, he was a man of amazing courage and grace who served as a powerful role model to so many of us growing up in that era.

I recall vividly when I was a young boy the excitement among my friends as we followed the career of Jackie Robinson. In fact, in 1946, when he was still with the International League, he played in Jersey City, which is now in my congressional district, before a wildly enthusiastic crowd of 26,000 cheering fans.

He led the Dodgers to six National League pennants and a World Series championship in 1955. Over the course of his major league career, he was named to six all-star teams. He distinguished himself by winning a batting title, leading the league in stolen bases, and winning a Most Valuable Player Award.

I had the opportunity to see Jackie Robinson play the year he broke the color barrier, 1947. For African-Americans, his accomplishments were a source of great pride and hope for the future.

Last night many of those who knew Jackie Robinson best, his former teammates and colleagues, testified to his strength and perseverance under enormous day to day pressure. Sadly, that strain took a personal toll which undoubtedly led to his medical problems and premature death.

I recall that in 1972, the year which marked the 25th anniversary of his debut in the major leagues, a special tribute was, at long last, given in his honor. At that ceremony, he looked beyond the accolades given to him personally, and spoke out in behalf of future opportunities for other African-Americans. He said that our mission would not be complete until an African-American was given the opportunity to become a manager, a privilege which he was never offered despite his obvious talent and ability. He put his sentiments in these words: ''I will be even more pleased when I can look at the third-base coaching box and see a black manager. I'd like to live to see a black manager.''

Jackie Robinson never got his wish. He died 9 days later.

As President Clinton noted last night, our Nation can best honor Jackie Robinson's legacy by striving to become a society where we all work together in a spirit of harmony and a shared vision for the future.

Mr. Speaker, as we remember the remarkable legacy of Jackie Robinson, let us also resolve to honor the lessons he so eloquently taught us.

Mr. WATTS of Oklahoma. 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 California [Mr. HORN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 61.

The question was taken.

Mr. WATTS of Oklahoma. 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.

GENERAL LEAVE

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on House Concurrent Resolution 61.

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

There was no objection.

DOS PALOS LAND TRANSFER

Mr. SMITH of Oregon. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 111) to authorize the Secretary of Agriculture to convey a parcel of unused agricultural land in Dos Palos, CA, to the Dos Palos Ag Boosters for use as a farm school, as amended.

The Clerk read as follows:

H.R. 111

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

SECTION 1. LAND CONVEYANCE, UNUSED AGRICULTURAL LAND, DOS PALOS, CALIFORNIA

(a) CONVEYANCE.—In accordance with the provisions of this section, the Secretary of Agriculture shall convey to the Dos Palos Ag Boosters of Dos Palos, California, all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) held by the Secretary that consists of approximately 22 acres and is located at 18296 Elign Avenue, Dos Palos, California, to be used as a farm school for the education and training of students and beginning farmers regarding farming. The conveyance shall be final with no future liability accruing to the Secretary of Agriculture.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the transferee shall pay to the Secretary an amount equal to the fair market value of the parcel conveyed under subsection (a).

(c) ALTERNATIVE TRANSFEREE.—At the request of the Dos Palos Ag Boosters, the Secretary may make the conveyance under subsection (a) to the Dos Palos School District.

(d) DETERMINATION OF FAIR MARKET VALUE AND PROPERTY DESCRIPTION.—The Secretary shall determine the fair market value of the parcel to be conveyed under subsection (a). The exact acreage and legal description of the parcel shall be determined by a survey satisfactory to the Secretary. The cost of any such survey shall be borne by the transferee.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Oregon [Mr. SMITH] and the gentleman from Texas [Mr. STENHOLM] each will control 20 minutes.

The Chair recognizes the gentleman from Oregon [Mr. SMITH].

(Mr. SMITH of Oregon asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 111 authorizes the Secretary of Agriculture to sell 22 acres of land in Dos Palos, CA, to a nonprofit group, the Dos Palos Ag Boosters, to establish a farm school to teach middle and high school students how to farm. The transfer will be a sale based upon fair market value of a parcel of land to be determined by the USDA's farm service agency.

I think that identifies the legislation, Mr. Speaker.

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

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

Mr. Speaker, I rise in support of H.R. 111, as amended, which authorizes the Secretary of Agriculture to convey for fair market value a parcel of unused agricultural land in Dos Palos, CA, to the Dos Palos Ag Boosters for use as a farm school for local high school and middle school students. Passage of this bill will achieve a couple of worthy goals:

First, it will ensure that this land remains in agricultural use; second, it will educate and train students and beginning farmers by giving them the hands-on experience necessary to succeed. The students and beginning farmers will learn firsthand about irrigation and conservation methods, integrated pest management, agricultural marketing and administration. This bill will help these students learn to appreciate the hard work that goes into producing our Nation's food supply and may get a few of them off to a good start as farmers.

I would note that this bill is virtually identical to legislation that passed the House last Congress. The minor and technical changes that we incorporate in the bill today are changes requested by the administration. The administration in a prior statement of administrative policy indicated that they supported the objectives of H.R. 111 but would seek perfecting amendments in the Senate. In the interests of expediting consideration of H.R. 111 in the other body in order to get it to the President's desk as soon as possible, we have included in the administration's minor technical changes in the version of H.R. 111 we are considering today. With these changes the administration strongly supports H.R. 111.

I urge my colleagues to support this legislation.

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

Mr. SMITH of Oregon. Mr. Speaker, I yield as much time as he may consume to the gentleman from California [Mr. CONDIT], who is a chief sponsor of the bill.

Mr. CONDIT. Mr. Speaker, I will take just a moment. I simply want to thank the Committee on Agriculture, the chairman of the committee, the ranking member, the gentleman from Texas [Mr. STENHOLM], for expediting this bill and making sure we got it through here. We had a minor problem, and they worked very hard to work it out, and I appreciate it very much, and the gentleman from Texas [Mr. STENHOLM] has explained the bill. It is a straightforward bill, and I hope that all Members will join me in supporting H.R. 111 when it comes to a vote.

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

Mr. SMITH of Oregon. Mr. Speaker, I have no further speakers. I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon [Mr. SMITH] that the House suspend the rules and pass the bill, H.R. 111, 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.

The title of the bill was amended so as to read: ''A bill to provide for the conveyance of a parcel of unused agricultural land in Dos Palos, California, to the Dos Palos Ag Boosters for use as a farm school.''

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded on all motions to suspend the rules.

Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 607, by the yeas and nays;

House Concurrent Resolution 61, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

HOMEOWNERS INSURANCE PROTECTION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 607, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa [Mr. LEACH] that the House suspend the rules and pass the bill, H.R. 607, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were— yeas 421, nays 7, not voting 4, as follows:

[Roll No. 80]

YEAS—421

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari

Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Riggs
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—7

Campbell
Crane
DeLay
Doolittle
Hill
Paul
Scarborough

NOT VOTING—4

Costello
Dingell
Pelosi
Schiff

☐ 1514

Mr. CRANE changed his vote from ''yea'' to ''nay.''

Mr. KENNEDY of Rhode Island and Mr. ROYCE changed their vote from ''nay'' to ''yea.''

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

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to amend the Real Estate Settlement Procedures Act of 1974 to require notice of cancellation rights with respect to private mortgage insurance which is required as a condition of entering into certain federally related mortgage loans and to provide for cancellation of such insurance, and for other purposes.''.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. UPTON). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

HONORING THE LIFETIME ACHIEVEMENTS OF JACKIE ROBINSON

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 61.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. HORN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 61, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 427, nays 0, not voting 5, as follows:

[Roll No. 81]

YEAS—427

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Riggs
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—5

Costello
Dingell
Mink
Pelosi
Schiff

☐ 1523

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR MEMBER TO SIT IN VACANT POSITION ON COMMITTEE ON BANKING AND FINANCIAL SERVICES

Mr. FAZIO of California. Mr. Speaker, I ask unanimous consent that for the next month the gentleman from California [Mr. TORRES] be allowed to sit in the vacant position on the Committee on Banking and Financial Services as a Democratic member.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, 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 North Carolina [Mr. JONES] is recognized for 5 minutes.

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

PROPOSED CLOSING OF COMMISSARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MASCARA] is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I would like to take a few minutes this afternoon to make our colleagues aware of the problems associated with the proposal to close some 38 commissaries around the world, including some in Korea. I do not think many Members are aware of this potential. I read in the Army Times, dated March 31, of these potential closings.

First of all, one of these commissaries is in my congressional district in Oakdale, PA. This is 1 of 309 commissaries around the world. The problem relates to underfunding of some $48 million to DeCA, the Defense Commissary Commission. The Charles Kelly Support Facility was placed on that list by a subjective number of items that was used in selecting commissaries around the country and around the world that would be closed.

First of all, to the Member, we all agree that the budget must be balanced by the year 2002, and what I am saying, first of all, is that we need to reprioritize our spending, and to make sure that the benefits that were granted to these Members will be placed high on the priority of lists of spending in next year's budget.

The reason that the Charles Kelly Support Facility was selected was because somehow it fell under the category of 100 or more active members that should be on duty in order for a commissary to remain open. First of all, there were more than 100 at the Charles Kelly Support Facility, so the numbers provided by the Defense Department, the Pentagon, and DeCA were flawed and in error. I am hoping that they will consider keeping the commissary open at Oakdale in my congressional district.

□ 1530

In fact, if you go within a 50-mile radius of the Charles Kelly support facility, there are some 3,335 active members on duty in that district. So I have spoken to Major General Beale, Jr. about the matter, and we had a lengthy discussion about the problems of his agency.

First of all, the agency's budget, back in 1991 or 1992, was some $660 million. Then as a result of some accounting nuances, as an accountant myself, I usually check those figures, the department, the DeCA was placed under a performance based organization and asked to accept indirect cost allocations which raised his budget from $600 million to over $1 billion.

So a lot of those costs were as a result of indirect costs which are arbitrary and, I would say, capricious being placed on DeCA. DeCA itself, in addition to accepting those indirect costs, cut some $200 million over a 5-year period so it could help with balancing the Federal budget.

What I am saying is that I think the department, DeCA itself, in looking at closings, should consider using a regional factor that is in Pittsburgh, in Oakdale, PA. If that commissary were closed, you would have to go 200 miles to Dayton or 200 miles to Carlisle, PA in order to have access to a commissary.

The members of the armed services and the active members and the retirees, which number some 48,000 to 50,000, that use that particular commissary should be permitted to have a commissary. They shook the hands of the Federal Government and the military when they joined that they would have these benefits.

So what I am asking today, Mr. Speaker, is that DeCA and the Defense Department look at a regional concept. I am not saying that some of these 38 commissaries should not be closed, but they should look at a regional concept, which would include areas such as the Charles E. Kelly support facility that could reach out to other members of the armed services in that area and perhaps be considered as a regional commissary.

Mr. Speaker, this afternoon I want to take a few minutes to bring to the attention of the House the crisis that is facing our military commissary system.

I do not think many Members are aware of this situation, but for those of you who missed it, on March 31, 1997 the Army Times ran several articles pointing out that the commissary system is facing a $48 million budgetary shortfall.

If a solution is not found, at least 37 commissaries of the 309 worldwide will likely be closed. Four of the commissaries on the proposed closure list are in Korea and 33 in the United States and are located in cities from Hawaii to Maine.

One of the commissaries on the closure list is located at the Army's Charles E. Kelly Support Facility which is in my Pennsylvania district. The Defense Commissary Agency—known as DeCA—put the Charles E. Kelly facility on its list because the base contained less than 100 active duty personnel.

Those of you who know me, know I am an accountant and the first thing I do when I receive any information is to check the numbers.

To make a long story short, DeCA numbers were plain wrong. The Charles E. Kelly serves as many as 3,335 active duty members in a 50 miles radius and nearly another 50,000 reservists, retirees, dependents, survivors, and ROTC instructors who have also earned the right to use the facility.

Needless to say, I have already received assurances that should push come to shove, Charles E. Kelly, and others on the list which serve large populations of military families, will not be closed. DeCA will find some way to make ends meet and keep them open.

While my own parochial problem will likely turn into good news, my goal today is to make Members aware that through a variety of budget actions, DeCA's managers hands have been tied in knots and the commissary systems' finances run through a meat-grinder. And that is putting it politely.

If steps aren't taken to correct the situation, we may end up with the wholesale closure of commissaries all across the country. By default we could hand a victory to those who would like to do away with the commissary system altogether.

On behalf of all those military personnel, retirees, dependents, and survivors, who I know firsthand would have a hard time feeding their families without these commissaries, I would submit Congress owes our military personnel a more constructive solution. If we are to keep those millions of handshakes made between military recruits and our Government, we have no choice but to find an answer to this dilemma and to find it sooner than later.

The commissaries' budget problems can be directly traced to a change in its budget system ordered in 1992 by the Department of Defense which suddenly charged the commissary system with millions of dollars in indirect costs that had previously not been assigned to its budget. In subsequent years, DeCA has been asked to bear millions of dollars of hard budget cuts.

Now DeCA is to become a performance based organization, in laymen's terms an agency that operates more like a private business which tries to make money and meet its customers needs, Unfortunately, as part of the process, DeCA is probably going to be asked to bear at least another $200 million in cuts.

I am an accountant. I know my numbers and from my professional perspective, these repeated financial assaults on DeCA have put it in an untenable position, making it nearly impossible for the agency to carry out its duties.

In the short-term, I have implored Pentagon officials to find a way to reprogram funds to keep these commissaries open.

In the long run, I think the Pentagon and Congress has to seriously consider regionalizing the commissary system and raising the commissary surcharge by 1 percent.

At the present time, the Pentagon apparently only counts active duty personnel when

determining the need for a commissary. The reality is there are millions of other military-connected citizens, reservists, retirees, dependents and survivors who also have commissary privileges.

If these groups are counted and clusters drawn where the highest concentration of eligible shoppers occur, the Pentagon could easily establish regional commissaries, a system I predict which would function much more efficiently and cost-effectively.

The second step would be to raise the commissary surcharge which has not been raised since 1983, A 1-percent increase would generate approximately $53 million annually. I know this is not popular to say, but commissary shoppers, with an average basket cost of around $50 would hardly notice the .50 cents added to their bill.

Taking these two steps would give DeCA leaders the flexibility their sorely need to improve services, upgrade stores, and show the rest of the Government that a performance based organization can really work.

Finally, I think it is important to make the point that the men and women directly impacted by these possible commissary closures freely chose a military career serving their country, oftentimes knowing they will make considerably less in terms of pay than they would in a civilian occupation. Part of the reason they dedicate their lives to protecting our country's liberty is because they are told that in return they and their families will receive medical care and access to a commissary. If these commissaries are forced to close, we will be breaking the promise made to them and denying these heros of our society the adequate compensation they clearly deserve in return for their dedication to our country's military.

As you may know, I am a member of the House Committee on Veterans' Affairs and serve on its Subcommittee on Benefits. I come from a family with a long history of serving in the military. I myself am an Army veteran. I have four brothers who served in World War II and my immigrant father earned a Silver Star for valiant and heroic service in World War I. Thus, it is no secret that I strongly feel that our country owes a deep obligation to all active duty military personnel and veterans and must do everything possible to see that they receive the health care and other benefits they so rightfully deserve. It is my intention to work with all appropriate Members to see that these closings do not occur and that the commissary systems long-range problems are resolved.

This isn't an argument over who can sell the cheapest groceries. The question is how do you want to compensate the troops? Is the Pentagon going to raise pay to offset for closing commissaries? Even if each military personnel was given an extra $75 per month to compensate, the cost would be prohibitive. In the end, we would spend more than it costs to keep the commissaries open and running.

I urge my colleagues from both sides of the aisle to join me in this effort. We owe the fine men and women in our military no less.

ISSUES OF IMPORTANCE

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

Mr. SMITH of Michigan. Mr. Speaker, just frustrated for the last several days, when I have heard Members from the other side of the aisle, the Democrats, suggest to the Republicans, why are you not doing this, why are you not passing campaign finance reform? Why are you not helping this group, or why are you not doing this for those people?

I would like to remind everybody, Mr. Speaker, that the Democrats have controlled this Chamber for the last 40 years, ample opportunity, ample time to deal with some of the problems that they are so ready now to stand up and criticize Republicans for not moving faster.

I cannot help but think of the welfare reform so long overdue, where the U.S. Government has in effect said to young women in this country, if you get pregnant, we are going to do these things for you.

Can you imagine, Mr. Speaker, anybody going to their own young daughter and saying, I want to talk about the possibility of you getting pregnant and, if you get pregnant, we are going to increase your allowance by $500? We are going to give you a food allowance.

We would never say something like that to our own kids. Yet as a society, we have been saying that.

Nothing happened to change welfare until the last 2 years when Republicans, for the first time in 40 years, gained a majority in this House, in this chamber, and decided, look, enough is enough. We are sending the wrong signals. If we want to get back to an America that rewards those people that work hard, that save, that try, then we are going to have to make some changes of where we have been going for the last 40 years. That means changing a complicated tax system.

We now have a Tax Code where special interest lobbyists have been coming in over these past 40 years and getting favoritism for their particular clients. So now we have a Tax Code that is so complicated, that is so unfair that everybody agrees that it needs changing. Yet it has not been changed.

And now what we are saying on this side of the aisle, and we are gaining support from the Democrats, is that we need to make some basic changes in our tax code to make it flatter, to make it fairer.

I would like everybody to guess how many people now work for the IRS, snooping around our different tax filings to see what they can find out. Luckily this week we passed a bill to say, no more snooping for IRS agents.

Sometimes we question what is happening with immigration. If you compare the number of people hired for immigration, something around 14 or 16,000, I think, with the 115,000 IRS agents that we employ to go over taxes, to do our auditing, saying that they have to have this kind of power because they are afraid the American people might cheat if they are not threatened with an audit, it has got to be our goal to get rid of the IRS as we know it.

Mr. Speaker, I would urge all Members of this Chamber to look at what has been accomplished over the last 40 years and what has not been accomplished. And even though Republicans might not be passing as many bills right now as we did 2 years ago, I think it needs to be clear that we are for changing this Tax Code. We are for doing away with as much of the death tax penalty as we can, to do away with that estate tax or at least increase the exemption, to do away with our Tax Code that discourages savings and investment.

We have the greatest penalty, Mr. Speaker, we have the greatest penalty against businesses that decide to buy new tools and machinery. So we penalize savings and we penalize investment. We need to change that. We are moving steadily ahead to do some of the things that should have been done much earlier than this session or last session.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

[Mr. GEKAS addressed the House. His remarks will appear hereafter in the Extensions or Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MILLER] is recognized for 5 minutes.

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

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

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

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

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

PROBLEMS WITHIN THE DEPARTMENT OF VETERANS AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.

Mr. BILIRAKIS. Mr. Speaker, I rise reluctantly today to highlight problems within the Department of Veterans Affairs.

Over the past several months, incidents of sexual harassment by several VA senior career managers have come to my attention and, I might add, probably to all of our attention.

This greatly disturbs me because Secretary Brown has repeatedly stated his support for a policy of zero tolerance toward sexual abuse.

Recently one former VA medical center director who was found to have sexually harassed a female staff member and who also engaged in abusive, threatening, and inappropriate behavior toward other female staffers was transferred to the Bay Pines VA Medical Center in St. Petersburg, FL. This center serves many of the veterans in my Ninth Congressional District. He was also permitted to retain his salary in excess of $100,000 in a position that was created specifically for him. I am greatly concerned, Mr. Speaker, that the VA's policy of zero tolerance has, at best, not been implemented uniformly and, at worst, has been ignored. More disturbing have been revelations of mismanagement within the VA health care system itself.

Our veterans, Mr. Speaker, have made tremendous sacrifices in defense of our freedoms and way of life.

These sacrifices cannot be imagined by most people. Our veterans are entitled to the best and most timely health care services available.

And overall, Mr. Speaker, I believe that the majority of our veterans receive high-quality care in VA facilities around the country; and yet, these allegations of mismanagement do raise serious questions: Can resources be allocated more efficiently? Is the VA fulfilling its obligation in meeting its commitment to our Nation's veterans?

Mr. Speaker, these questions must be answered. I am pleased that Veterans' Affairs chairman, the gentleman from Arizona [Mr. STUMP], and Oversight Investigation Subcommittee chairman, the gentleman from Alabama [Mr. EVERETT], have agreed to my request to hold hearings on these important matters. Tomorrow we will begin this process.

Our Nation's veterans deserve to know, Mr. Speaker, that the money we appropriated to their health care will not be misspent on $26,000 fish tanks and $500 faucets but, rather, will be spent to meet their health care needs.

Mr. Speaker, since coming to Congress, most of us have committed to fighting for our veterans. That commitment has never diminished. And so, we are anxious to hear from the VA about how they intend to continue to provide high-quality care to our Nation's veterans and how they will rectify any problems detrimental to that pursuit. Our veterans deserve no less.

H.R. 400, THE 21ST CENTURY PATENT IMPROVEMENT ACT OF 1997

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. GOODLATTE] is recognized for 5 minutes.

Mr. GOODLATTE. Mr. Speaker, in light of the deluge of misinformation that has been circulating recently on H.R. 400, the 21st Century Patent Improvement Act, I would like to speak briefly on how this legislation benefits small inventors as well as the entire Nation.

H.R. 400 benefits small inventors in four key areas. First, it allows small inventors to acquire venture capital more quickly and easily than they can under either the current system or H.R. 811, the submarine substitute offered by Mr. ROHRABACHER. Presently, small inventors often have trouble attracting venture capital to transform their ideas into marketable products. By allowing publication after 18 months from filing, however, H.R. 400 brings venture capitalists together with small inventors to market ideas that will benefit all of society.

Second, H.R. 400 gives inventors greater protection against would-be thieves who want to steal their ideas than they currently receive. In the present system, inventors have no protection against people who steal their ideas and commercialize them before their patents are granted. For example, third parties can currently commercialize unpublished patents by manufacturing a product and offering it for sale. The inventor is then powerless to stop the sales or to share in the profits until the patent is actually granted.

Under the Rohrabacher submarine substitute, small inventors would be left to fend for themselves in these situations. H.R. 400, however, allows small inventors to receive fair compensation from any third party who steals their ideas between the time a patent is published and the time a patent is granted. This patent pending protection will give small inventors the protection they need to stop commercial thieves from stealing their ideas.

Third, H.R. 400 gives small inventors longer patent terms than they receive under current law. In the old system, which the Rohrabacher submarine substitute seeks to resurrect, inventors received patent protection for only 17 years from the date the patent was granted. H.R. 400, on the other hand, gives good-faith patent applicants a minimum of 17 years of protection—and in most cases, more than that. Also, H.R. 400 provides extended protection for up to 10 years, and diligent applicants who do not receive timely ruling from the patent office will receive additional protection. Only H.R. 400 give small inventors the protection they need to survive in the marketplace.

Finally, H.R. 400 gives small inventors a special option to avoid publication. While most diligent inventors will want to take advantage of the venture capital and additional protection that comes with publication, some may have second thoughts about publishing their protected ideas—especially in cases where the Patent Office indicates that it might not issue a patent.

In these cases, H.R. 400 gives small inventors the option of withdrawing their applications prior to publication. They may then continue to refine their applications or seek protection under State trade secrecy law. This option is only available to small inventors—large corporations will be required to publish their patents after 18 months.

As an example of how H.R. 400 benefits small inventors, I would like to insert in the RECORD a letter I recently received from a small Virginia inventor supporting H.R. 400. Although a vocal minority has been engaged in a campaign of deliberate misinformation against H.R. 400 in recent weeks, I believe that this letter represents the silent majority of small inventors who fully support H.R. 400.

I would also like to insert into the RECORD a recent Wall Street Journal article exposing the scam of submarine patents. While some may argue that submarine patents do not occur very often, this article clearly shows that submarine patents cost American consumers and taxpayers hundreds of millions of dollars. A single submarine patent can wipe out an entire small business—and with some submarine patents, an entire corporation. The Rohrabacher submarine substitute, which the House will consider tomorrow, would continue to encourage this devastating practice.

Mr. Speaker, in closing, I would like to urge each of my colleagues to oppose the Rohrabacher submarine substitute and to support the unanimous product of the Judiciary Committee, H.R. 400. A vote for the Rohrabacher submarine substitute is a vote against small inventors. Only H.R. 400 will give them the protection they need to compete in the marketplace.

UNIQUE SPECIALTY PRODUCTS

Arlington, VA, April 11, 1997.

Hon. BOB GOODLATTE,
123 Cannon HOB,
Washington, DC.

DEAR CONGRESSMAN GOODLATTE: The 21st Century Patent System Improvement Act, H.R. 400, has been favorably reported from the House Judiciary Committee and is scheduled to be considered on the House floor next week. This letter is to urge your support for the committee bill and to resist crippling amendments.

The bill is the work product of a bipartisan effort over several years to modernize the Patent and Trademark Office and to streamline the U.S. patent system. Extensive hearings have been held on the measure and concerted efforts have been made to accommodate those with keen interests in the legislation.

The bill, if enacted, would be extremely beneficial for my company. USP is a small business engaged in the development of medical imaging software. Currently, we are engaged in an effort jointly with an European pharmaceutical company to enhance the reliability of X-ray mammography. A patent application is pending now and several others may be filed in the next several months. We will then license the European company to utilize our imaging technology in clinical trials.

Several provisions of H.R. 400 will significantly help us in this regard. First, the bill authorizes and encourages the electronic filing and processing of patent applications. This is especially important in software development, where time is of the essence. The hardware and software imaging technology is evolving so rapidly, that quick response from the Patent Office is absolutely essential to survival of a company such as USP. Further, and more important, these advances in technology much reach the marketplace as soon as possible. Many lives are at stake.

Second, the bill's provisions on early publication are quite significant. The U.S. is the only major advanced society that does not have early publication as a key part of its patent law. As a result, our inventors and technology companies are at the mercy of

''submariners'' who file generic, all-purpose inventions, deliberately delay consideration of the application by the PTO through delaying and dilatory tactics for years. Meanwhile, the state of the art of the technology advances. Then, belatedly a patent is approved which is overly broad and then forces others—after the fact—to pay royalties.

This uncertainty can be devastating to a company such as mine. In licensing our software, we must warrant that there will be no future claims on it. We could be at the mercy of someone who had an application pending while ours was offered in the marketplace. Early publication of the claims of a pending patent go along way in preventing manipulators from playing havoc with legitimate technology developers. Only the U.S. allows this to happen. Our European clients are simply incredulous that we still follow the old practice.

Further, the ''corporatizations'' of the PTO is important for us ''users'' of its services. The PTO should be insulated from bureaucratic meddling and political influence. It is a totally ''user fee'' self-supporting organization. Our filing fees should be utilized for improvement and modernization of the PTO, not siphoned off to support the Legal Services Corp or some other politically correct governmental activity that is facing budget cuts. The workload at the PTO is already overwhelming. Automation is expensive, both in terms of acquisition costs and training.

In summary, I urge you to support H.R. 400.

With best regards.

Sincerely yours,

RICHARD W. VELDE,
Manager.

[From the Wall Street Journal, Apr. 9, 1997]

HOW PATENT LAWSUITS MAKE A QUIET ENGINEER RICH AND CONTROVERSIAL

(By Bernard Wysocki, Jr.)

SCOTTSDALE, ARIZ.—Few people paid much attention to Jerome H. Lemelson until he figured out a way to make $500 million.

For decades, Mr. Lemelson has been a soft-spoken, somewhat-nerdy engineer who doesn't manufacture products and rarely even makes prototypes but who turns out a steady stream of blueprints and drawings and has filed huge applications at the U.S. Patent and Trademark Office. He files and amends and divides his applications. Eventually, sometimes 20 years later, he usually gets a patent.

Over the years, the 73-year-old Mr. Lemelson has accumulated nearly 500 U.S. patents, more than anybody alive today. They cut through a wide swath of industry, from automated warehousing to camcorder parts to robotic-vision systems.

But he hasn't just hung the patents on a wall, like vanity plates. Seeking royalties, he has turned the strongest ones into patent-infringement claims—and a fortune. In 1992 alone, he collected a total of $100 million from 12 Japanese automotive companies, which decided to settle with him rather than fight him in court over a portfolio of some of his innovations: ''machine vision'' and image-processing patents. The claims cover various factory uses ranging from welding robots to vehicle-inspection equipment.

''This is what made him rich,'' says Frederick Michaud, an Alexandria, Va., attorney who represented the Japan Automobile manufacturers Association. ''But he's still current, let me tell you.''

These days, Mr. Lemelson is casting a longer shadow than ever. True, he makes huge donations, including funding the annual $500,000 Lemelson-MIT Prize for innovation that will be presented tomorrow night at a gala in Washington.

MUCH CONTROVERSY

But behind the pomp lies controversy. Critics say Mr. Lemelson not only exploits the patent system but manipulates it.

He is currently embroiled in a brutal legal battle with Ford Motor Co. Unlike more than 20 other automotive companies, Ford has refused to get a license from him on the machine-vision and image-processing patents. In a filing in federal court in Reno, Nev., it charged that Mr. Lemelson, in an abuse of the system, ''manipulated'' the U.S. Patent Office. Ford contended in its suit that Mr. Lemelson ''unreasonably and inexcusably delayed'' the processing of his applications to make the patents more valuable and more up-to-date. A Ford lawyer, in testimony before a congressional committee, once compared his patents to ''submarines,'' sometimes surfacing decades after they were filed, with claims covering new technology.

In 1995, U.S. Magistrate Judge Phyllis Atkins in Nevada sided with Ford, stating that ''Lemelson's use of continuing applications has been abusive and he should be barred from enforcing his asserted patent rights.'' In her report, she also stated that Mr. Lemelson ''designs his claims on top of existing inventions for the purpose of creating infringements.'' Mr. Lemelson has appealed, blaming the Patent Office for his delays in filing claims. A federal district judge is expected to rule soon.

EDISON RECALLED

To Mr. Lemelson and his friends, the litigation is the price paid by genius. ''When Edison was alive, he was involved in a lot of litigation,'' says Mr. Lemelson's lead attorney, Gerald Hosier. ''He was also a guy that all of the big companies said every nasty thing they could think of about him. It's only when he died that [Edison] became revered as a great inventor.''

Mr. Lemelson's extensive patent filings have the hallmarks of a technical whiz. He holds three engineering degrees from New York University, and his drawings show a draftsman's touch. He is a man with a voracious appetite for technical journals, trade magazines and conference proceedings. A 1993 letter to a potential licensee cited articles in 17 electronics journals.

An inveterate note-taker, Mr. Lemelson says he still churns out ideas nearly every day. His recent notes, grist for future patent filings, fill a folder on file at his lawyer's office here.

Another battle on the horizon will pit Mr. Lemelson against Ford and more than a dozen secret allies. In dispute are some of his pending patent applications that cover ''flexible manufacturing'' techniques. Ford is trying to prevent them from being issued; if the patents are issued, Mr. Lemelson plans to enforce them. Discussing the litigation—Mr. Lemelson estimates the two sides have spent well over $10 million, with no end in sight—he says, ''It's almost, in my opinion, madness.''

Meanwhile, Mr. Lemelson is inspiring a horde of imitators. Firms are springing up whose main business is obtaining patents and, like him, enforcing them by first offering a license and then, if refused, suing. Working with them are individual inventors who have decided that patented ideas, legally enforced, can be more lucrative than manufacturing and marketing.

''I'm not interested in building a company and getting into manufacturing. I focus on new inventions, on new things,'' say Charles Freeny Jr., a 65-year-old inventor in Irving, Texas, with a patent covering transmission of digital information over a network. Today, enforcement of Mr. Freeny's rights is in the hands of E-data Corp., a tiny Secaucus, N.J., company with three employees. Its main business is to try to extract royalty payments from alleged infringers.

A new breed of intellectual-property lawyer has emerged, too. Many seem to be inspired by Mr. Hosier, who pioneered the use of contingency fees in patent cases and whose work for Mr. Lemelson alone has brought him more than $150 million in fees. The lawyer's success—he lives in a 15,000-square-foot house near Aspen, Colo.—has made the field ''a very hot area. It's going crazy,'' says Joseph Potenza, a patent attorney in Washington. Between 1991 and 1996, the American Bar Association says, the number of intellectual-property lawyers soared to 14,000 from 9,400.

One Houston company, Litigation Risk Management Inc., is even helping finance inventors' intellectual-property efforts by bringing in Lloyd's of London to finance 80% of the cost of the litigation. Joby Hughes, Litigation Risk's president, says that if the licensing or litigation effort succeeds, the London insurance exchange will get a 25% profit on the money it puts up. Mr. Hughes's company gets a fee for arranging the deal.

A BOOMING FIELD

Companies long active in intellectual-property enforcement say business is strong. One is Refac Technology Development Corp. The New York company buys the rights to patents and licenses them to manufacturers, which pay royalties to both Refac and the inventors. Last year, Refac's net income more than doubled to $4.7 million on revenue of $9.2 million.

The purpose of the U.S. patent system comes into question, however. A patent doesn't require the inventor to go into manufacturing; technically, a patent is a right to exclude somebody else from using your ideas in commercial products, for 20 years from the date of filing. (Before June 1995, patents were valid for 17 years from date of issue. These and other patent revisions remain a hot topic in Congress.)

U.S. Commissioner of Patents and Trademarks Bruce Lehman says he is outraged by ''these people who file patent applications and never, ever, ever go to market with an invention, based on their application. I thought what the patent system was all about was coming here and getting a patent and going to some banker or venture capitalist or something and get money, and then you go out and start a company and put products out on the marketplace. And you go sue the people that infringe on you.''

But to the new intellectual-property players, it is the patent itself that has the economic value. And that has long been Mr. Lemelson's notion.

A native New Yorker, Mr. Lemelson worked for big companies and tried his hand at toy manufacturing. By his own testimony, that venture didn't succeed. Over time, he turned to crafting patents and then to seeking licenses. He often got involved in legal battles. His biggest one in toyland was a 15-year fight with Mattel Inc. over the flexible track in its Hot Wheels toys. In 1989, he won a $71 million patent-infringement judgment, but it was overturned on appeal.

BIG DEAL WITH IBM

In electronics, Mr. Lemelson's big break came in 1980, when International Business Machines Corp. agreed to take a license on a portfolio of his computer patents. ''After the IBM deal, I became a multimillionaire,'' he says. ''It didn't put me on easy street because I had so many balls in the air at one time. But it certainly helped a lot.''

An even bigger break came in the mid-1980s, when Mr. Lemelson met Mr. Hosier. In 1989, the already successful patent lawyer put together the ''machine vision'' licensing campaign. Mr. Hosier focused his negotiations on 12 Japanese automotive companies,

and the talks dragged on through mid-1992. That July, Mr. Lemelson sued four of the companies, Toyota Motor Corp., Nissan Motor Co., Mazda Motor Corp. and Honda Motor Co. Within a month, the Japanese agreed to settle; the 12 companies paid him the $100 million.

At a post-settlement celebration of sorts, in the Brown Palace Hotel in Denver, the Japanese insisted on taking photographs, which show eight grim-looking Japanese surrounding a beaming Mr. Lemelson. He contends that it was a heroic victory, a patriotic act. ''My federal government has made [in taxes] probably over a quarter of a billion dollars on my patents over the years,'' he says. ''A good part of it has been foreign money.''

Similar infringement suits followed, against Mitsubishi Electric Corp., against Motorola Inc., against the Big Three Detroit auto makers. Initially, both Mitsubishi and Motorola decided to fight; later, they settled. The suits against General Motors Corp. and Chrysler Corp. were ''dismissed without prejudice.'' In effect, any further action against GM or Chrysler is in abeyance until the Ford outcome is known.

WHY THEY SETTLED

By all accounts, the strategy was well-planned and well-executed. Mr. Hosier says the Japanese were more inclined to settle than the Americans. Commissioner Lehman says the Japanese are ''particularly freaked by litigation. And so you start out with them. . . . And, of course, they all pay up, and that establishes a precedent.'' After the Japanese settlement, several European auto makers also agreed to take licenses on Mr. Lemelson's patents.

Some who settled say they concluded that Mr. Lemelson had a good case. Others call it an uphill battle to try to persuade a judge or jury that the government had repeatedly made mistakes in issuing him all those patents. With a legal presumption that patents are valid, his opponents say they had the burden of proving the Patent Office had goofed 11 times in a row.

In any event, by 1994, Mr. Lemelson had amassed about $500 million in royalties from his patents. But Ford has held out.

Even as the lawyers haggled over the law, many of the facts in the case were undisputed. In 1954 and 1956, both sides agree, Mr. Lemelson made massive patent filings, which included, for example, many drawings and descriptions of an electronic scanning device. As an object moved down a conveyor belt, a camera would snap a picture of it. Then that image could be compared with a previously stored one. If they matched, a computer controlling the assembly line would let the object pass. If the two images didn't match up, it might be tossed on a reject pile.

But because Mr. Lemelson's filings were so extensive and complex, the Patent Office divided up his claims into multiple inventions and initially dealt with only some of them. Thus, for whatever reason, his applications kept dividing and subdividing, amended from time to time with new claims and with new patents.

It was as if the 1954 and 1956 filings were the roots of a vast tree. One branch ''surfaced'' in 1963, another in 1969, and more in the late 1970s, the mid-1980s and the early 1990s. All direct descendants of the mid-1950s filings, they have up-to-date claims covering more recent technology, such as that for bar-coding scanning.

The lineage was presented to the court in a color-coded chart produced by Ford. It shows how the mid-1950s applications spawned further applications all through the 1970s and 1980s. One result: a group of four bar-code patents issued in 1990 and 1992, with a total of 182 patent claims, all new and forming the basis of 14 infringement claims against Ford. But because of their 1950s roots, these patents claim the ancient heritage of Mr. Lemelson's old applications and establish precedence over any inventor with a later date.

The entire battle has become numbingly complex, a battle over whether the long stretch between the mid-1950s and the new claims in the 1990s constituted undue delay. Ford says yes. Mr. Lemelson says no. The magistrate judge found for Ford.

Another question is whether Mr. Lemelson's original filings—his scanner and camera and picture of images on a conveyer belt—should be considered the concepts of bar-code scanning, and thus Ford's use of bar coding in its factories make it an infringer of his patents. Mr. Lemelson says yes. Ford says no, arguing Mr. Lemelson depicted a fixed scanner (bar-code scanners can be hand-held).

''As we said in our lawsuit, if you walk into the Grand Union and show up for work with a 'Lemelson' bar-code scanner, it won't work,'' quips Jesse Jenner, a lawyer for Ford.

It's impossible to say which side will ultimately prevail. Or whether there will be a settlement. But the clear winners so far are the lawyers. Mr. Lemelson alone employs a small army of them. And Mr. Hosier pretty much thanks himself for that, noting an old joke: ''One lawyer in town, you're broke. Two lawyers in town, you're rich.''

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington, Mrs. LINDA SMITH, is recognized for 5 minutes.

[Mrs. LINDA SMITH of Washington addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

STEAL AMERICAN TECHNOLOGY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FORBES] is recognized for 5 minutes.

Mr. FORBES. Mr. Speaker, I take the floor today in this, the people's House. Yes, we proudly proclaim that this is the people's House where we stand up for the individual.

Mr. Speaker, tomorrow there is going to be a very startling series of events on an issue that will be before this House. I refer specifically to H.R. 400, the Steal American Technology Act.

This act will take American individuals and American interests and supplant them to the foreign interests. It will take multinational corporation interests and put them over the individual's interest. It will weigh in for power and prestige over the needs of Americans and our economy.

Mr. Speaker, H.R. 400 is about gaining access to foreign markets. If my colleagues are concerned about the terrible exporting of American jobs overseas, they will be absolutely outraged if H.R. 400 is to pass this House and become law because it sells out our children's future and our grandchildren's future, it puts us at an economic disadvantage in the world marketplace, and it makes American interests secondary to foreign interests.

Patent protections go back to the beginning of this Republic. They are spelled out in our Constitution. They say that, if a man or woman comes up with a great idea, they can get that idea protected by our Government and by our patent offices, Eli Whitney and his cotton gin protected by the patent system, Henry Ford protected by the patent system, Thomas Edison protected by the patent system.

Mr. Speaker, what this body is about to do tomorrow will put us at a distinct disadvantage. It will say to the little guy, forget you, multinational interests are supreme over individual interests; we need access to foreign markets, so we are going to sell out the individual.

This is a horrendous activity that is about to take place. Mr. Speaker, telling men and women across America, the individuals, the little guys, that come up with the good idea that they are no longer going to be protected because after 18 months, whether they have their patent or not, we will open it up for the whole world to see their idea so that the whole world can copy that idea.

And who better than the more aggressive nations around the globe that are trying to take our American ideas, Asian nations particularly have pleaded with the administration to loosen up on patents, to loosen up those protections, water down our ability to protect American ideas; and in return, we will give you access to foreign markets.

Multinational corporations love it because with their vast legal departments they can protect their interests. But what about the little guy who does not have the resources to get a bank of attorneys to protect their idea?

The American patent system has historically protected the little guy, and tomorrow we are going to sell down the river the little guy in America for the sake of multinational corporations. We must oppose the watering down of our patent protections.

This will put Horatio Alger's notion of this Nation, that an average man or woman with a good idea could build upon that idea and create new jobs, create whole new industries, create a stronger and better America.

As we march into the 21st century, we are going to hand off that notion to foreign interests because multinational corporations want access to foreign markets. And if we let this pass in this House, shame on us, Mr. Speaker.

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Shame on us for selling down the American people in what we have lovingly called the people's House.

REGARDING JUDICIAL ACTIVISM

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, the

gentleman from Texas [Mr. DELAY] is recognized for 60 minutes as the designee of the majority leader.

Mr. DELAY. Mr. Speaker, I take this time to once again discuss an issue that is of great concern to the American people. That issue is judicial activism. And I am very pleased to join my colleagues in taking out this special order.

Last week a three-judge Federal appeals court reversed a decision made by Judge Thelton Henderson, who barred the enforcement of the California civil rights initiative. In reversing that decision, the appellate judge wrote, ''A system which permits one judge to block with the stroke of his pen what 4,736,180 State residents voted to enact as law tests the integrity of our constitutional democracy.''

Well, I think, Mr. Speaker, that is exactly right. Judicial activism threatens the checks and balances written into our Constitution.

And, Mr. Speaker, I would like to enter into the RECORD an article that appeared in today's edition of the Hill newspaper, written by Thomas Jipping, the director of the Free Congress Foundation's Center for Law and Democracy. The article is entitled ''Impeachment Is Cure for Judicial Activism.'' I think it is a well-reasoned and rational explanation of why impeachment should be used by this Congress as a tool to act as a check to the imperial judiciary.

[From The Hill, April 16, 1997]

IMPEACHMENT IS CURE FOR JUDICIAL ACTIVISM

(By Thomas L. Jipping)

America's founders knew that government power, if left unchecked, will always grow and undercut liberty and self-government. The judiciary is today proving them correct. Operating unchecked for generations, judges routinely reach beyond the ''judicial power'' granted by the Constitution and exercise legislative power they do not legitimately possess.

Judicial activism exists in part because Congress refuses to exercise the checks and balances the founders crafted. One of these is impeachment. Rep. Tom DeLay (R-Texas) recently drew howls of protest from the legal establishment and political left by suggesting that Congress revive this check on excessive judicial power, Rep. DeLay, however, is on solid ground. His critics like activist judges because they like what those judges do; they are simply not honest enough to say so. But it is Rep. DeLay's view of a judiciary exercising only judicial power, checked if necessary with the tools provided by the Constitution, that resonates with America's founders.

Activist judges claim the power to make our laws mean anything they wish. They practice Chief Justice Charles Evans Hughes' maxim that the Constitution is whatever the judges say it is. As President George Bush put it, they legislate from the bench. Even Humpty Dumpty could define judicial activism when he declared: ''When I use a word, it means what I choose it to mean—neither more or less.'' If judges have the power to determine the meaning of our laws, however, they have the power to make our laws. That is a power legitimately exercised only by the people and their elected representatives.

America's founders intended that Congress impeach activist judges. In The Federalist No. 81, Alexander Hamilton argued that ''the supposed danger of judiciary encroachments on the legislative authority ... is in reality a phantom.'' Why? Because, wrote Hamilton, ''there never can be a danger that the judges, by a series of deliberate usurpations on the authority of the legislature, would hazard the united resentment of the body entrusted with [impeachment].''

The Constitution allows impeachment for what it calls ''high crimes and misdemeanors.'' Advocates of unlimited judicial power yank this phrase from its constitutional moorings and give it whatever narrow meaning is convenient for their argument. American Bar Association President N. Lee Cooper repeated the current myth in The Hill (March 26) by arguing that judges may only be impeached for a ''criminal act.''

This bizarre theory has never been true and Mr. Cooper's reliance on high school civics for this theory demonstrates the dangers of both make-it-up-as-you-go judicial activism and the dumbing-down of American education. Arrayed against his position, however, is nothing less than 600 years of English and American legal and political history.

According to Prof. Raoul Berger, impeachment was created because some actions for which public officials should be removed from office are not covered by the criminal law. The phrase ''high crimes and misdemeanors'' already had 400-year-old roots in English common law when the framers placed it in the U.S. Constitution. English judges were impeached for misuse of their official position or power, mal-adminstration, unconstitutional or extrajudicial opinions, misinterpreting the law, and encroaching on the power of the legislature.

The Constitution's framers also believed that impeachable offenses extended beyond indictable offenses. When they settled on the phrase ''high crimes and misdemeanors,'' for example, George Mason and James Madison believed it included attempts to subvert the Constitution.

All of these are features of the judicial activism that today undermines liberty and self-government. Activist judges do not simply make decisions someone does not like; they exercise power they do not legitimately possess. If a willful exercise of illegitimate power is not impeachable, nothing is.

Faced with these facts, apologists for unlimited judicial power retreat to the cliché of ''judicial independence.'' They never utter a word when judges illegitimately steal legislative power, but suddenly discover judicial independence and the separation of powers at the suggestion of Congress legitimately checking judicial power. Checks and balances, however, cannot work only in the direction one likes.

Judicial independence is a means to the end of a judiciary exercising only the ''judicial power'' granted by the Constitution and leaving the lawmaking to the legislature. When judges go beyond their proper role and make up new meanings for our laws, it is those judges who violate their own independence and make necessary the checks and balances, such as impeachment, provided by the Constitution.

Mr. Speaker, an independent judiciary is the anchor of our democracy. A despotic judiciary may very well lead to the downfall of our democracy. I just urge my colleagues to consider all the tools within our constitutional authority as we, the Congress, take on a very real problem of judicial despotism. One of those tools is impeachment.

Despite the barrage of criticism that myself and my colleagues have suffered over the last few weeks, I think impeachment is a tool that we should consider using.

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

JUDICIAL ACTIVISM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Texas, Mr. SAM JOHNSON, is recognized for the remainder of the time as the designee of the majority leader.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I appreciate the position of the other gentleman from Texas, Mr. DELAY. I come before the House today to talk about a problem that the gentleman has already laid out there, but it is quietly and steadily eating away at our constitutional system of government.

Judicial activism is not only compromising our long-held tradition of separation of powers, but throughout our academic and legal community they are pushing the judiciary to be activists in their decisions, so much so that any attempt by Congress to address this issue is immediately met with accusations of political sabotage and constitutional breach.

Mr. Speaker, I want to assure my colleagues that we in the Congress are not trying to undermine the Constitution. Far from it. We are trying to enforce it, to open the issue to public scrutiny and return the role of the Federal judiciary back to our Nation's intended belief, what our Nation's founders had always intended: That the third branch of the Government, the judiciary, is to be the weakest branch of government.

In The Federalist papers, number 78, Alexander Hamilton, for example, wrote that the judicial branch, quote,

> Will be always the least dangerous to the political rights of the Constitution, and that it may truly be said to have neither the force nor will but merely judgment.

The judiciary was intended to interpret the law, not to create it. But that is exactly what we are seeing in some of our courts today. They are not ruling on the law, they are creating the law.

Unelected Federal judges are furthering their own personal and political views by legislating from the bench and ignoring the will of the people of the United States. In fact, it has gotten so bad that judges are even overturning elections of our elected people.

David Barton, in his book, ''Impeachment: Restraining an Overactive Judiciary,'' said it best when he wrote that

> It has gotten to the point that any special interest group that loses at the ballot box only has to file a suit in Federal court to declare itself the winner.

And most of the time our judges are ruling with them.

If we just look at the recent instances of judicial activism, we will see some of the expansion of power that Federal judges are trying to achieve. I say some Federal judges, not all of

them. We have seen judges overturn cases based on the weakest of circumstances simply to further their own political views.

Judge Nixon, in Tennessee, a known opponent of capital punishment, has repeatedly issued rulings overturning cases where the criminal was sentenced to death.

More recently, I am sure everyone has heard of Judge Baer in New York, who overturned a drug conviction on a technicality even though the defendant admitted his guilt to the police.

In addition to these reversals, other Federal judges have taken it upon themselves to legislate from the bench, issuing far-reaching orders to impose their own set of political views on the American people. One of those famous cases involves Judge Russell Clark, who ruled in 1987 in Kansas City, MO, that the school system was segregated, and he issued a court order that called for a tax increase and forced the people of that State to pay for his desegregation scheme.

Well, $2 billion in taxpayer dollars later, the Kansas City school system is no better off, and he is probably backing up on that. Judge Clark's agenda included such things as animation labs, greenhouses, temperature-controlled art galleries, and a model United Nations wired for language translation. I am not sure I know what that has to do with segregation.

Closer to home for me, I spent quite a bit of time when I was in the Texas statehouse following the antics of Judge William Wayne Justice, whose rulings on our prison system in Texas forced us to allow prisoners to get out before their time was up, giving them a lot of good time, one; and, two, putting them in bigger rooms. In other words, where we had four beds, we could only put two; where we had two beds, we could only put one. And every man had to have his own color television set in prison. What a waste of taxpayer dollars addressing frivolous inmate lawsuits.

Also back home we are seeing another judicial activist arise in the form of Judge Fred Biery, who on January 24 of this year issued an injunction which prevented two duly elected officials in Val Verde County from taking office. Why? Because he would not allow 800 absentee military votes to be counted.

I consider this to be an affront to the rights of the military. As a matter of fact, after serving in the military for 29 years and being all over this Nation, I would say that it is important that we make sure that our military is allowed to vote, especially while they are defending the Nation.

It is a dangerous precedent where one judge can decide he just does not like the results of the election and simply overrules the results.

One final example, and perhaps the most newsworthy, is the decision by Judge Henderson in California, who issued an injunction stopping the implementation of proposition 209 in California, which would ban racial quotas in California and which passed with 54 percent of the vote of the State.

Not many people know that that particular judge, Judge Henderson, had once served on the board of the American Civil Liberties Union of California, an organization which took an active interest against proposition 209, and here he is ruling with his own special interest group against the people of California who with more than 4,700,000 State residents voted to enact as law proposition 209.

I think that tests the integrity of our constitutional democracy, and I think that the three-judge panel which had the courage to remind their colleagues of the judiciary's rightful place in our constitutional democracy and overrule that ought to be commended.

We cannot always count on Federal judges to keep their colleagues in check, and that is why I feel like Congress must exercise our duty to ensure that the third branch of the Government does not exceed its authority.

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

Mr. SAM JOHNSON of Texas. I yield to the gentleman from Florida.

Mr. SCARBOROUGH. Mr. Speaker, I can tell the gentleman that I have similar concerns, even though I recognize, like the gentleman does, that the overwhelming majority of the Federal judges that serve in this country do an honorable job.

Back in my area, I have long admired Judge Stafford and Judge Vincent and Judge Collier and Judge Novotany, and all those that have done a great job. But there are, we have to admit, in any profession, some renegades that do violence to the integrity of the system, to the Constitution, and I guess that is what has concerned me the most.

As conservatives and others concerned with judicial activism have come out and started asking some tough questions, we have heard everybody come out and start squealing and talking about how to even look at the system is somehow a threat to democracy. In my understanding of democracy, my understanding of our Constitution, my understanding of 2,500 years of Western civilization style democracy, more a threat to democracy than asking questions in the free marketplace of an idea would be a single judge with a single stroke of the pen being able to erase the popular will of 5 million California residents. That is an outrage.

Mr. SAM JOHNSON of Texas. Well, Mr. Speaker, reclaiming my time, I would ask the gentleman, does he think that the Congress, I mean our country's founders, when they wrote our Constitution, they were pretty smart fellas, and they said, OK, we will appoint these judges for life, but we will give the Congress a method to rein them in if they get out of hand. And that rein-in, I think, is what the gentleman from Texas [Mr. DELAY] was alluding to earlier, that the Congress has the sole discretion to impeach when they get out of line.

Mr. SCARBOROUGH. If the gentleman would continue to yield, we certainly do have the opportunity to supervise what is happening in the judiciary; obviously, allowing them the independence they were afforded in the Constitution, and recognizing that the genius of our system is the fact we do have separation of powers.

The gentleman read from Alexander Hamilton's Federalist paper number 78. Number 81 is equally instructive, where Alexander Hamilton argued that,

> The supposed danger of judiciary encroachments of the legislative authority is in reality a phantom, because there never can be danger that judges, by a series of deliberate usurpations on the authority of the legislature, would hazard the united resentment of the body entrusted with the power of impeachment.

To paraphrase, Hamilton is saying that the judges would never be so brazen as to ignore their constitutional mandate for the people in this legislative body. The legislative branch of government was given the power to rein in the judiciary if the judiciary did violence to the Constitution by actions that were highly inappropriate.

□ 1600

There can be no debate among any reasonable man or woman that understands the constitutional history of this country that our Founding Fathers never anticipated a single judge, a single lower court Federal judge being able to eradicate with one signature the popular will of 5 million American citizens. It does violence to the very concepts that they fought for in the Revolutionary War.

Mr. SAM JOHNSON of Texas. Let me quote from the Federalist Papers again, from Hamilton, in No. 78. He also says, which follows what the gentleman said, ''It may truly be said that no judge shall have either force nor will but merely judgment.''

If the gentleman recalls back in the 1800's, they even talked about impeaching judges, Federal judges because they cussed in court.

Mr. SCARBOROUGH. If the gentleman will yield further, let me just say, there are some people that are talking about different forms of reining in the Federal judiciary. I know that the whip has been talking about certain things. I would like to see us do it in a calm, rational manner. I think it is time for us to come together as a country and as a legislative body and reexamine the realities of the judiciary in the late 20th century and recognize that things have moved in a certain direction, a bit away from what our Founding Fathers anticipated, and get Congress to start looking into the issue of judicial activism, which we have heard hues and cries about for many years now, and just see if judicial activism really does pose the type of threat to the Constitution that many of us believe it does, and, if so, hopefully, we can enact some commonsense solutions without going after

any judge, without attacking any particular viewpoint and just have a thoughtful examination of what type of institutional changes that Republicans and Democrats and conservatives and liberals can all come together on to make sure that the judiciary does its job, does the job that our Founders intended it to do and, while doing that, we maintain a clear separation of powers between all branches.

I can tell the gentleman that right now the judiciary may be perceived as liberal. But in the years to come, there certainly will be a shift to the right, and at that time I would certainly hope that the more liberal Members in this legislative body would also be protected in the way that our Founders would want their legislative items to be protected.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield to the gentleman from Colorado [Mr. SKAGGS], one of our colleagues from the other side of the aisle who has a comment.

Mr. SKAGGS. I appreciate the gentleman yielding. I think it is important when we are discussing something as fundamental to the Republic as the separation of powers and the importance of an independent judiciary that perhaps those of us with a slightly different cut on this be heard. It seems to me absolutely essential that we keep in mind that it is the judicial branch of Government through long-established practice and tradition and constitutional foundation that is the ultimate arbiter of the requirements, the constraints, and the liberties guaranteed under the Constitution. And so it is entirely within the prerogative, and appropriately so, for the judiciary to either countermand the legislative branch acting through this Congress or through State legislatures, or the people exercising their residual legislative powers through referenda, to countermand that when enactments violate the Constitution.

We had an occasion for that just last week in which a Reagan-appointed judge, hardly a liberal, properly instructed this Congress that we had violated the basic provisions of the Constitution in attempting to give the President of the United States line-item veto authority by statute. We need to be very careful that when we are holding the judiciary up to scrutiny and invoking the potentiality of impeachment, that that not be done on the basis of their exercising their proper authorities and role under our system of government and the division of powers, but only in those events in which they have clearly been engaged in actionable misconduct and abuse, not merely a difference of opinion about constitutional interpretations.

Mr. SAM JOHNSON of Texas. I do not think that is the case at all that we are trying to enunciate here. The fact of the matter is that the judiciary should, and I agree with the gentleman, rule on the Constitution and constitutionality of anything that happens in the Congress or out in the States. But the question that we are addressing is that some of these judges, for whatever reason, political, social, or otherwise, have ruled based on that, not necessarily a constitutional base for their ruling.

Mr. SCARBOROUGH. If the gentleman will yield further, I will ask the gentleman a question, because he brings up a very good point. An issue like the line-item veto I think helps illustrate some of our concerns. I want to say more particularly my concern is not necessarily in individual judges, in trying to seek retribution from individual judges because we do not like how they rule. That, obviously, causes some serious problems. But my concerns go more to structural changes.

For instance, we had a single Federal judge in California, as the gentleman knows, that with a single stroke of the pen wiped out the view of 5 million Californians. The same thing with a single judge being able to interject his opinion, and again I am not saying his opinion is a flawed opinion. Quite frankly, even though I voted for the line-item veto, I have some very serious concerns and I think any reasonable man or woman could interpret it both ways.

But the question I would like to ask the gentleman is, does he think that it would be reasonable for us as the legislative branch, who have been given power to oversee the judiciary and decide where the jurisdiction rests, to look at structural changes and ask a question like, for instance, whether a single Federal judge should be empowered to stop something through injunction or whether we should possibly have a three-judge requirement? Again, this cuts both ways, liberal or conservative. Would the gentleman say that is a rational question to ask?

Mr. SKAGGS. There is no question that we have the appropriate power as the Congress to determine jurisdictions of lesser courts, the remedies that may be available in the cases of certain causes of action. That is not a particularly contentious proposition.

What was worrisome to me, and I came into the Chamber after my colleagues had been engaged for some time, was referencing again the potential use of the impeachment powers of the Congress to get at actions on which there is simply a disagreement as to wisdom and propriety as opposed to going to the underlying questions of the independence of the judicial branch of government. I think no matter how we may couch it, if we engage in relatively casual discussion of the invocation of impeachment, that goes right to the core and the quick of the independence of the judicial branch of government, which has a terribly important value to this society.

Mr. SCARBOROUGH. Exactly. The gentleman certainly will find that I will not disagree with him on that point. We need to be very careful to not overstep our boundaries. Obviously in extreme situations, impeachment possibly may be looked at, but not in situations where again reasonable men and women could differ.

Again going back to the question, does the gentleman think the time is right for us as a legislative body or as Members in this body to look at possible structural changes in the judiciary? Like for instance on the three-judge panel to decide an issue on whether a proposition that passed with 5 million votes should be handled by a single judge or whether we should somehow protect the voters by empowering a three-judge panel?

Mr. SKAGGS. Given that we have a tradition in comparable areas of especially impaneled three-judge courts to deal with civil rights cases and other constitutional matters, clearly there is precedent for that and I do not have any problem with this body debating the relative wisdom of having more than a single member of the bench rendering judgment in certain very, very important matters.

I would add, however, that the number of people that happen to vote for a referendum, while lending itself to effective rhetoric, does not really get to the question of whether the underlying issue is clearly one that implicates protections guaranteed by the Constitution. As the gentleman well knows, one of the underlying objectives of our constitutional system is to make sure that we have a government of law, that it is not subject to the popular passions of the time which can sometimes manifest themselves in referendums that may pass. Whether 5 million votes or more, it may nonetheless be in violation of basic constitutional requirements.

Mr. SCARBOROUGH. The gentleman is correct. It certainly makes for good drama when we talk about a single judge eradicating the popular will of 5 million people. But the same thing could be said about, again, a decision, to be really honest with the gentleman, I was relieved on the line-item veto decision.

Mr. SKAGGS. I appreciate the gentleman's candor on that.

Mr. SCARBOROUGH. But still structurally again, there is a question on whether we would want a single judge being able to sign off on that, because by this single judge doing that, he has put himself in the middle of a 3-year budget debate that seriously impacts the White House's ability and Congress's ability to figure out where we are going to go in the next few months. I would personally like to see at least a safety net of three judges looking at an issue that important.

Mr. SAM JOHNSON of Texas. I appreciate the gentleman from Colorado [Mr. SKAGGS] talking with us.

Let me just read the gentleman from article 3, section 1, Ralph Burger's comment, he is a legal commentator, who says that the framers of our Constitution did not intend to shelter those who indulge in disgraceful conduct short of great offenses, meaning

that the high crimes and misdemeanors does not necessarily have to be an offense that is written into the law. It is not to import the standards of good behavior into high crimes and misdemeanors, but to indicate that serious infractions of good behavior, though less than a great offense, may yet amount to high crimes and misdemeanors in common law.

What he is saying is that judges ought to act like judges and they ought to rule on the Constitution, as you and I both agree on, and that is all we are trying to say.

Mr. SKAGGS. Amen.

Mr. SAM JOHNSON of Texas. I thank the gentleman from Colorado [Mr. SKAGGS], and I thank the gentleman from Florida [Mr. SCARBOROUGH].

HUMANITARIAN AID CORRIDOR ACT

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, today I received very disappointing news from the State Department. The President determined today to permit assistance under the Foreign Assistance Act and the Arms Export Control Act to the Republic of Turkey. This is in spite of the fact that Turkey is maintaining an illegal and downright cruel blockade of the Republic of Armenia.

Mr. Speaker, for the past 2 years, the Foreign Operations appropriations legislation has contained a provision known as the Humanitarian Aid Corridor Act which prohibits U.S. economic assistance to those countries blocking delivery of humanitarian aid to third countries. While this provision is not country-specific, it clearly applies to Turkey, which for more than 4 years has maintained a blockade of neighboring Armenia. While the people of Armenia are struggling to build democracy and reform their economy according to market principles, the blockade imposed along their border with Turkey disrupts the delivery of vitally needed humanitarian supplies.

The Humanitarian Aid Corridor Act, unfortunately, lacks enforcement teeth since it grants the President the power to waive the provisions on very vague national security grounds. In order to make the Corridor Act mean something, last year this body approved an amendment to the Foreign Ops bill, sponsored by the gentleman from Indiana [Mr. VISCLOSKY], that would limit the Presidential waiver authority to provide U.S. economic assistance to countries that violate the Humanitarian Aid Corridor Act. More than 300 Members of the House voted for this amendment, which would have essentially given the Humanitarian Aid Corridor Act some teeth and not allowed the Presidential waiver in most cases. Unfortunately, the amendment was stripped in conference and the gentleman from Illinois [Mr. PORTER] included language instead that required the President to provide a justification for determining that it is in the national security interests of the United States to provide the economic assistance despite the fact that the recipient country, in this case Turkey, is in violation of the Corridor Act.

I want to commend the gentleman from Illinois [Mr. PORTER] for putting that language in, because we did at least get a semblance of a justification from the State Department. But I have to say that the justification issue today was not very convincing.

□ 1615

Mr. Speaker, this action by the administration comes at a particularly bad time. Next week marks the 82d anniversary of the beginning of the genocide against the Armenian people which was perpetrated by the Ottoman Turkish Empire. This genocide, which the Republic of Turkey has refused to acknowledge, ultimately claimed the lives of 1.5 million Armenians. Another 500,000 Armenians were deported.

Many Members of this House will take part with me in a special order next Wednesday to commemorate this solemn occasion. To have made this determination at this time I think is very inappropriate.

Mr. Speaker, I bear no ill will to the Turkish people. I am simply saying that maintaining good relations should not entail turning a blind eye to the outrageous actions committed by the Turkish Government. Given the generosity the United States has shown toward Turkey it is inappropriate, or I think I should say in this case it is appropriate for us to attach conditions, particularly such a basic condition as allowing the delivery of aid to a neighbor in need. I think most Americans would assume that a condition for U.S. aid should be that that country allows other U.S. aid to go through its country or its borders to another country that needs the aid. People, I think, in this country would be shocked to know that such a provision is not already a requirement on the recipients of U.S. assistance.

I want to say in conclusion that Armenia is a very small landlocked nation, dependent on land corridors from neighboring countries for many basic goods. Armenia has been one of the most exemplary of the former Soviet republics in terms of moving toward a Western-style political and economic system.

I traveled there earlier this year and can report that the blockade is having a devastating impact. The Armenian people respect and admire the United States. There are more than 1 million Americans of Armenian ancestry here. The bonds between our countries are strong and enduring, but the people of Armenia face a humanitarian crisis which is not the result of any natural disaster, but a deliberate policy of its neighbor to choke off access to needed goods from the outside world. We believe the exertion of U.S. leadership can play a major role in these intentions in promoting greater cooperation among the nations of the Caucasus regions, but the Humanitarian Aid Corridor Act is an important part of this component. If we do not adhere to the Humanitarian Aid Corridor Act and if the administration and the State Department continue to allow it to be waived, I think in the long run it is going to be detrimental to peace and better cooperation between Armenia and the other nations of the Caucasus and the United States, and I think this is a mistake that the State Department continues to exercise this waiver.

REAL LIFE EFFECTS OF NAFTA

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I thank my colleague, the gentleman from New Jersey [Mr. PALLONE] for his remarks with respect to Armenia, and I thank my colleague, the gentleman from Oregon [Mr. DEFAZIO] for joining me this evening to talk about the North American Free Trade Agreement.

Four years ago in this Chamber and around the Nation, we had a major debate on NAFTA, the North American Free Trade Agreement, and it really was a debate about our economic future and the economic future of Canada and Mexico as well. In many ways it was based more on theory than on reality. We had all sorts of studies and projections and promises and claims, and now we have had nearly 40 months to see exactly where we are, how this has worked, how it has not worked. Today we know about the real-life effects of NAFTA. We have the trade data, we have the job data, we have the environmental data. But just as importantly we have personal real-life stories from thousands of people telling us how NAFTA has affected them, what it has done to their jobs and their wages and their environment and the communities that they live in. And it is a story, a cautionary tale, that we have to start telling America about today, because today this debate is moving into a new phase.

Now supporters of NAFTA want to expand it to new countries, and to do that they need a procedure that is known as fast track, and let me tell you what it is. Basically fast track allows the administration to negotiate trade agreements with other countries and then to submit them to Congress, and we are required here in the Congress to expedite the passage or rejection of that agreement without any opportunity to change the agreement. We are locked into either a ''yes'' or a ''no'' on what this negotiated.

So we need to think long and hard before we make and grant this authority. It is an awesome authority in its

scope and its dimensions. It is far reaching. It affects every man, woman, and child in this country. It affects wages. It affects job protection. It affects your environment. It affects the things that our fathers and mothers and grandparents worked so hard to get into law to protect you and them during eras when the free market went wild and greed was rampant.

So we need to think long and hard before we make this authority, because as a practical matter it may be our final opportunity to reflect on what kind of results fast track produced for NAFTA when it was negotiated more than 4 years ago.

Mr. Speaker, most of my colleagues were not yet Members of the House the last time this House debated fast track authority. One thing that those of us who have seen fast track know is this. If it does not require, and I emphasize require, the trade negotiations to address important labor and environmental issues and make those issues on par with tariff cuts and investment rules, make them enforceable by sanctions, then we are not going to get a good trade agreement. We know that because NAFTA and the fast track for NAFTA did not include strong and necessary labor and environmental components. It did not include any in the core agreement, and we will discuss what this NAFTA model has done to workers and the environment both in the United States and Mexico.

Expanding NAFTA now would be like building a new room onto your house when your kitchen is on fire and your roof is collapsing. It just does not make any sense.

Over the next few weeks we will be discussing the many aspects of NAFTA, but today I want to focus on just two: jobs and wages. Let us look at this first chart, ''Jobs Lost Under NAFTA.''

Before NAFTA, NAFTA supporters claimed 200,000 new jobs would be created by 1995. That was their claim. Oh, they came to the floor and they said 200,000 new jobs, 200,000 new jobs. They said it over and over and over again during that debate that lasted for months. NAFTA proponents practically guaranteed we would have 200,000 more new jobs. But by using their own formula, which is based on the number of jobs created through a certain dollar amount of trade, we have lost anywhere from 250,000 to 600,000 jobs since NAFTA took effect. And by using the very narrow definition by the Labor Department which includes only those workers who have applied or been certified for NAFTA employment benefits, more than 110,000 Americans have lost their jobs.

Now not all workers qualify for these benefits, and even though their jobs may have been shifted to Mexico, workers in more than 1,400 factories in the 48 States have applied for this NAFTA job retraining program. Three years after NAFTA, more than 110,000 U.S. jobs, U.S. workers, have already been certified under NAFTA unemployment program. Thousands more have filed for benefits; and using the formula of the proponents of NAFTA, anywhere between 250,000 and 600,000 people have lost their jobs. Sixty-five percent of the workers who were laid off ended up with lower paying jobs, two out of three. Two out of three. They did not get the high-tech, high-wage jobs as the theory suggested. They got lower-paying jobs. And when we debated NAFTA, many corporations stepped forward to say that jobs in the United States depended upon NAFTA passage. They promised to create jobs in America.

Let me show you another chart. Broken promises under NAFTA. Ninety percent of the companies failed to deliver on their promises to create U.S. jobs if NAFTA passed. Public Citizens Global Trade Watch. Ninety percent of the companies promised to create jobs, and even worse, in many cases they have moved jobs to Mexico.

In nearly every State and in too many communities these broken promises have let factories shut down and hard-working men and women without paychecks. These giant corporations who spent millions to help get NAFTA passed, who said their workers would be better off, let down their workers, let down their communities in which they operated and did what they said they would not do. And these jobs come from every region in the country, from nearly every type of manufacturing, from industries like footwear and growing tomatoes and consumer electronics where companies are moving wholesale to Mexico, to shifts in sourcing and assembly by the big three automakers. These jobs are leaving in droves.

Now here are just a couple of examples of these broken promises and job losses, and I want to lay them out for you here this afternoon. I want to focus on the television and electronics industry because just a few weeks ago I joined our leader in touring the maquiladores and colonias that are growing rapidly along the border, specifically in Tijuana.

Tijuana now produces more televisions than any other place in the world. More than 10 million TV sets are assembled in Mexico annually; most of these are in Tijuana. In fact, there are nearly 25,000 workers in Tijuana who make televisions, and these workers make no more than $50 per week.

There has been a massive unprecedented shift in TV production in Mexico since NAFTA took effect, and this trend will continue. The electronics industry is expected to grow by 400 percent over the next 4 years in Mexico. But if you had listened to what these TV companies were saying 4 years ago, you would not have believed that any of this would have happened.

Let us take a look at Zenith. For example, here is what Zenith said in 1993 during the NAFTA debate:

> Contrary to numerous reports that companies like Zenith Electronic Corporation will transfer all of their production facilities to Mexico as a result of NAFTA, the NAFTA offers the prospect of more jobs at the company's Melrose Park, Illinois facility.

That is what Zenith said.

And here is what Zenith did. Zenith announced late last year that it is laying off 800 of its 3000 workers at Melrose Park in Illinois and, in addition, 510 workers have been certified for NAFTA trade adjustment assistance at Zenith's facility in Springfield, MO, and Chicago, IL. Zenith, who promised its workers prosperity, gave them pink slips instead, and that is just the tip of the iceberg.

In February, according to the Journal of Commerce, Thompson Consumer Electronics announced it would cut more than 1,800 jobs in two Indiana factories and shift that production to Mexico. Thompson is the company that makes RCA televisions. Also in February, Sylvania, which makes florescent lamps at Danvers, MA announced that it is shifting that production to Mexico, costing 160 workers their jobs.

And finally, General Electric's record would enact the biggest supporters, GE. Their record shows us why we should be skeptical about job promises. During the NAFTA debate GE said its sales to Mexico could support 1,000 jobs for GE and its suppliers, ''We fervently believe that these jobs depend on the success of this agreement''. Well, as it turns out, GE jobs did depend on NAFTA, but in a very different way. According to the Department of Labor, GE has shifted 2,300 jobs to Mexico since NAFTA took effect. This includes workers in Fort Wayne, IN; Rome, GA; Erie, PA; and Hickory, NC. Instead of selling our televisions to Mexico, we are now buying them from Mexico. Thousands of jobs have been lost in this sector.

Now here is the real kicker. As terrible and as disgusting as it is with respect to the job losses, especially by companies who said that they would create jobs rather than moving their companies to Mexico, what has even been more omnipresent, suffocating for the American worker, has been the downward pressure on wages, and I want to show you another chart that illustrates what I am talking about.

NAFTA puts downward pressure on U.S. wages. A study that was done by Cornell University for the Department of Labor found that 62 percent of the companies, 62 percent of companies are threatening to close plants rather than negotiate with the union or recognize the union.

□ 1630

These companies either explicitly say or implicitly suggest that they will move their plant to Mexico or another low-wage Nation. Take, for example, Connor Rubber near Fort Wayne, IN. In the midst of the union's first contract negotiations the company decided to close the plant and move to Mexico. In the wake of this closing, the same

union pulled an organizing petition at a neighboring subsidiary of Connor Rubber. The union official who was organizing this subsidiary said that wages were lacking, their benefits were lacking, but they also wanted a job.

This is having a dampening effect on wages in America. Fifty percent of Americans now say their purchasing power is now worse than it was before NAFTA.

So in conclusion, before I yield to my friend from Ohio [Mr. BROWN] and my friend from Oregon [Mr. DEFAZIO], I want to say that we still believe that NAFTA can be a force for some progress. We still believe we can create a consumer market in Mexico, but before we even think about expanding NAFTA to other countries we need to fix the flaws in it.

We need to give workers the same kind of health protection that we give companies for things like intellectual property. We need to include labor and environmental standards in the core agreement, not in some side agreement. We need to raise Mexico and other low-wage nations up to our standards, not lower ours to theirs. We need to make noncompliance subject to sanctions, not just consultations. We need to remember that this is not just about markets and trade barriers, this is about jobs and living standards and communities and people's health, it is about human rights and human dignity.

Both sides of the border have workers that are misstreated by multinational corporations and indifferent governments, but they remain brave and they remain hopeful, and until they have a voice to fight for themselves, we have to be their voice. There are more people in this Congress who voted against NAFTA 4 years ago than voted for it, and many who voted for it said they would never vote for it again. Before we expand it, let us fix it. We can fix it. We indeed can fix it if we have the leadership and the guts to do so.

Mr. Speaker, the multinational corporations in America today and abroad, the transnational corporations, are moving through economies in developed and undeveloped nations alike like a great green reaper in the field, just plowing ahead and moving over fence rows and moving over all of the built-in protections that people in legislatures and congresses and parliaments have adopted for the last 100 years. The 40-hour work week, the 8-hour day, labor and safety and health protections, pensions, health care, you name it, I could go through a long list, all were as a result of the excesses and the greed of the multinational, transnational corporations at the turn of the century and during or just prior to the New Deal.

Because there was no force, countervailing force to counteract this, a force was developed. There was a force of people who came together who really cared about community, about family, about localization, not necessarily globalization, and they went to work and they formed a coalition. These were led by labor unions, but they included religious organizations, environmental organizations, people who cared about justice, and they said to this rapacious free market sense of greed that was out there, there are limits, there are limits to your greed.

We are living today in a world economy, in a national economy where our CEO's are making 200 times more than the average worker. In 1960, when we were young men, the gentleman from Oregon and I, the difference between what a CEO made and what a worker made was about 12 to 1. In the 1970's it moved up to 35 to 1, then 180 to 1. Now it is 200 to 1.

We are finding that 80 percent of the American workers in this society have wages that basically have been frozen or have declined since 1979. The top 20 percent are doing very well, but most Americans are struggling to make ends meet. Most Americans have everybody in their home working, therefore less time with their kids, less time to be with them at their ball games, at their PTA meetings, and then the whole cycle of social maladies increases in our society.

It all starts with a good job and a good wage. It all starts with the respect and dignity for the people who produce. These trade agreements, whether they are NAFTA or they are GATT, are robbing us slowly each day, each week, each year, each cycle of the protections we had to build a stable foundation for our families. An 8-hour day, 40-hour work week, severance pay, overtime pay, health and safety protections, you name it. That was all put there to give people a base, and now the multinationals are taking our jobs and moving them overseas, downward pressure on wages, and we are seeing that same cycle repeat itself in history in this country.

I thank my colleague from Oregon [Mr. DEFAZIO], who has been strong and vigilant and caring and tough on this issue, and I thank him for joining me this afternoon.

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman again for his extraordinary leadership for this so far discouraging debate and battle to bring sanity to the trade practices of this country.

I think the study the gentleman just mentioned is something that the American people need to know about. Of course, they have not really heard about it, even though their taxpayer dollars paid for it.

The study the gentleman referenced which points to the extraordinary use of NAFTA by the largest corporations in America to drive down the wages of their workers, with threats of moving their jobs to Mexico, to prevent unions from forming by threatening to close the plant and move to Mexico if the union is formed, to drive down the benefits for those working people and their families, put extraordinary pressures on them. That was all very well-documented in a study paid for by our tax dollars, but strangely enough, it has not been published.

I would think, having been a Democrat for a number of years, that I was dealing with a Republican administration that would repress such a study, but no, I find out that the Clinton administration, that the Department of Labor is repressing a study, a documented study by a well-known academic economist from Cornell University, that documents how destructive NAFTA has been beyond the job laws, beyond the destruction of the environment.

It has hit average Americans who still have their jobs in this country, driving down their wages, while their CEO's, as the gentleman mentioned, see their bonuses and stock options rise to the sky. This is extraordinarily discouraging. I would call on the administration to release this. Let us have a full and fair debate over the impact of NAFTA. Do not try and hide it, do not try and hide reports that point to the problems.

Like my colleagues say, if we are going to consider NAFTA or extensions of NAFTA, let us fix it first.

The gentleman mentioned also the fast track. I think a lot of people say, fast track, what does that mean? What it really means is to get an agreement through the Congress with no scrutiny, no change allowed by your elected representatives, and no accountability. That is how we got NAFTA, that is now how we got GATT, and that is how they want to extend NAFTA. What does that mean?

Well, the administration goes out and negotiates this agreement, of course privileged between the administrative branch, the executive branch, and the executive branch of another nation, and what they tell us is these agreements are so delicate, of course these nations are desperate to have these free-trade agreements with the United States, but it is so delicate that they will get upset and take their marbles somewhere else if we allow the elected representatives of the people, the Congress assembled, to make a single change in a single period, a crossing of a T, let alone a substantive change to those agreements. That is fast track. That is what the administration and the Republican leadership want to foist upon us in the very near future in an attempt to extend NAFTA even further into Latin America.

I am no rust belt Congressman, no offense to my colleagues from the middle part of the country with a proud industrial tradition. I come from what is supposed to be the brave new world of free trade, the West Coast of the United States, Oregon.

I have been one of the few who stood and questioned these so-called free-trade policies. I was shocked to find out just today, I said to myself, I am going to go down and speak on NAFTA, it has been a while, give me some updated statistics, to find that my State,

the great bastion of so-called free trade is fifth out of the 50 States on the list for companies who have filed for trade adjustment assistance, fifth. We are not talking about declining, old plants; we are talking about one of the fastest growing States in the union losing jobs across the wide variety.

Wood products, plastics, computer products, ship repair, natural gas, shirts, coats, clothing, sawmill machinery, circuit boards, trailers, and related mushrooms, we are losing the mushroom business to Mexico. Air crew training, natural rubber, latex gloves for nuclear plants, computer integrated information systems.

These are not the declining jobs that we heard, well, there might be a little dislocation, but all of those workers will get better jobs in these new industries. These are many of the new industries we were told that would bring jobs and prosperity to America, to Main Street, America, under NAFTA, and instead, they brought disaster, dislocation, and a loss of hope on the part of many of my constituents and others across the country.

There are some Members of Congress listening, and we are going to try and stop the fast track and we are going to demand a review of NAFTA as it stands now, and some accountability. Let us go back to those promises, let us look at a bill we introduced called the NAFTA Accountability Act.

Let us compare the promises to the reality, and if they do not match up, which they do not, as my colleague has pointed out, then let us ask the President to go back and renegotiate the agreement in a way that we can achieve the goals and the promises that were first rendered to us when NAFTA was jammed through this Congress on the last fast track experience we had.

Mr. Speaker, I yield back to my colleague if he has a comment on that. I see our colleague from West Virginia is here, if he would care to comment.

Mr. BONIOR. Mr. Speaker, let me just make one quick point and then I will yield to my friend from West Virginia [Mr. WISE] or my friend from Oregon [Mr. DEFAZIO] if he wishes to continue further.

This is the debate about the future and the past. I would submit to you that the proposals that have been offered vis-a-vis GATT and NAFTA are the past. The proponents of these treaties want to take us back to a day when there were no protections for our workers, when there were no protections for our environment, when property rights were much more important than worker rights and human rights. Those were things that we have overcome, hurdles that we have overcome for the past 100 years, and the proponents want to take us back to the 19th century, masquerading that they are taking us to the 20th century, masquerading that they are taking us to the 20th century in order to create this greed.

What we are about is taking us into the 21st century to deal with very human needs of workers. That is really where the center of this debate has to crystallize for the American public to understand what has been going on. So I thank my friend from Oregon for giving us a picture of what has happened in a West Coast so-called trade State. It is not very rosy, to have him elucidate on the floor of the House just how many people in his district and State are affected.

I yield to my friend from West Virginia.

Mr. WISE. Mr. Speaker, I was very struck by the gentleman from Oregon in that statement, because he is correct, those of us from the Midwest and the so-called rust belt and traditional mining and manufacturing areas assume that we bear the brunt of it, and of course we look to the West Coast and the silicon valleys of the world, the start-up industries, and if anybody benefits from these type of free-trade agreements, and yet I think you have illustrated very well what the problems are.

I believe that those who negotiate these treaties for the most part are operating in good faith, I believe are operating in good faith. I think they honestly believe that the marketplace, if left alone, totally alone, will produce the greatest justice for the greatest good. I do not think it always works that way, and I do not think that the human, the human content, the human problems and the human ramifications are taken into consideration adequately enough.

I have not seen too many NAFTA proponents come out in the last 2 years to talk about all of the good that NAFTA was to do. I have not seen anyone stand in the well, as you two gentlemen are standing right now, and tick off goals announced when NAFTA was put forward, goals achieved. If my colleagues remember, the goal was that our trade surplus would at least be the same, if not greater. Of course we are billions of dollars in the red in trade deficits.

Mr. BONIOR. Mr. Speaker, we had a $2 billion surplus going into NAFTA, going into the negotiations, and the United States had a $2 billion trade surplus. Today, 40 months later, we have a $16 billion trade deficit with Mexico.

□ 1645

Mr. WISE. Exactly. There were to be several hundred thousand jobs, good-paying jobs, to be created, was the quote. We have not seen those jobs. We have an economy happily that has been growing, but at a minimalist rate, 2.3, 2.5 percent. That sustains about the level of unemployment, the current level of employment, better said, but it is not a growth economy. It is not an economy that helps.

The gentleman from Michigan was talking about this a little earlier, it is not an economy that sustains and helps middle-income people truly stay middle income and get ahead.

So that is my concern as well. Now I hear talk of a whole new wave of free-trade agreements that may be coming to this Congress. Whether you call it fast track, whether it is with Chile, whether with Mercosur, whether with some of the other countries, and we have the North American-Free Trade Agreement, NAFTA, Southern Hemisphere Area Free-Trade Agreement, that turns into SHAFTA, and I think that is exactly what we are looking at if we keep going down this path.

I happen to believe that there are a number of areas we can negotiate true free-trade agreements. But I think we have to take into context, into consideration, the economic situations of the countries involved, the political situations; and the differentials: the labor differentials, the economic differentials, the environmental differentials, the health and safety standards.

Mr. BONIOR. Mr. Speaker, that is a very good point. When the European Union came together and Portugal and Greece wanted to join the European Union, they were told, you have to meet certain standards. If you meet these standards you can come in, we will embrace you, we will have a trade relationship that is comparable to what we do with each other, with what the French do with the British, what the British do with the Italians. But we are not going to let you come in until you provide certain labor standards, certain environmental standards, certain standards. You have to reach a certain level.

We had an opportunity to do that during NAFTA with Mexico. With Canada we have comparable standards in these areas, but with Mexico we do not. You cannot form a labor union there, you cannot assemble an independent union. You get thrown in jail.

I was just down in Mexico. I saw and talked to people who tried to do that, who worked in factories where the line was moving so fast that members of their families and neighbors were losing their fingers and hands. They put on a demonstration to stop work at this plant one day, to get the attention of the company to deal with this problem, and the people who organized that were fired. Then they tried to form their own independent union and they were thrown in jail. That goes on all the time. There is no sense of justice; economic justice, certainly, let alone other types of justice, in Mexico today.

So what we are saying is, well, until you harmonize upwards and provide people the right to organize and assemble and collectively bargain for their sweat and labor, and until you provide a decent environment where people can bathe without worrying about toxins and fumigants and everything else getting into their children's bloodstream, we are not going to deal with you.

The American Medical Association just recently called the border, the Mexican border along our United

States border, a cesspool of infectious disease. This is 4 years almost, after NAFTA, when we were told it was going to get cleaned up.

So we are asking that these countries, and they have great people and wonderful workers, they just need some leadership out of their government, and some responsibility out of these transnational, multinational corporations, to do what they should do naturally, help these people lift themselves up and provide a decent quality of living for them, so they do not have to face these environmental degradations.

The gentleman is absolutely right.

Mr. DEFAZIO. Mr. Speaker, if the gentleman will continue to yield just a moment, this is a common misunderstanding, because the administration and the Republican leadership made a great show of adding environmental protections to the original NAFTA agreement, because they saw in fact that we probably were going to beat the NAFTA fast track agreement on the floor.

But it was all cover. It was not in the agreement. It was not in the annexes. It was not in any part of the North American Free-Trade Agreement. It was in fact a nonbinding side agreement by administrative rule by the President. It was basically to do nothing except to provide cover to some of our weak-willed colleagues, who were torn between the opposition of people concerned about the environment and other things with this agreement and the pressure from some of the largest industries and some of the largest employers in their district, who were going to become smaller employers in their district real soon after this passed.

So this was all cooked up. In fact, there is no binding environmental agreement. We have seen the conditions along the border deteriorate dramatically. It is going to continue to accelerate and get worse. In fact, I do not want to bring in too many side issues, but there is the recent problem with the strawberries. This is a problem of lack of environmental safeguards in Mexico. Americans are threatened with hepatitis because of some strawberries snuck in here in violation of the standards which control our school lunch program, but in any case, labeled as an American product, sold to children, to schools, fed to children, infected with hepatitis because, again, there are no enforceable environmental laws in Mexico. Yet we are opening our border to these goods coming across. This is an incredible threat.

Mr. BONIOR. The gentleman is absolutely right. Let me tell my colleague, when I was down in Tijuana we visited a battery recycling facility. A couple of Americans came over, established this recycling facility for lead batteries in Mexico. They would take the batteries apart.

We visited a field probably the size of a third, maybe a half of this Chamber, that was covered with white lead, exposed, a field of it, where dogs ran through it; very toxic, very dangerous. Dogs were running through it, kids were running through it. And not 5 yards from this exposed battery field of lead was the largest dairy farm in that state of Mexico. When it rained and the wind washed this lead and the cows ingested it, of course the cows died, and of course they have had a huge increase of cancer and other problems in this area. That is the type of a situation we are dealing with here, that type of uncaring and lax concern.

I could tell the Members other horror stories, but believe me, we have not made any progress on the environment down there. We had this thing called an ad bank that our friend and colleague, the gentleman from California ESTEBAN TORRES, worked very, very hard on, but we have not had one significant major loan to deal with the cleanup yet. There are some getting ready to be done, but we have not made any progress there at all.

Mr. WISE. Mr. Speaker, if the gentleman will continue to yield, one of the points that I think all this brings out is if we are talking about trade agreements, because we are, we ought not to be looking at free-trade agreements. First of all, we find out they are not free, we end up paying a whole lot for them. We ought not to be focusing on free-trade agreements, we ought to be focusing on regional trade agreements in which the goal is to up lift a region.

We uplift a region not just in sheer dollars and cents, the fact that you can move a product across a State or country line with a minimum of tariffs, no tariffs, and trying to compete in a race to the bottom as far as living standards. No, a regional trade agreement says we want to uplift the whole region.

We recognize that open trade is the best way to do it, but we also recognize, as the gentleman was talking about with the European Union, we also have to bring in a whole host of other factors as well. In order to participate in this regional trade agreement, then you have to bring labor, health, safety, environmental standards up.

A West Virginia worker can outproduce, I think, anybody else in the world. We are very proud of what we make, whether it is glass, whether it is chemicals, the coal mining that goes on, and now a whole host of new industries. In fact, West Virginia is now, as I recall, the fifth largest exporter per capita in the country. So we compete and we compete well.

But our plants and workers have trouble competing. Even though wages may be higher, they will be more productive, but at the same time if they are having to bear the environmental costs of installing the latest environmental equipment, which the world needs, if they are having to bear health and safety costs that nobody else bears, a whole lot of other things that weigh against them, then that is not free trade and not fair trade. Indeed, you have not benefited people in Mexico either, or wherever else you want to negotiate these treaties.

Mr. BONIOR. Mr. Speaker, that is really the other real tragic and sad piece of all of this, is that the people who are really exploited are the Mexican workers, who are caring, who produce well, who work hard, but yet are paid a pittance.

We were told during the NAFTA debate, my friend, the gentleman from West Virginia [Mr. WISE] and the gentleman from Oregon [Mr. DEFAZIO] will remember, we argued these folks were paid $1 an hour. We were told, they were not going to be paid $1 an hour, they are going to get paid more than $1 an hour. They are not paid $1 an hour today, they are paid 70 cents an hour.

The other side will argue the reason they are paid 70 cents an hour is because the peso was devaluated. We told them that the peso was overvaluated, that this was going to happen. So it is these folks who work these extraordinary hours, they are very productive, and they make $4 and $5 a day at the plants I visited. They are struggling to make ends meet for their family, living in dire and abject poverty.

Many of these corporations that are hiring them are folks we have right in our district. They are headquartered here. You would think they would be interested, the corporations, in paying them a decent wage so they could buy some of the products, the TV's, the automobiles, that these people produce.

If we go to an automobile plant on the border, we do not see any parking lots, because people working in those plants do not have cars. Many do not have televisions, and they assemble more television sets there now than I believe anyplace else in the world, certainly in North America.

That old principle of paying people not only a minimum wage but a liveable wage, so they can purchase what they make and you can create a middle class, and when we create a middle class in Mexico, they have one, they have about 100 million people there, and maybe 20 million are middle class, but the rest are not. But when we create a larger and expanding middle class, then they can purchase some of the things we make here. But until then, we are going to continue to see escalating and growing trade deficits, as we have seen.

Mr. WISE. If the gentleman will yield, Mr. Speaker, I would also note if there are those who are going to bring this kind of legislation to the floor, whether it is the fast-track agreement or free-trade agreements or whatever, please be aware that I think that this time there are a lot of people who have had the benefit of seeing NAFTA in application, and that there will not be the automatic hard sell possible that

was done then, as people look at these other factors.

Or if Members are going to bring it to the floor, please have it in those kinds of standards that are so necessary to truly make it a competitive and the often-used phrase is level playing field.

Mr. DEFAZIO. If the gentleman will continue to yield, Mr. Speaker, if we could just return, again to my surprise, that Oregon, so-called free trade, high-technology, a growing State, is No. 5 on the list for applications for people's jobs having been exported or dislocated.

I would just like people to be aware of the other States. No. 4 is the State of Washington, again, looked at as another vital, growing, exporting, high-technology State, dominated, of course, by Boeing and Microsoft.

Then, you know, we get to States that, well, again, Texas, I do not think too many of us have thought in the past about Texas as being one of the them. Actually they are No. 2. No. 1 is Pennsylvania, and No. 3 is New York, and No. 2 is Texas. So what we have pointed out here is that there has been extraordinary job loss.

There are those, as the gentleman pointed out, who would say that this could not have been anticipated. Well, who could have anticipated the decline of the peso? Mr. Speaker, the bottom-line truth here is that this agreement was never intended to create a market for American products. This agreement was always about protecting the movement of United States capital and manufacturing resources to Mexico to exploit the cheaper labor, the lack of enforcement of safety standards, and the lack of enforcement of environmental laws.

The key part of this agreement was something that protected United States capital and set up an independent court of claims in case any of it was expropriated, because United States industry was looking back to the days when, in Mexico, the oil industry had been expropriated. That was the barrier we are talking about.

What they did is opened up the floodgates for capital that is needed in this country to update equipment and productivity, so we can compete in world markets, to move to Mexico with impunity, to exploit their people and the conditions in that nation.

□ 1700

We also opened the floodgates for other foreign nations to move their capital into Mexico in order to obtain access to our markets. It was never about Mexican workers earning a dollar an hour buying the Dodge Ram trucks that they are building. That was an impossible equation. It was never a reality.

In fact, the total purchasing power of all the people of Mexico, if they had spent every peso before devaluation on United States goods, would have been less than the purchasing power of the people of New Jersey. Tell me that in the United States we would enter into an agreement and allow New Jersey to wipe out environmental laws and its labor protections and all that so that we could just gain access to their markets because it was going to boost our economy so much. No offense to the people of New Jersey, the Garden State, a great State.

The point is, this was a blip, even if every peso spent in Mexico could have been spent in this country, that was never the intention. In fact, this agreement has worked out very much the way that its principal proponents intended.

United States capital has fled to Mexico. United States jobs are seeing downward pressure on their wages. United States jobs are fleeing to Mexico. The people of Mexico have seen actually a decline in their standard of living and a decline in their environmental conditions. Now they want to extend this to other countries in Latin America, the great new frontiers where maybe labor is even cheaper than Mexico and maybe they will let us despoil the environment even more than they will in Mexico.

Mr. BONIOR. Mr. Speaker, Mexico was created to be an export platform, an export platform where countries from around the world would come, exploit the cheap labor, inexpensive labor. The reason it is inexpensive is because the government will not let workers come together and bargain collectively for their sweat. They disallow that. You get thrown in jail if you try to do that.

So you have got a situation where the government specifically is trying to create an export platform country, keeping the wages low for its workers. And it is not just U.S. corporations. It is Japanese corporations, corporations from Korea, all over the globe who are coming to Mexico and using their labor, people who get paid less than a dollar an hour, and then exporting those products right back here to the wealthiest and the most productive and the most sought after market on the face of the earth, into the United States.

We, in turn, have nothing to sell to Mexicans because they do not have the money to buy it. We have lots of wonderful products, but when you have a society with people, the vast bulk of the people are not working or, if they are working, they are earning a buck an hour or less, they are not going to be able to purchase them. It is a no-win situation for everybody except the multinational corporations and the elites in the Government who back them up and the elites, I might add, in the media who are part of the corporations who are engaged in this type of activity because it is all intertwined.

So the gentleman is absolutely correct. It is a tragic, tragic situation what has occurred here. It is taking us back to the 19th century instead of moving us forward to the 21st century. And it is just terribly tragic.

As my colleague from Oregon says, now they want to extend this to all the rest of Latin America and who knows where else where there will be continued downward pressure on wages.

Mr. DEFAZIO. I saw a cartoon once that basically the punch line was that I always wondered where we are spending all this money on the space station, and this one economist looks at the other and says, well, I know somewhere way out there there may be someone who will work for less than 10 cents an hour.

So I mean in part, I mean what are these brave new frontiers. Of course, we are having some contention over China and other countries that are even more oppressive or repressive than Mexico. It is an extraordinary race to the bottom.

Ultimately it will undermine the strength of our Nation, which was created in part by the spirit of capitalists like Henry Ford who said, I am going to build a product that the people who work in my plants can afford to buy. And for many years there was a wonderful linkage between the owners of capital and the managers of the corporations and the working people, which was to say, if you produce more and do better, we will all go up together.

And now, for whatever reason, they have decided to break that link, to both use agreements like NAFTA to push down wages in our country. In the heartland of our country, we are seeing people who are getting hardballed in negotiations. It was either Delco or Packard Electric, and I do not want to misspeak, but it was a producer of electrical components for automobiles and wiring looms and all those things. When the agreement came up, the company said, look, it is real simple, you take a 50-percent cut in your wages or all your jobs go to Mexico. There was nothing else in the community. And ultimately the workers had to accede to those demands.

Mr. BONIOR. And that happens every day in America, in many places every day at the bargaining table. Sixty-two percent of the employers threaten to close plants rather than negotiate or recognize a union, implying or explicitly threatening to move jobs to Mexico or to other countries if they did not take a cut in pay, if they did not take a cut in health benefits, if they insisted on recognizing a union to bargain, 62 percent. It is a phenomenal number.

If I might say something here about labor unions, because they often get a bad rap. Let me tell you, labor unions, I was driving the other day and I saw this banner that was hanging over a railroad trestle and it said, Labor unions, the people who brought you the weekend.

It reminded me of what they did. They did bring people the weekend. They did bring them their vacation. They did give them wages. They did a lot of things to build the middle class. They moved people into the middle

class in this country. And when labor unions were strong, when they had about 35 percent of the workers in this country, they are down to about 10 percent now in the private sector, when they had that percentage, people's wages were up there. They were up there.

When they had 35 percent of the work force in this country, they were getting a comparable amount of the productivity in wages. But when they started to slide and decline in their numbers in the 1960's and the 1970's and the 1980's, what they were able to get for their workers, as it relates to the productivity that the workers were creating, was less and less and less to the point now where they get about a third of the productivity that they performed, their workers.

So the labor unions are an important ingredient. Whether they are here in this country or in Canada or we saw them go arm in arm in Korea recently to demand justice and they won. We saw Parisian workers and German workers march arm in arm in Paris, metal workers, for their rights. They won.

Workers have to come together in solidarity with church groups, with other workers to form a countervailing force to stop this type of activity against working people both here and abroad.

Mr. DEFAZIO. Another point, I have a lot of small business in my district, not a lot of large manufacturers. It came to some of the small businesses and the Chamber of Commerce in my hometown of Springfield, when what had been a profitable door and window manufacturing company was bought out by a nonunion firm from out of state. And they came in with the intent of busting the union, and it did not take very long for the business community, the small business community in this small town in Oregon to figure out, you know, if the people who work at Morgan Nicolai see their wages go down by 50 percent, which was what was being proposed in the busting of the union, they will not have the money for the dry cleaning or the restaurants or the new televisions and the other things.

Actually the workers got support from the traditional community. The small business community in many cases has not yet made that linkage. But it is their livelihood that is also being threatened by this downward trend. It is just not people who work for wages in factories. It is not just union members in the public or private sector. It is everybody who they patronize.

And as we drive down wages in this country, we are ripping the heart out of all of middle-class America. Particularly disheartening to see it happening in this case where not only have the workers in Mexico seen their standard of living go down, but America workers are seeing their standard of living decline, while CEO's in this country go to 200 times average wages of manufacturing employees. What are they doing with all that money? They should not be so greedy. It is just extraordinary to me. It is a recipe for disaster, a recipe for disaster.

Indeed, it is. And we are creating a hollow shell under this economy of ours; and some day it is going to collapse, and when it collapses, it is going to come down with a thud that is going to shake the boots off of people in this country.

Too many folks in America are making money on money, not enough making it on manufacturing and building things that are important for our economy and for our communities.

And when this wage issue continues to erode, as it inevitably will with these trade agreements, I think it does not bode well for our children and grandchildren. And I am very, very concerned about it and I am very disappointed about this tragic turn that many of our colleagues have bought into with respect to trade like we have to do this because it is the only way that we can compete.

It is nonsense, it is crazy, and it is driving the living standards of a lot of our families into the ground.

I thank my colleague for coming.

Mr. DEFAZIO. I thank the gentleman for his leadership.

Mr. BONIOR. And I appreciate his taking the time this afternoon to speak on this issue. We will be joined by others of our colleagues to discuss this issue as we move closer to talking about additional trade agreements as they come to this floor.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 400, 21ST CENTURY PATENT SYSTEM IMPROVEMENT ACT

Mr. MCINNIS (during the special order of the gentleman from Michigan, Mr. BONIOR) from the Committee on Rules, submitted a privileged report (Rept. No. 105–56) on the resolution (H. Res. 116) providing for consideration of the bill (H.R. 400) to amend title 35, United States Code, with respect to patents, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. MCINNIS (during the special order of the gentleman from Michigan, Mr. BONIOR) from the Committee on Rules, submitted a privileged report (Rept. No. 105–57) on the resolution (H. Res. 117) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the Chair recognizes the gentleman from Oklahoma [Mr. COBURN] for 60 minutes.

Mr. COBURN. Mr. Speaker, I have two charts that I would like for the American public to see because I think they very importantly make some cases for where we are today; and I have committed that I will spend the time that is necessary to communicate to the people in my district and people throughout this country what is really happening to us in terms of our budget.

We hear a completely different rhetoric today than what we heard just 2 years ago. And the question that comes to my mind is, Why has the rhetoric changed? And I think the rhetoric has changed because people are fearful for their jobs.

It was not that the rhetoric was wrong. The rhetoric was right, but the results of not communicating the importance of what our job is and not communicating exactly where we are.

I would want people to look at these two charts. One is from 1972, and the other is for this fiscal year, 1997. And they really show the heart of the problem that this country faces with its budget.

If we look at 1972, what we realize is that our entire Federal budget was $231 billion. Whereas, in 1997, we are going to spend $1,632 billion, which is a significant, 700-percent increase, in a mere 25 years in the amount of dollars that we actually spend.

Critics will say, well, that is not real dollars. But it is a significant increase in real dollars to the 700 percentage points.

When we look at the total, the other thing that we first notice is that, of the interest payments that we made on the national debt in 1972, that it was a mere $16 billion, that, in fact, we were spending about 7 percent of our budget on interest; and now we spend 15 percent of our budget on interest, and no small number whatsoever, $248 billion, which is more than the entire amount that we spent on ourselves in 1972.

The other thing that these pie charts show is they show the fix that we are in unless we have the courage to make the changes in the programs that are driving the budget deficit.

We have three choices. As the yellow portion shows that, in 1972, discretionary spending, the things that your Representative truly gets to make a choice on every year and vote on, accounted for 55 percent of the budget. Today, as we can see, it accounts for 34 percent. In the year 2002, it will account for approximately 20 percent.

So what is happening is, the areas where your Representative can make a difference in terms of the discretionary budget is slipping every year in terms of both total dollars and in terms of the percentage of the budget.

The other thing to note is that the interest portion of that has risen 1,600 percent. So if we go to the red area and we see that in 1972 mandatory spending was 38 percent and it is now 51 percent

and was projected to continue to rise to approximately 80 percent, we can see that unless we make the necessary changes to make those programs viable, efficient, and affordable, that it does not matter if we do not do anything now.

□ 1715

We will be in such a financial catastrophe in the year 2012, that we will be forced to do it. So the question is, do we take our medicine now or do we take our medicine later? Do we do the right things?

I have a couple of questions that I think are important. One is, remember the debate on Medicare over the last 2 years? Everybody agreed, including the trustees, that Medicare is going bankrupt. We have not heard people talking about it. Is it still going bankrupt?

The plans put forward in the last Congress were necessary, quality, good plans to save Medicare. The plans that are being put forward in this Congress are simply band-aids on Medicare. They will not solve the structural problems, they will not solve the long-term equity and viability that is necessary for a health care program for our seniors, and, in fact, every year that we do not make the right decision to fix the Medicare Program, we will, in fact, make it harder and more expensive when we do finally face the fact.

So the question is, why are people not talking? Were people untruthful in the last 2 years about the Medicare Program? The board of trustees, matter of fact, last year said we were wrong, 2002 is not right when it will go broke, it is probably going to go broke in the year 2000. I expect the trustees this year to tell us that Medicare will go broke in the year 1999 or very close to the year 2000.

So if the problem is still there, why are people not addressing the problem? Why? Because of the falsity and the demagoguery associated with the political system in our country, where if we do the right thing, even though a special interest might not understand the issue, we get beat up on it when we go to run for reelection.

So we have to move to the question, what is more important, doing the right thing for our country or getting reelected to this body? And I hope the American public would be incensed that their Representatives had not addressed the problem of Medicare, because if we really care about seniors in this country, we will make the decisions this year, not next year. Not when President Clinton is no longer President and not when the gentleman from Georgia, NEWT GINGRICH, is no longer Speaker of the House, but this year, when it will make the most difference, save the most money and afford health care to the most seniors.

It either is going broke or it is not. It is going broke. So why would this body not in fact address the Medicare problem?

The second area in this red that we do not have any control over, and we made some attempts in the last Congress, but needs to be addressed, that is further refinement of the food stamp program.

The fact is there is a large portion of the $27 billion that the taxpayers pay in this country for food stamps that goes for beer, cigarettes and crack cocaine. The system needs to be changed. The system needs to be a hard ID'd limited program that provides the basic essentials and basic needs for those who are dependent upon us for good reason. We should not be supplying those things that in fact will harm them.

To continue to accept a system that will waste $7 or $8 billion of taxpayer money because we do not have the courage to tackle what may be a very controversial issue, means we do not have the courage to be here in the first place.

The third point I would make, and if the gentleman from Wisconsin, [Mr. NEUMANN] will stay here, the third point I would make within Medicare is we have good testimony, both from the Inspector General, from the FBI, that of the money we spend on Medicare, somewhere between $20 and $40 billion a year is fraudulent; in other words, is billed to the Federal Government through Medicare for services that were not rendered.

Why should we accept that? Why should we not completely revamp the Medicare rules and regulations to take the incentive for fraud out of Medicare? Why have your Representatives not done that? Why has the President not led on that? Why have the Senators not done that? They have failed to do that.

The same question: What is the issue? The issue is the courage to do the hard thing but the right thing so that the most people in this country will benefit from it.

We have home health care in this country. The Inspector General of HHS testified this year before this Congress that somewhere between 19 and 63 percent of every bill that is submitted to Medicare for home health care is fraudulent. The services were not performed. And yet we continue to have home health care guidelines issued by the Health Care Financing Administration that allows that to continue, and we have known that for 2 to 3 years.

We need action, and we need action that is based on courage and is based on the principle to do the right thing regardless of what it costs to someone's political career. So we need to fix it to where we can make changes in the red. The area of yellow is going to get smaller, the area of blue is going to balloon in terms of interest, and the area of red is eventually all we are going to have, is blue and red, mandatory spending and interest on the national debt.

I do not think that is acceptable for our country. I know it is not acceptable for the future generations that are going to pay for it.

I notice my friend from Wisconsin is here and I welcome him to this discussion.

Mr. NEUMANN. Mr. Speaker, I would just point out to the gentleman, and I saw his charts down on the floor, but I would just point out, and I think it is very important that all our colleagues remember that even though that area that is called discretionary spending seems to be shrinking, that from 1987 to 1996 the nondefense discretionary spending, that is for all of the programs that we hear so much about, that nondefense discretionary spending program is up by 24 percent.

We have been told out here or we have been led to believe that in fact the only problem we have to deal with is the entitlements. The reality is it is not only the entitlements, it is also those other areas that just seem to grow out of proportion. Somebody starts a program, and the next year they decide the program should be bigger, and pretty soon the programs are growing by 10 percent, even though inflation is only 3 percent.

And of course that is how we got to a 24 percent growth in real dollars, or constant dollars, over a 10-year period of time.

Mr. COBURN. Or a 400 percent increase in the last 25 years in nonreal dollars, or inflated dollars.

Mr. NEUMANN. Right. I noticed the gentleman talked about Medicare. Should we talk about the Social Security Program a little bit?

Mr. COBURN. I think we should. One thing I want to address is this bogeyman everybody talks about called the Consumer Price Index, or the CPI. Because, in fact, when we ask politicians and we ask Members of the House of Representatives how many of them want to talk about that with their constituency, very few will say, ''Yes, I will be happy to talk about that.'' They are afraid of that issue. I think we should talk about that issue.

The very people who are receiving Social Security today are the people in this country that went through the Depression and fought the great war. They won World War II. And the real issue surrounding the CPI is, does the CPI accurately represent the increase in the cost associated with the standard of living for people on Social Security?

Mr. NEUMANN. Us country folks from East Troy, WI, call that inflation. That is really what we are measuring. In very simple English, we are measuring inflation.

Would the gentleman like me to walk through how they determine inflation in this country today?

Mr. COBURN. I think we should.

Mr. NEUMANN. The CPI today is determined by looking at 90,000 different articles, 90,000 goods. They call it the basket of goods. They go into 22,000 different stores across America and they look at 35,000 rental units.

So this is a huge number of items that are being analyzed each year. And we can think of it like looking at how much do these 90,000 things in the basket cost on January 1 of this year and how much do they cost January 1, 1 year later, and that is how they determine the rate of inflation today.

Now, some people say that that basket of goods does not contain current items and is not updated frequently enough. An example of this would be in the basket of goods today we would not be looking at typewriters. If typewriters were in there, we would want to replace typewriters with computers.

So some people are saying that basket of goods, the 90,000 items they are looking at, are not actually the items that people in America today are buying. I would suggest, if that is the case, the Bureau of Labor Statistics needs to update the basket of goods.

But that is a very different concept from politicians stepping in and saying even though it appears inflation is 3 percent, we deem it appropriate to make it 2 percent. A politically motivated adjustment to CPI is something that I think I would personally find very, very unacceptable. As a former math teacher, this looks like a math problem to me.

Mr. COBURN. The principle is, if the underlying purpose of the CPI increment, cost of living adjustment, was to reflect that, then what we ought to have is that it reflects the cost of living. If it is overstated, it ought to be lowered; and if it is understated, it ought to be raised.

I have not found any senior in my district that disagrees with that once they understand what the issue is with it. It is not a political fix, it is doing the right thing.

So, again, what we should be saying is that that CPI should accurately reflect, and we have large numbers of people as far as economists and other statisticians that tell us today that that is not accurate. Now, how we solve that is to ask them to do their job and to do it correctly and bring us and the American public that number.

If they will do that, that will not be an issue anymore. But it also brings us back to what our problems are, is we are not demanding excellence in large areas in our Nation. And the first place we should demand excellence is in our Government, and we should demand excellence in the Bureau of Labor Statistics.

Mr. NEUMANN. I think just to make this very, very clear, we are both opposing a politically motivated adjustment to CPI, or a political adjustment, and we are both supporting a mathematical computation that is accurate and that accurately reflects inflation in our Nation today.

I think virtually all of the American people would support that. That is what the Bureau of Labor Statistics is supposed to be doing.

Mr. COBURN. So let me ask the gentleman a question, if I might. Is it possible to balance our budget and pay off the debt; and can we do that and meet the obligations that we have made to the people in this country that depend on us?

Mr. NEUMANN. Well, to answer that I think we need to understand how Social Security fits into that picture. Because, in fact, Social Security is a very big part of whether or not we can balance the budget.

A lot of people would like to take the Social Security Trust Fund money, the extra money that is being collected over and above what is being paid out to our senior citizens in benefits this year, the money that is supposed to be put in a savings account, they would like to take that money out of the savings account, put it in a government checkbook, spend it, and call the checkbook balanced, even though they are spending the money from the Social Security trust fund.

Mr. COBURN. But the answer to the question is we can meet the needs and commitments we have made in this country, and we can balance the budget and we can pay off the debt; is that correct?

Mr. NEUMANN. That is absolutely correct, and we can do it without going into the Social Security trust fund money and spending that trust fund money on other Government programs.

Mr. COBURN. As a matter of fact, we can do it putting that money into investments that will enhance the Social Security; is that not true?

Mr. NEUMANN. Such as a negotiable Treasury bond or a CD, something which our senior citizens are very familiar with. In fact, I think it is very important that we understand that the money that is being collected for Social Security today, and I have a chart that shows that money we are collecting, $418 billion today for the Social Security trust fund.

We are collecting $418 billion for the Social Security trust fund today and we are spending $353 billion on benefits for our senior citizens. That leaves us $65 billion surplus.

Let me translate this into English so it is easy for everyone to understand. If we think about this, it is like we are going into the paychecks and collecting $418, like our own checkbook at home. We put $418 in our checkbook and write out a check for $353 and our checkbook is in pretty good shape. We have $65 left in the checkbook.

The idea in the Social Security trust fund is that $65 left over, it is actually $65 billion, that money is supposed to go into this savings account. Because we all know that in the not too distant future, as the baby boom generation moves towards retirement, there will not be enough money coming into the Social Security System to pay the Social Security checks back out to our senior citizens.

When there is not enough money coming into Social Security, the idea is we are supposed to be able to go into the Social Security trust fund savings account, get the money out of the savings account, put it in our checkbook and make good on the checks. That is no different than the way we would run our own house. If we have $418 in our checkbook today, and we have this problem coming in the future, and we spend $353, so we have $418 in there and we spend $353, we would put the $65 in a savings account and, later on, when we had the problem, we would go to the savings account, get the money, and make good on our checks.

EXTENDING ORDER OF HOUSE OF FEBRUARY 12, 1997 THROUGH APRIL 17, 1997

Mr. COBURN (during the special order of the gentleman from Oklahoma, [Mr. COBURN]. Mr. Speaker, I ask unanimous consent that the order of the House of February 12, 1997, be extended through April 17, 1997.

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

There was no objection.

□ 1730

BUDGET

That is how the Social Security system is supposed to be working today. I cannot emphasize this enough, though. That is not what we are doing with the money. What we are doing with the money in Washington today is we are putting it in the big government checkbook called the general fund. We spend all the money out of the general fund and then some. That leads to the deficit. Since there is no money left in the checkbook at the end of the year, we simply put IOU's down into the Social Security trust fund.

As a matter of fact, when we report the deficit, we do not even report the Social Security trust fund money, that $65 billion, as part of the deficit. When this city reports the deficit to the American people of $107 billion, what they do not tell them is that in addition to that $107 billion, they have taken $65 billion out of the Social Security trust fund. When they talk about balancing the budget in Washington, DC, what they actually mean when they say they are going to balance the budget by the year 2002 is that they are going to go into the Social Security savings account, take out $104 billion in the year 2002 and put it in the big government checkbook, and they are then going to call their checkbook balanced even though they took this money out of the Social Security trust fund to make it appear balanced, and that is a big problem.

Mr. COBURN. Let me ask the gentleman a question. Of the money that the Federal Government has borrowed, the internal debt to the Social Security, has the Federal Government paid any interest on that debt?

Mr. NEUMANN. That is a very good question. There is supposed to be $550 billion in that trust fund today. They pay all of the money into the trust

fund with IOU's, so guess how they pay the interest to the trust fund.

Mr. COBURN. With IOU's.

Mr. NEUMANN. With another IOU is exactly right.

Mr. COBURN. So in essence none of the money that is supposed to be set aside for Social Security trust fund purposes nor the interest actually has ever been paid, and we continue to send a piece of paper to cover the interest and the additional moneys that we will take this year. What is the estimate this year of the amount of moneys that will be taken from excess Social Security funds, payments over disbursements?

Mr. NEUMANN. In 1997, we expect that number to read in the range of $74 billion. So they will take another $74 billion worth of IOU's. They will spend the $74 billion on other government programs, and they will simply put IOU's in the trust fund.

Mr. COBURN. Plus another $35 or $40 billion in interest payments?

Mr. NEUMANN. No, the $74 billion is the total number.

Mr. COBURN. Will be the excess plus the interest payment that is due on the $550 billion?

Mr. NEUMANN. Right. Of that $75 billion, about $35 billion is actual cash over and above what is collected out of paychecks, and the other $40 billion is the interest on what is already in the trust fund. So, yes, they are paying all of it, it is about $75 billion. It is made up of about $35 billion in principal and $40 billion in interest.

Mr. COBURN. But they are not paying it.

Mr. NEUMANN. They are paying it with IOU's, exactly right.

This really becomes important if I can just go to why this is important not only to senior citizens, but it is important to people in their 50's and in their 40's and it is important to our young people, too, because in 2012, the Government tells us, in my opinion it could happen as soon as 2005, there will not be enough money coming in to pay the benefits back out to our senior citizens, and of course that is when we need the savings account. Now if the savings account is full of IOU's in 2005, or 2012 in the best case scenario, if there is nothing there in that savings account and we have reached the point where there is not enough coming in, there are really only two choices, and this is why it affects everyone. The choices are either to tell the seniors that they cannot have as much as they were expecting from Social Security. From what I have seen of Washington, DC, that is absolutely not going to happen nor should it happen.

The other alternative is to go to people like my son, a sophomore in college, and other kids like him, who are in those years, 8, 9, 10 years from now, are going to be married and have their own kids and forming their own families and working hard to make a living for themselves, we are going to have to go to those young people and say there is not enough money coming in for Social Security. Back there in 1997 we did not do the right thing and put the money in the savings account like we were supposed to, so our only choice now, young people, Andy and Tricia, my daughter, who is a senior, 8 years down the road you have got your own young family, we have to take more taxes out of your paycheck to make good on our Social Security commitment to our seniors.

That is why this a problem that crosses all generations. It is for the young people, it is the threat of increased taxes in 2005 and beyond. It is a threat to our people in their 40's and 50's that the Government will not make good on their commitments for Social Security, and it is a threat to the people that are seniors today.

Let me just go one step further for the young people. If in fact there was $550 billion in the Social Security trust fund, growing all the way to $1 trillion by 2002, if there was 1 trillion actual dollars in that savings account, we could then tell our seniors, your Social Security is safe and we could turn to our young people and begin a discussion about what we might do rather than stay in the Social Security system, because the reality is none of them believe they are going to get Social Security, or very few.

We had an interesting situation in my own house this past week. My third, my youngest, who is 14, worked last summer mowing lawns. He earned $900. I said Matt, you have got to report that $900 on your taxes. So we filled out a tax return for him and guess what we found out? He owed Social Security money, about $128. So we are asking a 14-year-old in the United States of America today to pay $128 out of $900 into that Social Security trust fund, and we down here in Washington are taking that money and we are spending it on other Government programs.

It would be important that we discuss the solutions that the gentleman from Oklahoma [Mr. COBURN] and I are both working very hard to get enacted into law here so we do not leave the impression that there is nothing that can be done about this.

We have introduced a bill, it is called the Social Security Preservation Act. The Social Security Preservation Act is a very straightforward bill. All it does is take the excess money that is collected from Social Security and puts it directly down here in the Social Security trust fund. That is a change of direction of cash-flow. Today that money that is collected goes directly over here into the Government's general fund and then it gets spent on other Government programs. Our Social Security Preservation Act is very straightforward. It simply takes the dollars and puts it directly down here into the Social Security trust fund.

The real meaning for this is that our senior citizens can count on their Social Security checks, the people in their 40's and 50's, if this money is actually there, can count on Social Security to be there for them as they have been banking on and paying into, and our young people can start looking ahead to a day when there are real dollars in the Social Security trust fund so they can start thinking about doing something to take care of themselves in their own retirement.

Mr. COBURN. And the American public will know what the true size is of the deficit that their Representatives are voting for each year, which in fact is significantly higher than what is reported in the press and by the Congressional Budget Office and the Office of Management and Budget, because it does not reflect this money borrowed from Social Security.

Mr. NEUMANN. That is exactly right. I have another chart here with me that really shows that. In 1996, this blue area on the chart is what the people in Washington reported to the American people as the actual deficit. What that is, is the amount they overdrew their checkbook. They overdrew their checkbook by about $107 billion in this particular year. What they did not tell them is that in addition to that, the Social Security trust fund money was also spent. That is another $65 billion, and the true deficit, had they put the Social Security money aside the way we are supposed to be doing, the true deficit was $172 billion.

Again, I would emphasize that in Washington, all the budgets except the one the gentleman and I are working on out here, President Clinton's budget, in 2002 when they say the budget is balanced, what they actually mean is they are going to go into the Social Security trust fund, take out $104 billion, the projected surplus that year. So when they say the budget is balanced, they are going to go into the Social Security trust fund, take out $104 billion, put it in their checkbook and say we balanced the budget.

That is ridiculous. In the private sector where both of us come from, you could not get away with that kind of reasoning, and they should not get away with it out here in Washington, DC, either.

Mr. COBURN. That is why it is so important for people of courage to stand up and do the right thing as far as the budget is concerned. The fact is, is we can balance the budget. We can make the hard decisions. The question is whether or not we will. The only way I am convinced that is going to happen is if the people of this country demand that their representatives make the hard choices that secure the future not only for the seniors and those 50 years of age, my age, and older, for their Social Security but also secure the future for our children and our grandchildren. Because in fact if we do not do these things now, the burden on them and the percentage of their life that they are working just to fund the Federal Government is going to be far in excess

of 50 percent and probably close to 70 or 75 percent. The problem is not unfixable, although that is what we hear. The reason it is unfixable is people are not willing to make the tough decisions about the programs.

The thing I would want the American public to know is we cannot continue to do what we are doing and that everybody, everyone, everywhere is going to have to experience some pain in some way if we are going to balance the budget. Sometimes that pain is just a change in a program, but still the delivery of the service. Sometimes that pain is not a Government subsidy to oversee sales for some corporation. Sometimes that pain is making sure that we have an efficient food stamp program, or getting rid of the fraud in Medicare. It is something that we can do.

Mr. NEUMANN. I would point out to the gentleman from Oklahoma [Mr. COBURN] that this year has been a unique year for us. This is my third year here as I came here with the gentleman, of course. I put budget plans together for each of the first two years. This year it was the easiest by far of any of the years we have dealt with. Revenues right now today are so much higher than anyone anticipated that we can actually get this job done simply by saying no to all new Washington spending programs. As a matter of fact, if we accept President Clinton's numbers on Medicare but do not allow the new things that he has added in Medicare, if we accept his Medicaid numbers but do not allow the new Washington spending programs that he has added in Medicaid, if we go down to other mandatory spending, that is, your welfare reform and so on, if we again accept the numbers that he has proposed but do not allow any new Washington spending programs and if we take the discretionary spending numbers, and as the gentleman recalls, that was the yellow part on those charts the gentleman had up there, if we just take the numbers that we have already passed through both the House and the Senate, we have already agreed that we were going to keep the spending levels at this level, if we do all of those things, we do in fact get to a balanced budget by 2002, while at the same time we set aside the Social Security cash reserve and allow the American people to keep more of their own money, providing a $500 per child tax credit as well as reforming the estate tax, or the death tax, if you prefer, as well as reforming the capital gains tax which of course will allow the creation of many, many more jobs. I think we really should expand this vision. I think we should expand it beyond the year 2002 to our children's future and to the next generations of Americans. Because our fathers before us have preserved this Nation and given it to us in the shape that it is in and it is now our responsibility to think what kind of shape this Nation is going to be in for future generations. Really that is the last part of our budget plan. The last part is that after we get to balance in 2002 while at the same time letting the American people keep more of their own money and putting the Social Security money aside the way it is supposed to be, our plan also contains the appropriate course of action to pay off the Federal debt so that by the year 2023, when the gentleman and I are going to be thinking of retirement in all fairness. And, by the way, back in the private sector, long gone from Congress. But by 2023 when it is time for us to leave the work force, we can honestly have the debt paid off and pass this Nation on to our children debt-free. I just cannot think of anything else that we could be doing that would be more important.

Mr. COBURN. What does it take to do that? What is required to do that?

Mr. NEUMANN. My background is as a math teacher and then as a homebuilder, and I kind of combined the things I learned in both of those to figure out a very straightforward procedure to do it.

For any of our colleagues listening tonight, we have the details of this plan laid out from start to finish, from 2002 forward as to exactly how to go about it. It is very interesting what is happening to revenue at the Federal Government. Revenue to the Federal Government grows for two reasons. It grows because of inflation, that is, if you get a pay raise next year, you pay a little more in taxes, that is inflation, but it also grows because of real growth in the economy. So in our present situation we are looking at inflation of roughly 3 percent and real growth of roughly 2 percent. Revenues to the Federal Government then go up by 3 plus 2, or 5 percent to the Federal Government.

Our suggestion is very simply that once we reach balance in 2002, we cap spending increases at a rate 1 percent below the rate of revenue growth. I might point out, much to the chagrin of some of our fellow colleagues out here that would prefer to see Government actually shrinking much faster, that when we do this plan, when we cap spending increases at a rate 1 percent below the rate of revenue growth, we are still in a situation where the Government is expanding faster than the rate of inflation. So that if revenues are going up by 3 plus 2, inflation plus real growth, or 5 percent, we cap spending increases at 4 percent, still 1 percent faster than the rate of inflation, what we find out happens is that by 2023 our debt is repaid in its entirety.

It has been interesting. The Speaker has been recently talking about Hong Kong, and whatever Members think of Hong Kong, they have a very different situation in their Government than we have in ours. In our Government today, a family of five like ours is paying $600 a month to do nothing but pay the interest on the Federal debt. If we were to enact this plan and pay off the debt by 2023, the next generation of Americans, the next family of five a generation from now, would not have to pay that $600 a month. Just think about this.

□ 1745

Just because they do not have to pay the interest on the Federal debt, they can have a $600-a-month, $7,200-a-year, tax cut without affecting any programs in the entire. Now the Hong Kong model goes one step further. The Hong Kong model says not only are we going to not have a debt facing our Nation, but we would like to go one step further and have a rainy day account. That is, if something goes wrong that we were not expecting, we have got money set aside for it.

So they have set up an account. The equivalent in American would be about $750 billion in that account. That would then pay interest into the Federal Government as opposed to what we are doing today, which is going right, which is going into our families and collecting money from them to pay the interest on the debt. It would be exactly the opposite.

My dream, my vision for the future of this country, is that we do balance the budget by the year 2002, we set aside the Social Security trust fund money, we let our families keep more of their own hard-earned money in their pockets through the $500 per child tax credit, and then we look beyond 2002 and we actually pay off the Federal debt, maybe establish this rainy day fund. But whichever, even if we do not establish the rainy day fund, get to the point where our folks are not paying $500, $600, $700 a month into the Federal Government to do nothing but pay the interest.

Is that not a nice vision for America?

Mr. COBURN. It is a great vision and one we ought to leave the American public with is that it is doable to balance the budget, we can meet the commitments to those that we have made commitments to and still balance the budget. We cannot have everything we want and balance the budget, but we can have everything that we need.

As we close this out, what I would want the American public to know is that, as we spend $1.6 trillion, sometimes that is hard to figure out how much money that is, and the best way I know to know how much a trillion dollars is is, if you spent a million dollars a day every day for 2,600 years, you would have spent your first trillion dollars.

So as we think about the magnitude of the size of our Federal Government and how that impacts how each one of us can relate to a million dollars a day being spent, it shows you that the magnitude is there that we can make the changes. All we have to do is be determined to do it.

Mr. NEUMANN. I use another example when we talk about how much the Federal Government is spending every year, you know, and you hear all this discussion about spending cuts out here.

The Federal Government this year is spending $6,500 on behalf of every man, woman and child in the United States of America. So just to put this in perspective, $6,500 for every man, woman, and child in America. A family of five like mine, the Federal Government is spending over $30,000 on behalf of that family of five like mine.

You know, a couple of other things that I think are important is you talked about the concept of need versus want, and I always like to go through what happens if you find a new program that we really need to do in America and you have got this frozen discretionary spending or you are trying to keep spending from going up. I think our vision for the future is that, when you find a new program that is legitimately necessary; for example, we have passed welfare reform last year. That means many women are leaving the welfare rolls and going into the work force, and that is a good outcome. But when they go into that work force, they are at the bottom end of the pay scale in some cases, and we want to see opportunities for them to move up the pay scale. But when they start they might be at $6 an hour or $5.50 an hour, and that does not add up real fast to how many dollars are coming home.

We also just found out that women in their forties should have mammograms. So these folks that have left the welfare roll and done the right thing, gone into the work force, they are able to work, so they have now taken a $6-an-hour job. We just found out that, if they are in their forties, they should have a mammogram. Well, they qualify for Medicaid, so the health insurance is there to provide them with health care, but the money is not in the Medicaid Program currently to pay for the mammogram that we have now found out that this working poor should have.

So what do you do about that? Our vision includes things like, when you find something like that that you need to do, you find another program that you do not need to do, and let me give you an example how that might work.

Mr. Speaker, we put the money in for the mammograms, then we go into our Russian monkeys in space program and say we are not going to go into the taxpayers' pocket and take money out of their pocket and send it to Russia to launch monkeys into space anymore. That $35 million instead gets redirected over into the Medicaid Program so we can now fund a program that we find to be worthwhile.

Mr. COBURN. It is a matter of making judgments as to what our priorities are and how do we best benefit ourself, and once we assume and know we can balance the budget, that is the hard work of Congress, and as it should be.

I want to thank you for joining me in this today, and I would want the American public to leave this discussion knowing that it is possible to balance the budget, it is possible to pay off the debt, it is possible to live up to the commitments that we have made in Social Security, Medicaid and Medicare, and welfare and at the same time secure the future for the next generation.

WHALING AND WHALE POPULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, I rise today to oppose yet another proposal to hunt and kill gray whales along the coast of Washington State and Canada. It has recently come to my attention that the Nuu-Chah-Nulth tribe of British Columbia is planning to hunt whales for the first time in 70 years. Last year tribes from Washington State proposed a whale hunt off the Washington coast, but their petition was denied by the International Whaling Commission after they were notified of a resolution in opposition passed unanimously by the House Resources Committee. The human and economic effects as well as the impacts on whales need to be seriously considered before anyone decides to reopen commercial whaling off the west coast of the United States and Canada.

My district includes the San Juan Islands, and that borders Canada and Vancouver Island near where the proposed Canadian hunt is to take place. The whale watching industry and tourism are among the main economic forces in this area, and they generate between $15 and $20 million per year in revenue. Now this is not insignificant, the whale watching. The thousands who come to our region to visit and see the whales each year should be able to enjoy these animals, and the people of this region, many of whom are my constituents, should be allowed to operate their businesses and thrive on the presence of these unique creatures.

These whales have become like pets. Lots and lots of boats go out to see them. They are not afraid of boats, they are used to boats. They are very trusting. They are very smart animals. And once commercial whaling, hunting of gray whales, begins, their demeanor will soon change, and they will not allow a boat to get anywhere near them. Thus a $15 to $20 million whale watching business will be decimated just for the personal profit of a few tribes.

Mr. Speaker, I am concerned that once tribes resume commercial whaling, even on a limited basis, the large profits will increase pressure for an even greater hunt. As a result, the whales will be driven further away. As we know, commercial whaling is what drove most whale species to the brink of extinction around the turn of the century, and our country still suffers a guilt from that. Now that the whale populations are beginning to grow, some feel that it is time to resume commercial whale hunting.

Mr. Speaker, it is not time to set sail and hunt or disrupt our fragile whale populations. My concern is not only for the people who benefit from the whale watching industry. I am also disturbed by the alliance of these tribes with the Norwegian and Japanese whaling industries.

Just 2 years ago the whale was removed from the endangered species list at the insistence of some Native American tribes, and Native American groups in the United States and Canada, as well as the international whaling industry, have eyed the whales as a lucrative commercial venture. Having a whale hunt for food, subsistence or preservation of a genuine cultural tradition is arguable, but allowing whaling as a precursor to reviving worldwide whaling industry is unacceptable. One gray whale can bring as much as $1 million in Norway or Japan, and these whale merchants are fully aware of the profit potential. For example, the international whaling industry has offered to fully outfit the tribes with state-of-the-art equipment like boats, explosive harpoons, and so forth, if they are allowed to hunt.

Mr. Speaker, that does not sound like traditional ceremonial whaling in hollowed out canoes. Furthermore, it seems to clearly indicate to me that the whaling industry perceives whaling by tribes as a prime opportunity to expand their own hunting.

The Seattle Times reported on April 13, and I quote:

> The proposed hunt is allied with efforts by the commercial interests in Japan and Norway that hope to turn the tide against anti-whaling sentiment by proposing what they call community-based whaling among indigenous people for cultural, dietary and economic reasons.

Again, I must question the validity of the proposal and the motivations behind a renewed commercial whale harvest. In fact, the fact that many whales are creatures that routinely migrate the globe, and we are talking there about the big whales, the others, not the gray whales, but they routinely migrate around the globe. They demand a consistent international policy. If a few native groups are allowed to harvest whales, then Japan and Norway would deserve and will demand the same. Such a policy will surely lead to a drastic reduction in the world whale populations.

Mr. Speaker, the grim history of commercial whaling should not be reenacted, and I will do my best to see that it is not.

VACATION OF SPECIAL ORDER

Mr. RUSH. Mr. Speaker, I ask unanimous consent that the previous order of earlier today concerning the gentleman from California [Mr. TORRES] be vacated.

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

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON BANKING AND FINANCIAL SERVICES

Mr. RUSH. Mr. Speaker, I offer a resolution (H.R. 118) and I ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 118

Resolved, That the following named Member be, and that he is hereby, elected to the following standing committee of the House of Representatives:

To the Committee on Banking and Financial Services: Mr. Torres of California.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TRIBUTE TO THE LATE HONORABLE CHARLES A. HAYES OF ILLINOIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. RUSH] is recognized for 60 minutes.

Mr. RUSH. Mr. Speaker, on last Monday I attended a funeral held in Chicago, IL, a funeral, a home-grown service, for former Representative Charles A. Hayes, a former Member of this body. At that funeral, Mr. Speaker, at that home-grown ceremony, the many people from Chicago, from the First Congressional District, from the State of Illinois, indeed from this entire Nation came to Chicago to the Antioch Missionary Baptist Church located on the south side of Chicago in the First Congressional District to pay homage and give their final respects to a giant within this Nation, a man who, despite tremendous odds, was able to speak up, speak out, to stand for the little guy, the working person, the disadvantaged, the poor persons of this Nation.

Mr. Speaker, Charles Hayes' history is unparalleled in the annals of this Nation. His commitment to the working people, to poor people, to people who needed to have a voice, his commitment was deep seated and long lasting. When he was elected to Congress in 1984, representing the First Congressional District of Illinois, he followed in the footsteps of many giants who represented the First Congressional District, people who, as he did, succeeded against some tremendous odds.

□ 1800

Some of those Members were involved in this body passing legislation that had an effect on making this Nation the great Nation that it is today.

Oscar De Priest was the first African-American to be elected to Congress since the Reconstruction. He came from the First Congressional District. Following Oscar De Priest, we had Arthur Mitchell, the first black Democrat to represent a district in this august body. Following Oscar De Priest we had Congressman William L. Dawson who represented this district for many, many years. Congressman Ralph Metcalf represented this district. Congressman Harold Washington. Congressman Benny Stewart. They all represented this district.

When Charlie Hayes was elected to succeed Congressman Harold Washington, who was elected the first black mayor of the city of Chicago, he immediately began to pick up the baton and to carry forth the battle for equality and justice and fairness within this Nation and within this body.

Charlie was well prepared for this task. Going back many, many years, he had prepared himself for this task. Charlie Hayes, as far back as 1938, after he found employment at a little hardware store in Cairo, IL, making 15 cents an hour, Charlie was sensitive enough, understanding enough that he noticed the blatant racism that existed at that plant where black workers faced insults, indignation, and were forced to work in the lowest-paying and least desirable positions. The black workers did what most workers did at that time. They formed an union, a local union which was later recognized by the company as the Carpenter's Local Union 1424, and Charlie Hayes was elected president at the age of 20 years old.

This action, this standing up for the downtrodden, the poor, the oppressed, started him on his long career of social action and concern for people and their rights as Americans.

Mr. Speaker, I have many, many things I want to say about Charlie Hayes, but I am joined at this moment by the outstanding Member of this House from Illinois' Third Congressional District, a colleague of Charlie Hayes, Congressman BILL LIPINSKI.

Mr. LIPINSKI. Mr. Speaker, I want to thank the gentleman for recognizing me, and I want to thank him very much as a fellow Chicagoan for taking this special order for Charlie Hayes.

I do have a few things I want to talk about in regards to Charlie. Charlie arrived here in the House of Representatives about 6 months after I did, and he will always be remembered to me as Mr. Regular Order. As everybody knows, he became quite famous for that.

But not only did he arrive here 6 months after I arrived, but he was a commuter Congressman like I am, like the gentleman from Illinois [Mr. RUSH] is, flying back and forth every week between Chicago and Washington DC. On many of those occasions Charlie and I sat together, and we had some enormously interesting conversations about organized labor and the labor movement in this country in the 1930's and the 1940's, 1950's, 1960's, 1970's, and up until the 1980's when Charlie left organized labor and started to represent the people here in Washington.

We also talked about his very, very good friend, the first African-American mayor of the city of Chicago, the Honorable Harold Washington. Obviously Charlie was very much involved in Harold Washington becoming mayor of the city of Chicago, but beyond that, he and Harold were very good friends, and he always was there to help Harold, protect Harold, and speak in Harold's behalf.

Besides having conversations about organized labor and the labor movement in this country and Harold Washington, Charlie Hayes and I were both great baseball fans, great fans of the Chicago White Sox, and on numerous occasions we discussed White Sox ball players of the past. I think that it is really fitting and proper that we have a special order today for Charlie Hayes on the day that we passed the resolution for Jackie Robinson.

Ironically, the African-American ball player that Charlie Hayes often talked about was not Jackie Robinson, but Larry Doby. Larry Doby was the first African-American ball player in the American League. Ironically, that occurred on July 15, 1947, a couple of months after Jackie Robinson had broken it.

I say ironically because Larry Doby pinch hit for the Cleveland Indians against the Chicago White Sox on that day. He did not start the game, there was really no fanfare that he was going to play that day, but in the seventh inning he came out as a pinch hitter.

Charlie Hayes happened to be in the ballpark that day and I happened to be in the ballpark that day also. My mother had taken my brother and I, my cousin, Pat Collins and my cousin Jim Collins to the ball game, and we were not aware, obviously, that we were going to be there on such a historical day. But nevertheless we were there, and as I say, I later discovered that Charlie was there also.

So besides baseball and Harold Washington and organized labor, there were other things that Charlie and I talked about on these plane rides back and forth.

The last one I would mention would be his youth center which I am quite sure you are very familiar with, and I think anyone that ever talked to Charlie would be familiar with because he was extremely proud of it. But it was always in great financial need, and there was more than one occasion when Charlie implored me to be a little bit generous towards his youth center, which fortunately I was in a position to be generous to his youth center on a couple of different occasions.

But Charlie was a very down-to-earth person, he was a very unassuming person. He was a very, very hard-working man, and he was really kind I think to a fault.

The only time I ever saw Charlie get angry was when people were somehow angling to do or doing something to give organized labor, the American working man and woman, the short end of the stick. That is when Charlie became angry and really angry, because I

believe that for his entire life, as the gentleman mentioned earlier, he was always speaking for, supporting and fighting for the American working men and women in this country.

He was a very good friend of mine, and I am honored to have been a friend of his, and I am honored to have served in this House with him. I do not think that we could find an individual in the history of the House of Representatives that was ever any more effective for his constituents or a greater fighter for organized labor and the American working man and woman than Charlie Hayes.

I thank the gentleman for taking this special order and allowing me to participate in this tribute to Charlie Hayes, my good friend, Mr. Regular Order.

Mr. RUSH. Mr. Speaker, I thank the gentleman for his words of memorialization for Congressman Charlie Hayes. I share the gentleman's sentiment and his sincerity and his outlook. I share the gentleman's admiration for this giant.

Mr. Speaker, the chairwoman of the Congressional Black Caucus has come into the Chamber and she also served with Charlie Hayes. Mr. Speaker, I just want to say that the gentlewoman from California [Ms. WATERS] took time out from her very, very busy schedule, both as an outstanding Congresswoman from her district in California and also as the chairperson of the Congressional Black Caucus, she took the time out from her busy schedule to come in to Chicago to attend the home-born services for Charlie Hayes.

Mr. Speaker, at this point in time I would like to recognize the gentlewoman for her remarks.

Ms. WATERS. Mr. Speaker, I thank the gentleman, and I would like to commend the gentleman for organizing this effort on the floor together to make sure that we do the proper thing by Charlie Hayes. I would also like to commend the gentleman for his role and his presence at the funeral in Chicago that I did attend.

Of course, not only was the gentleman there, the other members of the delegation were present there all paying their last respects in recognition of the important role that he played not only in this Congress, but certainly in the overall community of Chicago, IL.

To a person when we were there, each one got up and they had wonderful things to say about him. They talked about his early days in the labor movement. They talked about the fact that he started as just a worker in the meat-packing company, and he started organizing there, and he went on in organized labor to become the vice president of the food and commercial workers.

At each step of the way, however, he was organizing, working, not only fighting for the average worker to have better wages and benefits and vacations and pensions, but he was fighting to make sure that African-Americans had a real role in the labor movement.

When he became the vice chair or international vice president of the food and commercial workers, it was unheard of, and it was quite an accomplishment. But he used his power and he used all that he had gained working in the labor movement to help others.

Everybody talked about the fact that he stood side by side with Dr. Martin Luther King. Not only did he march with him, he raised money for him. He was a real civil rights worker. Not only was he a labor organizer and a civil rights worker, he was a legislator who not only talked about what he would like to see for the average human being, the average person, he came here and he worked for it.

His legislation actually identified his priorities, working certainly on behalf of working people. All of the jokes that were told at the funeral about whatever you said to Charlie, he would always answer, a job would take care of that. That was his answer, because he knew the importance of every person who had the opportunity to work, to earn a living, what that meant for them and their families.

So I am proud to stand on this floor, and I am proud to have known him. He certainly represented labor in ways that very few have and can. He was able to represent them because he was a part of them in more ways than many of us will ever, ever understand or get to be ourselves.

□ 1815

So he has gone on, but I remember first noticing him on this floor when he would sit in the back of the room and witness the proceedings, and then there were those who would take advantage of the system and try to speak beyond their allotted time or disrespect the rules.

Then you would hear this roar of ''Regular order, Mr. Speaker.'' And everything would come to a standstill, and people would get back on track, because, really, the person who had anointed himself as the real keeper of the proceedings of this House had spoken.

So we are going to miss the roar, we are going to miss the sound, and we have missed him for quite some time now. Charlie can rest in peace, because he did his work here on Earth. He gave to others, and even as he was in his last days, the stories about the work that he was doing at the hospital there, where he was serving as a patient advocate for the people who were ill and trying to comfort them and look out for their affairs, is something that very few people would ever do when they, certainly, were on their way out.

So I would just like to say thank you for taking out this time, for allowing us to get up on this floor and give recognition to a great legislator, a great leader, and a great human being.

Mr. RUSH. Mr. Speaker, I thank the gentlewoman from California [Ms. WATERS]. I would also like to make note for the RECORD that I know the gentlewoman was on the other side of town, and she told me on the floor, as soon as you start I want to stop whatever I am doing and take the long trip back and make sure I have my remarks on behalf of Charlie. I certainly appreciate that, the Hayes family appreciates it, and certainly the people of the city of Chicago appreciate this and the gentlewoman's other work.

Mr. Speaker, we are joined now by a freshman, a freshman in the House but not a freshman in the fight, a man who comes to this Congress with outstanding achievements of his own, achievements that he has secured in the fight for social and economic justice in this Nation.

Mr. Speaker, I yield to the gentleman from the Seventh District of Illinois, Mr. DANNY K. DAVIS.

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentleman for yielding to me. I would like to take this opportunity to express my appreciation to the gentleman from Illinois [Mr. RUSH] for having organized this time and these proceedings.

I am very pleased to join with those from around the country and across America who have stood to pay tribute to Charlie Hayes. Charles Hayes, who came from Cairo, IL, rural America, to the slaughter houses of Chicago, on the packing floor, cutting meat, becoming a member of the Meat Cutters Union, who worked his way from rural Cairo to the hallowed Halls of this Congress; who, along the way, never faltered, never stopped, never had any doubt about what he was going to do.

Charlie Hayes represented I think the best of the I can spirit, the I will spirit, knowing full well that once he set his mind to a task, he would do it.

Many people have talked about Charlie's contributions after having become a Member of Congress. But the real Charlie Hayes was the Charlie Hayes who was involved in untold struggles long before he reached the point of having the opportunity to represent that great congressional district that was represented by stalwarts: the first African-American elected to the U.S. Congress after the period of Reconstruction, Oscar DePriest, represented that district; William Dawson; Ralph Metcalf; the great Harold Washington; and then Charlie Hayes; and of course the current representative, the current Congressman from the First District, the gentleman from Illinois, Mr. BOBBY RUSH.

So Charlie fit right in the middle of all these giants, all of these individuals who have been a part of history, all of these individuals who have been makers of history. I always appreciated Charlie because in Chicago politics is rough and tumble; always has been, perhaps always will be. There are always those who are on the sidelines, always afraid to really take a swipe at the tough issues, the tough calls. But Charlie always made the tough ones, always made the heavy ones.

I remember the times when Charlie Hayes, Addie Wyatt, Theodore Dows, a

few of the individuals were key movers in the civil rights movement in Chicago. You could always count on Charlie to be there with his voice, with his money, with his time, and with his courage.

So I say, Charlie, you fought the good fight. Yes, you have done your job, just like the village blacksmith with your big hands, your big voice, your big muscles. You have represented well the people not only of the First District of Illinois, but working men and women all over America and throughout the world.

MR. RUSH. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, next I will ask another Member of this body who served with Charlie Hayes, the gentleman from Illinois, Mr. GLENN POSHARD, who represents a district that has much similarity to the First Congressional District. He knows the fights of working people in this country.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. POSHARD] for his remarks memorializing Charlie Hayes.

Mr. POSHARD. Mr. Speaker, I want to thank my friend for this special order for the gentleman from Illinois [Mr. HAYES].

Mr. Speaker, I served with Charlie on the Committee on Education and Labor when I first came here to the House of Representatives, and also on the Committee on Small Business. I spent a lot of hours with Charlie over the years, talking to him about various issues.

But a lot of times we talked about where Charlie grew up in Cairo, IL, because that was part of my district at the time, and is still very close to my district. I think because of where Charlie grew up, he had a great affinity for the working people of this country, and especially for the poor people of this country. Charlie's voice was always there for those folks.

I do not know if people know it, but Charlie also had a great love for the coal miners of the State of IL, Bobby, I have to tell you this, because one time I held a hearing in Benton, Illinois, on black lung disease, which is a disease that our coal miners get from going down into the mines and working below surface and having the coal dust accumulate in their lungs and so on.

We were just beginning the hearing and a large bus drove up outside the gymnasium in Benton, IL where we were having the hearing, and Charlie had brought down, 300 miles from Chicago, had brought a whole group of folks from his district who were older men at that time who had worked in the mines at one time in southern central Illinois, and who had black lung disease and who had moved to the city. But he brought them 300 miles to that hearing, so their voice could be heard with his.

That impressed everyone in our communities, because that is how much Charlie really cared, I think, for people, for working men and women across the country.

I have sat right over here on this floor and talked to him many times when the confusion and the chaos got a little heavy in the Chamber, and you would always hear that loud voice boom out, ''Regular order,'' and things would settle down.

He was a great guy and he was a great White Sox fan, and we talked a lot of baseball, too, as the gentleman from Illinois [Mr. LIPINSKI] had referenced earlier.

I had a little time last night after I finished up some work over in the office. I get kidded a lot around here because I like poetry, and I wrote a little memorial poem for Charlie. It is not grand poetry, but then Charlie would not have appreciated grand poetry. But it is sort of how I felt about him, and I entitled it ''Regular Order.''

''When Charlie moved regular order
The Chamber settled down
Voices hushed, the Speaker blushed
Back benchers wore a frown

Many of us knew that voice
When raised in earlier days
For workers who had no voice
To change their burdened ways

From Cairo on the quiet river banks
To Chicago on Lake Michigan's shore
Charlie roamed the Prairie State
Defending the weak and the poor.

Carpenters, miners
All were Charlie's friends
Meat cutters, food workers,
They were Charlie's kin

Justice in the factories
Justice in the plants
He organized women and men
To stand up for themselves
To receive their fair share
Their family's future to defend

It broke Charlie's heart
And he never would rest
When young people dropped out of school.
Until he found a way
To help them stay
To learn to play by the rules.

Charlie walked the path of life
And disturbed our conscience each day.
He wouldn't let stand the wrongs he saw
And he wouldn't let us turn away.

Today we celebrate 50 years of
Robinson's remarkable feat
And when Charlie crossed the threshold
Jackie was there to greet

''Charlie,'' he said, ''I opened the door with both my bat and my glove''
But before my day, you showed us the way
To give justice a gentle shove.

''Charlie,'' it's just a pick-up game over on St. Peter's Lot

We're in the fifth
The competition is stiff
Don't know if we'll win or not.

''But we've lost our ump
And confusion reigns out on the field of play

Could you help us out
Call the balls and strikes
Help us save the day.''

Charlie smiled that great broad grin
Strolled with Jackie to the edge of the field
For just a moment he surveyed the mess
Then confidently crossed the border.
The arguments stopped, the game resumed
When Charlie yelled ''regular order.''

Well, it is just a little poem, but it is the way I felt about Charlie. That is the way I saw it.

Mr. RUSH. Very appropriate. Thank you so much for sharing that with us. That is a grand, in Charlie's style, that is a grand, grand poem. Thank you very so very much.

Mr. Speaker, we have bipartisan words of memorialization for our fallen colleague.

I yield to the gentleman from Illinois [Mr. HASTERT] the majority whip, another colleague of Congressman Hayes, who has asked to be allowed to give some remarks and his reflection of the outstanding individual, Charles A. Hayes.

Mr. HASTERT. I thank the gentleman from Chicago. I just have to say that we cannot think of Charlie without that big smile and the gentleness that he had, the love that he had for this body, and the reflection that he had on the long road it took to get here from a very humble beginning; a person who came, as was said before, from southern Illinois, from rural southern Illinois, came to the big city, the city that Carl Sandburg talked about, the stacker of wheat and the layer of railroads and the hog butcher of the world.

□ 1830

That is where Charlie found his beginning, his real economic start in life where he did work in those stockyards in the hog butcher center of the world, that is what he did, something that was not the most wonderful beginning, was not the top job on the economic platform, but Charlie did that. He was proud of it. He was proud of his heritage, proud of what he did. He was proud of his union movement.

The role that he played in the union movement in Chicago in the meat cutters union, he would talk about it. He believed in it, and he served that way. And through that service came to this body through a circuitous route. He was certainly a good man. He was a gentle man.

I remember Charlie, if you were in the Illinois delegation, flying back and forth together. At that time we flew and Charlie was there, we flew to Midway Airport, Midway Airlines. Those were small planes and many times Members of the delegation, we just got bottled up together. Sometimes the flight was canceled. We would sit in the waiting rooms for hours and talk. And Charlie would talk about his heritage, about his beginning, about the people he served and his grandchildren. He loved his grandchildren, loved his family.

And he will be missed in the hearts of Members who served with him in this body. He will be missed certainly among his family and those people that he served. But Charlie does not have to worry. His legacy will live on. It will live on with the people that he served, who he worked with, it will live on among the people that he served, his constituents, and certainly it will live on with the Members he served with here in this body.

He was a wonderful man. We mourn his passing, but we certainly celebrate

his life. I thank the gentleman for yielding to me.

Mr. RUSH. Mr. Speaker, I thank the gentleman.

We have the gentleman from New York, Mr. OWENS, who also served as a colleague of Congressman Charlie Hayes and who shared some of his ideas about the world and ideas about labor, the esteemed Member from the State of New York Mr. MAJOR OWENS.

Mr. OWENS. Mr. Speaker, I commend the gentleman for taking out this special order.

Charlie was my friend. Charlie was, you could say, a member of our class, because I came in one year and that was the year that Harold Washington got elected as mayor of Chicago and Harold Washington was a Congressman at that time and he was replaced by Charlie Hayes the next year. So Charlie was close to our class.

We called him ''regular order Charlie,'' as you heard before. He had a capacity to have a big booming voice leap up and rise up to the ceiling and come crashing back down on all of us, Republicans and Democrats, and it brought a kind of order and harmony on an instantaneous basis when he did it.

Charlie was a great human being. Charlie was a labor leader. Charlie was a working man. Charlie knew it from the pits up. Charlie was probably not quite old enough to be my father, but he reminded me a great deal of my father, who was a very strong advocate of unions. And of course, my father was a working man who saw a great deal of necessity for unions in order for workers to survive with some kind of dignity. My father never worked on the job where he got paid more than the minimum wage. So he appreciated the Government. He appreciated the fact that the Government set the minimum wage because that is all he ever made.

My father worked in a glue factory in the meal department where he did gluing. He had big hands like Charlie Hayes, and the hands were sort of glazed over with glue. I used to look at Charlie's big hands and they had some scars on them similar to the kind of scars my father had on his hands. Charlie, after all, did most of his life in the working world as a meat packer. Meat packing is a rough business. They might have streamlined it more now, but it was quite rough.

He used to talk about people losing fingers, losing hands, losing arms. It was an area where the rate of injury was quite great.

Charlie would not need anybody to tell him how important OSHA is, the Occupational Health and Safety Administration, which is now under attack. And I have spent 4 hours today in a hearing as part of the attack on OSHA. Charlie would need nobody to tell him how important OSHA is. He was there in the plant, right there, and he knew how necessary it was for the Government to intervene, for there to be rules and regulations to stop the slaughter of people, to stop the limbs being cut off, stop the high rate of accidents. He understood it as nobody else could understand it. He understood it the way my father understood it.

I suppose all Democrats would say that they understand what unions are all about, what working people are all about. It is like the baggage that Democrats feel they have to carry as part of their package to validate themselves as Democrats. But there are not many Democrats nowadays who have the passion, who understand that the working people of the world, working people of this country are our people. They are the people we represent first and foremost.

You have to explain too much around here these days when it comes to an issue related to working people. OSHA is under attack because of the fact that there is a perception that it belongs to the unions, it is something that unions created and that unions are not very popular and that we should go out and dismantle some of the kinds of regulatory agencies that were set up to protect workers.

Not only is OSHA under attack, but you have the comp time bill that is before us now that passed the House, and the Senate has to act on it.

You would not have to explain to Charlie Hayes what is going on when you talk about taking away people's cash payments for overtime. Charlie Hayes would understand that readily. My father, overtime was the one time that he got above the minimum wage, when they had to pay overtime. Of course, usually in the plant where my father worked if you paid overtime 1 week or 2 weeks, down the road you were going to get laid off a long time. So you really did not get ahead of the game because the layoffs were always there.

I cannot think of a single year my father worked that he did not have layoffs. And Charlie would understand that you need cash to put bread on the table. You need cash to put shoes on the feet of your children. The kind of arguments you hear now about comptime versus overtime are the arguments that are coming from upper class, middle income workers, often workers, two in a family, doing very well, who want more time off with their children and for other purposes. That is all very well. But the proposal that I put on the table here, an amendment which said, OK, let us do it, let us do something for everybody. Those people who want comptime off and they do not want the Fair Labor Standards Act to stop their boss from being more flexible in terms of giving them time off, let them have it.

But that is only about one-third of the work force. Two-thirds of the work force make less than $10 an hour. The people who are making less than $10 an hour, they want cash. They need cash. The standard of living that they have will be affected greatly if they do not have the cash.

Charlie Hayes would have been a passionate advocate for that. He would not have to have long explanations.

It sort of took us a long time to get started on understanding how detrimental to working class people the comptime bill is. Among Democrats, they were off to a slow start. Even some of the labor leaders I do not think had been in the trenches as much as Charlie Hayes had been.

Charlie made a beeline straight for the Education and Labor Committee when he came here. He and I had that in common. I found that when I got here and I wanted to serve on the Education and Labor Committee, I remember when I talked to Tip O'Neill and he said, what do you want? I said, I want to be on Education and Labor. He chuckled, because Education and Labor had many slots. Nobody was dying to get on the Education and Labor Committee.

Charlie was one of the few who came in and headed straight for Education and Labor, as I did, because my colleagues who were more sophisticated in my freshman class said, why do you want to get on Education and Labor? There is no money there. We are right back to the old issue of raising money for campaigns. You cannot raise any money for your campaigns on Education and Labor. A handful of unions have to stretch themselves out. They cannot give you that much. Children and education, they certainly cannot help you very much, only two teachers unions. They explained it all to me.

But I headed straight for the Education and Labor Committee. I have been there for the whole 14 years that I am here. I have never tried to get on another committee. I think it is very important.

Charlie felt the same way. There was no place for Charlie Hayes to be except on the Committee on Education and Labor. The first bill he introduced was similar to the first bill I introduced. The first bill, I knew it was not going anywhere, but I thought it was very important.

I introduced a bill that said that the right to a job opportunity should be guaranteed to every American, the right to a job opportunity. What is so radical about that? Why cannot this very prosperous Nation move in the direction of guaranteeing a job opportunity for every American who wants to work?

And when the job opportunities are not there in the private sector, why cannot the Government step in as it did in the Depression?

The WPA and the various instruments that were used by Franklin Roosevelt to create jobs are very real in my mind. Because my father never forgot, he never forgot that all those months of not being employed were ended when the WPA came along. He never forgot Roosevelt.

Roosevelt was like a god in my house; and among working people, Roosevelt was like a god. Charlie Hayes

looked at Roosevelt like a god. And the first bill he introduced was the reinstatement of Franklin Roosevelt's bill of rights for workers, human rights.

People talk about human rights. It is not only the Chinese who say that human rights ought to mean that we always have enough to eat. Human rights ought to mean we always have employment. Human rights ought to mean that we have housing.

That is not a radical idea that the Chinese Communists have to push forward. Franklin Roosevelt set it forth very early in his New Deal. He did not get all of his New Deal passed, unfortunately, so we did not have any guarantees to jobs. But of course, due to Franklin Roosevelt, we did have jobs.

First of all, they created jobs for the Government; and later the war came along and the issue of jobs was taken off the table because there was plenty of work during World War II. But Charlie reinstated, picked up where Roosevelt had left off.

And part of the Roosevelt set of rights was a right to healthcare. Universal healthcare is not a radical idea, and Charlie's first bill laid out all of those rights that Franklin Roosevelt had set forth.

Charlie would understand right away that our failure to pass the healthcare bill here was a major defeat. And we wonder why working people turn off out there, why so many people feel desperate, feel that working hard in the political arena is futile.

Nobody is even addressing their needs anymore. We have got 40 million Americans who are not covered by healthcare, 40 million Americans. And all we are talking about here is a show, we may put on a show in this Congress to cover 5 million children. Of the 40 million Americans not covered, at least 10 million are children.

So we are going to show the world that we have a heart somewhere underneath all this talk about millions and millions of dollars being raised for campaigns and the cruelty of trying to wipe out OSHA and trying to wipe out unions and institute a team act and various kinds of other things that are aimed at working people; underneath all that we want to show we got a heart.

So what are we going to do? We are proposing to provide healthcare for 5 million of the 10 million children. If we really care about children, why not all children? Why can we not come out of the 105th Congress with at least 10 million children covered if we cannot have universal healthcare and cover all the 40 million who are not covered?

Charlie would have been angry about this deep in his bones, and Charlie would have been a great asset in moving to get this kind of healthcare coverage. Charlie would certainly be very angry about some of the bills that are before our committee right now.

He sat right next to me in the Education and Labor Committee, which the name has changed now, I want the people to know. The Republican majority took over; and the word ''labor'' they hate so much, they would not even put the word ''labor'' in the committee name. It was changed to Economic and Educational Opportunities. That was the first name change.

Then now this year when the Republican majority got reelected, they decided that since people out there are very upset and they want education and they have to change their whole attitude toward education, then they put education back in the title. It is Education and the Workforce now, but not labor.

I think Charlie would understand the implications of that and be very upset about it. But, also, some of the first hearings that we had in the committee are hearings directed at the destruction of organized labor.

That is Charlie's bread and butter, Charlie's career. He was first and foremost a leader of organized labor. He was a union man, a union executive. He probably outranks any person who has come to this Chamber in terms of his credentials as a union person.

So he would be very upset that the team act now is one of the first acts that the Senate has on its agenda and the House has on its agenda.

The team act says it is the employer, boss, management can go and pick the people they want among the employees to form some kind of management committee, team of management and employees; and they will do what the collective bargaining process usually does, determine the working conditions and deal with the employees.

They can only do this in places that do not now have unions. Which means, if they were allowed to do that, in violation of present labor relations law, they would guarantee that those places will never have unions, independent unions. The team would smother everybody out.

It is very hard right now to organize labor unions, harder than it was in the days that Charlie talked about. He used to talk about the knock-them-upside-the-head days, where it was dangerous to organize.

He used to go all over the country as food and commercial workers; and as one of the leading people in the meat cutters union, he used to go all over the country.

In the South he got into a lot of trouble, and he used to talk about his adventures and how dangerous it was and he got in a lot of situations where his life was in danger.

Mr. RUSH. If the gentleman would yield for just a moment, would the gentleman please expound on how he thinks that Congressman Hayes would have felt about welfare reform and the onerous effect that it has on people, particularly welfare reform without even the possibility, remote possibility, of getting a job?

□ 1845

Mr. OWENS. I think Charlie would immediately understand that welfare reform was not reform. It was an attack again on working people, on poor people, people that do not work but who are aspiring to become working people, people who are working but lose their job and they fall back into the welfare. Workers who are unemployed and need food stamps.

Nobody would have to explain anything to Charlie about the devastating impact of the welfare reform. I am sure that in his last days, his knowledge of what had happened did not help at all in terms of how he felt about this country, where the country is moving. I am sure he was quite upset by the welfare reform and the fact we had this attack on the working class, attack on people in a way which really goes at the heart of survival.

We cannot survive unless we have something to eat. We cannot survive unless we have a place to stay. And the attack on welfare was an attack, of course, also on children, because welfare is mainly aid to dependent children. They obscure the fact that only families with children receive aid to dependent children. That is the basic program. The food stamps was broadened so that everybody who was in need was covered, including working people who had lost their jobs and are heavily dependent on food stamps.

I think he would understand that we suffered a grave defeat and setback, and as a New Dealer, a man who admired Roosevelt, I am sure it would have pained him as greatly as it pained some of us that we lost an entitlement. That entitlement, the Federal responsibility for the poorest people, where any poor person in the Nation who met the criteria or the means test and showed that they were really poor, the Federal Government said that they would have enough to eat, that they would have a place to stay.

That is what welfare was all about, and it mainly said to children that they would have an opportunity to survive. That is gone. What we have now is the Federal Government participating in a program which goes to the States. But the Federal Government does not have the obligation anymore. It is a matter of giving the States the money and attaching conditions to that money. But that can all change.

There is no law which says that the Federal Government has to do this. There is no law which says that any person is entitled. And many people who are poor, of course, at the State level, when the State runs out of money, they will say, ''We are out of money. People do not have an entitlement. We do not have to do it.'' The Federal Government would print or borrow more money, whatever is necessary. They would provide because the entitlement was there for everybody who needed it.

So Charlie Hayes would not have been happy if he was in the 104th Congress. He would not be happy about the way the 105th Congress has started. But his spirit lives on. And we are not

beggars. We are the majority. The working people of this country are still the majority.

A lot of people thinking they had fled into the middle class find themselves, in a quick turn of fate economically, that they are right back in the same arena economically as the large number of working people. We are the majority. When we put all the people together, and they understand a majority, we can make laws in this country which are reasonable and fair and do not attempt to wipe out working people and the benefits that we have labored so hard to create for working people.

Mr. Speaker, I want to thank the gentleman for taking out this special order. It is my great delight to salute the spirit of Charlie Hayes. Regular order will go on and on, and we will all work to help keep his spirit alive.

Mr. RUSH. Mr. Speaker, I thank the gentleman for his eloquent and outstanding remarks. His remarks certainly captured Charlie Hayes and captured the plight of working people, both in the days of Charlie Hayes and also the working people in their plight today as we speak on this floor.

Mr. Speaker, much has been said about Charlie Hayes, much has been said about the kind of leader that he was; not only as a labor leader, as a political leader, but also as a community leader.

Mr. Speaker, his leadership goes back as far as, as I indicated earlier, 1938, when he originally started organizing a group of workers at the E.L. Bruce Flooring Company in Cairo, IL, and how at the tender age of 20 he became the president of the local, Local 1424.

Mr. Speaker, we jump to 1942, and he had moved to Chicago and an uncle helped Charlie land a job as a fresh pork laborer at Wilson & Co. there in Chicago at the old stockyard, and he soon became a leader in a long and bitter struggle which culminated in 1944 with the recognition of Local 25 of the United Packing House Workers of America as the official bargaining unit for 3,500 Wilson workers; black workers and white workers and Hispanic workers and Asian workers.

This effort marked the beginning of an end to segregated facilities and discriminatory hiring and promotion practices that were pervasive there at that particular plant.

In the 1948 packing house workers' strike at Wilson & Co. Charlie was framed on charges of violence and was fired. He won reinstatement as the result of the National Labor Relations Board arbitration in 1949. By then he had, in the interim, accepted a position to represent the union's 35,000 employees in district 1 as the international field representative, where he led successful fights for job benefits, including paid sick leave and vacations and holidays.

In 1954 he was elected director of district 1 of the United Packing House Workers of America, and he again, with his energy and his resolve and his commitment and his dedication and his courage, he had an immediate long-term and far-reaching impact on the American labor movement.

We can go on and on and on. Chicago was known to have historically troublesome racial relationships, and there was a riot in 1949 in Chicago at Trumbull Park Homes there, and Charlie led the effort to raise money for those families that were in critical and crisis situations as a result of the race riot there in Trumbull Park.

Also, during this same period of time, Charlie Hayes led the charge to raise money to assist in the prosecution of the murderers of Emmet Till, a young African-American from the South Side of Chicago who had ventured down to Mississippi and was found murdered, floating in a river. Charlie Hayes was moved and used his position in the labor movement, took up the call, involved himself in a fight that was highly controversial and certainly not within the purview of a defined role for a labor leader.

Charlie Hayes, when the AFL–CIO emerged in 1955, he became the international vice president and director of district 12, representing a union which was at that time the largest labor union in this Nation, representing 500,000 members. He became the vice president because he was unparalleled in terms of his courage and in terms of his commitment.

Mr. Speaker, the civil rights movement, this movement that saw black Americans and white Americans and others come together to talk about basic civil rights for all Americans, this movement that was spearheaded in the South by Dr. Martin Luther King and others, this movement that captured the imagination of this Nation because it showed this Nation that there was a part of this Nation where just basic rights, rights to public accommodation, rights to vote, just rights to speak up and stand up, even a right to ride on public transportation in the front, where this was a right that was not shared by many citizens of this Nation, Charlie Hayes took up the call, took up the charge, raised money, provided support, critical support for Dr. King and the Southern Christian Leadership Conference in their fight for equal rights.

Mr. Speaker, I can go on and on and on, but let me wind up this particular special order. Charlie Hayes was a civil rights leader, labor leader, political leader, but he was also a devoted family man, a devoted husband. His wife Emma passed in 1973. Charlie Hayes' family, his children, Charlene and Barbara, and his grandchildren, all have in their father, in their grandfather a man who is a role model for all in this world, for all in this Nation.

This man who came from the killing floors of a packinghouse, who came through the labor movement, who served here in this country will always be held in the highest of esteem by all freedom loving people of the world, and his example serves as a sterling example and a beacon for all of us who are fighting to end discrimination of all types and are fighting for a world where all people can have equal rights and justice.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today with fellow colleagues to express our honor and respect at the passing of a former Member of this body, Congressman Charles Arthur Hayes.

There is a lot that we could say about the late Honorable Charles Arthur Hayes, but a day or a week, not even a month would allow us enough time to express all that Congressman Charlie Hayes was to the city of Chicago, to the First Congressional District of Illinois which he represented, to the Congress of the United States, and to the working men and women of this country.

When colleagues of Congressman Hayes would rise to speak on labor issues, they would have to remember that a member of labor was among them. After more than 45 years as a trade unionist, Congressman Charlie Hayes was the congressional expert of labor issues.

In the depths of the Great Depression, Charlie Hayes graduated from Sumner High School and began work with the Civilian Conservation Corps to plant trees on the banks of the Mississippi River.

Charlie Hayes began his long labor career after returning to work in his home town of Cairo, IL. He worked at the E.L. Bruce Hardwood Flooring Co. as a machine operator and helped to organize local No. 1424 of the United Brotherhood of Carpenters and Joiners of America and served as its president from 1940 to 1942.

In 1943 he joined the grievance committee of the United Packing House Workers of America (UPWA) and served as district director for the UPWA's District One from 1954 until 1968, when he became a district director and an international vice president of the newly merged packing house and meat cutters' union.

After 40 years of laboring in the vineyard, Charlie Hayes retired as vice president and director of region 12 of the United Food and Commercial Workers International Union in September of 1983.

But a man like Charlie Hayes, who had worked most of his life on the front line of workers' rights, found retirement to be just a bit too slow a pace.

In April 1983, the Congressional seat for the First District of Illinois became open with the resignation of Harold Washington. Retired Charlie Hayes was then ready to go back to work, but now on the behalf of the residents of the First Congressional District of Illinois.

Congressman Hayes represented the people of the First District located in the city of Chicago, IL. The First District of Illinois includes about half of Chicago's South Side black community.

The South Side of Chicago had been the Nation's largest black community for nearly a century, until redistricting earlier in the 1990's.

The area's demographic statistics however, do not speak to the love Charlie Hayes had for the people of Chicago, and especially for the people of the First Congressional District.

Chicago, and especially the working men and women of the First Congressional District

of Illinois, needed the hands, heart, and devotion of a committed warrior in the well of the House of Representatives.

They found all that they needed and much more in the person of Charles Arthur Hayes.

Congressman Hayes came to Washington, DC to work—and that is exactly what he did.

Congressman Hayes served on the Committee on Education and Labor and the Small Business Committee.

He introduced several pieces of legislation to address the educational and employment needs of many Americans. Prominent among these are acts to encourage school drop-outs to reenter and complete their education and to provide disadvantaged young people with job training and support services. Hayes also sponsored bills to reduce high unemployment rates and make it easier for municipalities to offer affordable utility rates through the purchase of local utility companies.

I offer my sympathy and best regards to the family, friends, and colleagues of Congressman Charlie Hayes.

His life's record is a statement of public service.

Mr. CONYERS. Mr. Speaker, I rise today to pay tribute to one of the original leaders of the American civil rights movement, a lifetime advocate of the American worker, and a true crusader for social justice and racial equality: Charles Arthur Hayes. Charlie was a dear friend, a respected colleague, and a trusted ally. He will be deeply missed.

When Harold Washington announced his endorsement of Charles Hayes to replace him in the U.S. House of Representatives, Washington said that ''[Hayes] has shown unparalleled leadership and ability to unite blacks, whites and Hispanics into organized coalitions fighting for economic, political, and social justice.'' This is a role Hayes played throughout his life and during his entire tenure in Congress.

As we remember Hayes, it is important to look back on his lifetime of work so that we might truly appreciate what it was that be brought to the House of Representatives and the Congressional Black Caucus.

A tireless labor leader and a champion of racial equality, Hayes was the first vice president of a labor union to become a Member of Congress. He joined the labor movement in the 1930's after his graduation from high school. As a young machine operator in 1938 he organized a strike by black workers in a hardwood flooring company that lasted 6 weeks. The workers won—not a surprise given that Hayes was their leader. Hayes organized the group into a carpenters' local and became its president. Soon afterward, Hayes moved to Chicago's south side and organized black workers in meat-packing plants into a United Packing house Workers local. He was the key figure in the desegregation of meat-packing plants and also fought successfully for equal pay for black workers.

This outstanding commitment to the plight of America's workers led Hayes to be brought before the House Committee on Un-American Activities in 1959. He took the fifth amendment rather than cooperate with the committee.

I was proud to work with Hayes as a member of the original civil rights movement and as one of the first allies of Dr. Martin Luther King, Jr. As a leader of the Amalgamated Meatcutters and Butchers Union, Hayes rallied support for King in the 1956 Montgomery bus boycott, the 1963 march on Washington, and the 1966 campaign for open housing in Chicago. Hayes was also the driving force behind Chicago's black independent political movement. He led the efforts to get Ralph Metcalfe and then Harold Washington elected to Congress and subsequently helped Washington to be chosen mayor of Chicago.

When Hayes himself became a Member of Congress in 1983, he was once again at the forefront of a hard-fought battle, this time the political assault on President Reagan's economic policies. Hayes stated that in electing him, his constituents had ''[served] notice on Ronald Reagan.'' He vowed to replace Reagan ''with a chief executive committed to solving the problems of poor people.'' We were all thankful for Hayes' presence in this particular battle.

Hayes sponsored bills to reduce high unemployment rates and make it easier for municipalities to offer affordable utility rates through the purchase of local utility companies. He was one of the earliest supporters of my bill for a 32-hour work week. In 1992, he submitted a job bill which would have created 570,000 jobs nationwide while rebuilding the country's infrastructure by channeling money to States for building roads, bridges, and schools at a rate corresponding to the State's unemployment rate.

Even given Charlie's life-long crusade on behalf of America's workers, I may best remember and honor him for his unparalleled commitment to end apartheid in South Africa. In 1984, Charlie, together with Joseph Lowery, was arrested for staging a sit-in at the South African Embassy in Washington while 150 demonstrators chanted ''Free South Africa.'' The demonstration kicked off a nationwide Free South Africa Movement. Two years later, Hayes participated in a congressional delegation to the Crossroads Shantytown near Cape Town. The delegation met with Zulu Chief Gatsha Buthelezi who urged the lawmakers not to side with those favoring violent opposition to apartheid. The visit to South Africa solidified Hayes' commitment to disinvestment in South Africa and encouraged him to work even harder toward this goal, a commitment he brought back with him to the Hill.

I shared a great deal of personal and political history with Charlie Hayes. We were both active in the labor movement before coming to Congress and continued to advocate on behalf of America's workers at every chance we got once on the Hill. We both fought for racial equality along side of some of the greatest leaders in American civil rights history. We both believed that the U.S. Congress was the vehicle through which to continue this work. I am committed to this vision of the Congress and to the work which both Charlie and I came here to do.

It was an honor and a privilege to have known and worked with Charlie Hayes. I thank BOBBY SCOTT for organizing this tribute and I commend the other Members who have participated. I hope that we live to see all of Charlie's battles won. Thank you.

GENERAL LEAVE

Mr. RUSH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COSTELLO (at the request of Mr. GEPHARDT), for today, on account of an illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. JOHN) to revise and extend his remarks and include extraneous material:)

Mr. MASCARA, for 5 minutes, today.

(The following Members (at the request of Mr. ROGAN) to revise and extend their remarks and include extraneous material:)

Mr. BILIRAKIS, for 5 minutes, today.

Mr. GOODLATTE, for 5 minutes, today.

Mrs. LINDA SMITH of Washington, for 5 minutes, today.

Mr. FORBES, 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. ROGAN) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS.

Mr. METCALF.

Mr. COBLE.

Mr. HILL.

Mr. PAPPAS.

Mr. MCINTOSH.

Mr. HUNTER.

Mr. PACKARD.

Mr. BILIRAKIS.

(The following Members (at the request of Mr. JOHN) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI.

Mr. KUCINICH.

Mr. HAMILTON.

Mr. LAFALCE.

Mr. KLECZKA.

Mr. FOGLIETTA.

Mr. MCDERMOTT.

Mr. DELLUMS.

(The following Members (at the request of Mr. RUSH) and to include extraneous matter:)

Mr. SMITH of New Jersey.

Mr. KNOLLENBERG.

Mr. STRICKLAND.

Mr. STOKES.

Mr. SABO.

Mr. GINGRICH.

Mrs. JOHNSON of Connecticut.

Mr. MCNULTY.

Mr. FILNER.

Ms. SANCHEZ.

Mr. SHAW.

ADJOURNMENT

Mr. RUSH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 p.m.), the House adjourned until tomorrow, Thursday, April 17, 1997, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2830. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Change in Disease Status of Northern Ireland and Norway Because of Exotic Newcastle Disease [Docket No. 97–021–1] received April 16, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2831. A letter from the Director, Office of Administration and Management, Department of Defense, transmitting the Department's final rule—Pilot Program Policy [32 CFR Part 2] received April 8, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

2832. A letter from the Assistant Secretary for Pension and Welfare Benefits, Department of Labor, transmitting the Department's final rule—Interim Rules Amending ERISA Disclosure Requirements for Group Health Plans (Pension and Welfare Benefits Administration) (RIN: 1210–AA55) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2833. A letter from the Chair, Federal Energy Regulatory Commission, transmitting the 1996 annual report of the Federal Energy Regulatory Commission, pursuant to 16 U.S.C. 797(d); to the Committee on Commerce.

2834. A letter from the Secretary of Health and Human Services, transmitting a report on operations of the Medicaid Drug Rebate program, pursuant to Public Law 101–508, section 4401(a) (104 Stat. 1388–155); to the Committee on Commerce.

2835. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the semi-annual report for the period October 1, 1995 to March 31, 1996 listing voluntary contributions made by the U.S. Government to International Organizations, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on International Relations.

2836. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on condition in Hong Kong of interest to the United States since the last report in March 1996, pursuant to 22 U.S.C. 5731; to the Committee on International Relations.

2837. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report of activities under the Freedom of Information Act for the calendar year 1996, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

2838. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting the Department's final rule—Indian Country Law Enforcement (Bureau of Indian Affairs) [25 CFR Part 12] (RIN: 1076–AD56) received April 7, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2839. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Revisions to Recordkeeping and Reporting Requirements [Docket No. 961119321–7071–02; I.D. 110796G] (RIN: 0648–AI68) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2840. A letter from the Attorney General, transmitting the 1996 annual report of the Attorney General of the United States; to the Committee on the Judiciary.

2841. A letter from the Assistant Secretary of the Army (Civil Works), Department of the Army, transmitting a report with respect to the Army Corps of Engineers recreation day use fee program, pursuant to Public Law 104–303, section 208(b)(2) (110 Stat. 3680); to the Committee on Transportation and Infrastructure.

2842. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Nonprocurement Debarment and Suspension (RIN: 2105–AC25) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2843. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Fort Lauderdale, Florida (U.S. Coast Guard) [CGD07–012] (RIN: 2115–AE46) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Transportation and Infrastructure.

2844. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Delegation of Authority to Officer in Charge, Marine Inspection (U.S. Coast Guard) [CGD 97–001] (RIN: 2115–AF41) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2845. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulation; Salute to the Queen (U.S. Coast Guard) [CGD08–97–010] (RIN: 2115–AE46) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2846. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Regulated Navigation Area Regulations; Lower Mississippi River (U.S. Coast Guard) [CGD08–97–008] (RIN: 2115–AE84) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2847. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Antarctic Treaty Environmental Protection Protocol (U.S. Coast Guard) [CGD 97–015] (RIN: 2115–AF43) received April 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2848. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Retroactive Payments Due to a Liberalizing Law or VA Issue [38 CFR Part 3] (RIN: 2900–AI57) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2849. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—List of Designated Private Delivery Services [Notice 97–26] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2850. A letter from the President, U.S. Institute of Peace, transmitting a report of the audit of the Institute's accounts for fiscal year 1996, pursuant to 22 U.S.C. 4607(h); jointly, to the Committees on International Relations and Education and the Workforce.

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. LEACH: Committee on Banking and Financial Services. H.R. 607. A bill to amend the Truth in Lending Act to require notice of cancellation rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, and for other purposes; with an amendment (Rept. 105–55). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCINNIS: Committee on Rules. House Resolution 116. Resolution providing for consideration of the bill (H.R. 400) to amend title 35, United States Code, with respect to patents, and for other purposes (Rept. 105–56). Referred to the House Calendar.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 117. Resolution providing for consideration of motions to suspend the rules (Rept. 105–57). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SMITH of Oregon:

H.R. 1342. A bill to provide for a 1-year enrollment in the conservation reserve of land covered by expiring conservation reserve program contracts; to the Committee on Agriculture.

By Mr. BATEMAN (for himself and Mr. ABERCROMBIE) (both by request):

H.R. 1343. A bill to authorize appropriations for fiscal years 1998 and 1999 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on National Security.

H.R. 1344. A bill to amend the Panama Canal Act of 1979, and for other purposes; to the Committee on National Security.

By Mr. CUMMINGS (for himself, Mr. CLAY, Mr. JEFFERSON, Mr. FOGLIETTA, Mr. FORD, Mr. DELLUMS, Ms. BROWN of Florida, Mr. FILNER, Mr. FROST, Ms. PELOSI, Mrs. MEEK of Florida, Mr. CLYBURN, Mrs. CARSON, Ms. NORTON, Ms. JACKSON-LEE, Mr. SCOTT, Mr. OWENS, and Mr. RUSH):

H.R. 1345. A bill to establish the Commission on National Drug Policy; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILCHREST (for himself, Mr. DINGELL, Mr. CALVERT, Mr. HOLDEN, Mr. GIBBONS, Ms. RIVERS, Ms. KILPATRICK, Mr. CONYERS, Mr. LEVIN, Mr. BEREUTER, Mr. KILDEE, Ms. STABENOW, and Mr. CLYBURN):

H.R. 1346. A bill to amend the Solid Waste Disposal Act to provide congressional authorization for restrictions on receipt of out-of-State municipal solid waste, and for other purposes; to the Committee on Commerce.

By Mrs. JOHNSON of Connecticut (by request):

H.R. 1347. A bill to amend title 18, United States Code, to prohibit the mailing of certain mail matter; to the Committee on the Judiciary.

By Mr. JONES:

H.R. 1348. A bill to amend title 18, United States Code, relating to war crimes; to the Committee on the Judiciary.

By Mr. KENNEDY of Massachusetts:

H.R. 1349. A bill to regulate handgun ammunition, and for other purposes; to the Committee on the Judiciary.

By Mr. SHAW (for himself, Mr. NEY, and Mr. BOEHNER):

H.R. 1350. A bill to amend the Internal Revenue Code of 1986 to allow associations of persons holding timeshare interests in residential property to elect to be taxed as homeowner associations; to the Committee on Ways and Means.

By Mr. LEWIS of Georgia (for himself, Mr. SHAYS, Mr. SERRANO, Ms. RIVERS, Mr. FILNER, Mr. STARK, Mr. DELLUMS, Ms. NORTON, Mr. MCGOVERN, Mrs. MINK of Hawaii, Ms. JACKSON-LEE, and Mr. OBERSTAR):

H.R. 1351. A bill to prohibit smoking in any transportation facility for which Federal financial assistance is provided; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY:

H.R. 1352. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decision making at the National Cancer Institute; to the Committee on Commerce.

By Mr. MINGE (for himself, Mr. RAMSTAD, Mr. KLUG, Mr. DEFAZIO, Ms. FURSE, Mr. KENNEDY of Massachusetts, Mr. LUTHER, Mr. PASCRELL, Mr. MCINTYRE, Mr. HEFLEY, and Mr. BISHOP):

H.R. 1353. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions, for the purpose of retiring the national debt; to the Committee on Ways and Means.

Mr. OLVER (for himself, Mr. BONIOR, Mr. BOUCHER, Mr. EVANS, Mr. FROST, and Ms. LOFGREN):

H.R. 1354. A bill to amend title XIX of the Social Security Act to provide for mandatory coverage of services furnished by nurse practitioners and clinical nurse specialists under State Medicaid plans; to the Committee on Commerce.

By Mrs. THURMAN (for herself and Mr. SHAW):

H.R. 1355. A bill to amend the Internal Revenue Code of 1986 to modify the tax treatment of qualified State tuition programs; to the Committee on Ways and Means.

By Mr. WATTS of Oklahoma (for himself, Mr. ENGLISH of Pennsylvania, Mr. WOLF, Mr. CONDIT, and Mr. NORWOOD):

H.R. 1356. A bill to amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under the CHAMPUS and TRICARE Standard, and for other purposes; to the Committee on National Security, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WATTS of Oklahoma:

H.R. 1357. A bill to require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare Program for health care services provided to Medicare-eligible beneficiaries under the TRICARE program; to the Committee on Ways and Means, and in addition to the Committees on Commerce, and National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. EMERSON (for herself and Mr. CONDIT):

H.J. Res. 72. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations bills; to the Committee on the Judiciary.

By Mr. LANTOS (for himself, Mr. GILMAN, Mr. HAMILTON, Mr. ACKERMAN, Mr. BERMAN, Mr. FALEOMAVAEGA, and Mr. ROTHMAN):

H. Con. Res. 63. Concurrent resolution expressing the sense of the Congress regarding the 50th anniversary of the Marshall Plan and reaffirming the commitment of the United States to the principles that led to the establishment of that program; to the Committee on International Relations.

By Mr. LINDER:

H. Res. 114. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Mr. ROYCE (for himself, Mr. PAYNE, Mr. MENENDEZ, Mr. CAMPBELL, Mr. HASTINGS of Florida, Mr. CHABOT, Mr. GILMAN, Mr. HAMILTON, Mr. BEREUTER, Mr. SMITH of New Jersey, Mr. KIM, Mr. GRAHAM, Mr. GEJDENSON, and Mr. BERMAN):

H. Res. 115. Resolution concerning the promotion of peace, stability, and democracy in Zaire; to the Committee on International Relations.

By Mr. RUSH:

H. Res. 118. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. FARR of California (for himself, Mr. PALLONE, Mr. PORTER, Mrs. MORELLA, Mr. EVANS, Mr. YATES, MR. OLVER, Ms. WOOLSEY, Mr. BLUMENAUER, Mr. TORRES, Mr. CUMMINGS, Ms. NORTON, Mr. WALSH, Mr. ABERCROMBIE, Mr. SANDERS, Mr. MURTHA, Mr. WAXMAN, Ms. HARMAN, Mr. GEJDENSON, Mr. GEPHARDT, Mr. CAPPS, Mr. SHAYS, and Ms. JACKSON-LEE):

H. Res. 119. Resolution providing for the mandatory implementation of the Office Waste Recycling Program in the House of Representatives; to the Committee on House Oversight.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

41. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 365 urging Congress to repeal section 13612(a)(C) of the Omnibus Budget Reconciliation Act of 1993; to the Committee on Commerce.

42. Also, memorial of the Legislature of the State of Idaho, relative to Senate Joint Resolution No. 102 urging Congress to pass, and send to the legislatures of the States for ratification, an amendment to the Constitution requiring, in the absence of a national emergency, that the total of all appropriations may not exceed the total of all estimated Federal revenues; to the Committee on the Judiciary.

43. Also, memorial of the Legislature of the State of Idaho, relative to Senate Joint Resolution No. 103 requesting that Congress and the President of the United States amend the Internal Revenue Code so that the maximum tax rate on long-term capital gains be lowered to 14 percent; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 143: Mr. NUSSLE, Mr. BENTSEN, Ms. KILPATRICK, Mrs. KELLY, Mr. TOWNS, Mr. COYNE, Ms. ESHOO, Mr. GALLEGLY, Mr. PORTMAN, Mr. CAMPBELL, Mr. FROST, and Mr. WOLF.

H.R. 144: Mr. TALENT.

H.R. 165: Mr. STUPAK.

H.R. 213: Mr. WEYGAND.

H.R. 273: Ms. SLAUGHTER.

H.R. 339: Mr. MCINTYRE.

H.R. 383: Mr. GALLEGLY and Mr. MCINTYRE.

H.R. 399: Ms. KAPTUR.

H.R. 411: Ms. WOOLSEY.

H.R. 437: Mr. BILIRAKIS.

H.R. 453: Mrs. TAUSCHER, Mr. FRANK of Massachusetts, Mrs. MINK of Hawaii, and Mr. MARKEY.

H.R. 500: Mr. TORRES.

H.R. 521: Mr. COOK, Mr. BAESLER, and Mr. FRANK of Massachusetts.

H.R. 536: Mr. DINGELL, Mr. TOWNS, and Mr. LANTOS.

H.R. 629: Mr. SANDLIN.

H.R. 638: Mr. ENGLISH of Pennsylvania.

H.R. 641: Mr. MCINTOSH and Mr. WATTS of Oklahoma.

H.R. 647: Mr. SOUDER.

H.R. 648: Mr. KUCINICH, Mr. OWENS, Mrs. MALONEY of New York, Ms. NORTON, Mr. DAVIS of Illinois, Mr. KIND of Wisconsin, Mr. DEFAZIO, Ms. SLAUGHTER, and Mr. BARRETT of Wisconsin.

H.R. 653: Mr. BARRETT of Wisconsin.

H.R. 688: Mr. PASTOR, Mr. BARRETT of Nebraska, and Mr. TIAHRT.

H.R. 695: Mrs. LINDA SMITH of Washington.

H.R. 715: Mr. WELLER and Mr. SOUDER.

H.R. 716: Mr. DEAL of Georgia and Mr. OXLEY.

H.R. 744: Mr. OWENS, Mr. YATES, Mr. WEXLER, Mr. PAYNE, Mr. DELLUMS, Mrs. CLAYTON, Mr. MANTON, Mr. BOUCHER, Mr. GONZALEZ, Mr. DELAHUNT, Mr. OLVER, Ms. LOFGREN, and Mr. WEYGAND.

H.R. 745: Mr. NEUMANN and Mr. SMITH of New Jersey.

H.R. 755: Ms. CHRISTIAN-GREEN.

H.R. 767: Mr. THUNE.

H.R. 789: Mr. CAMP and Mr. CONDIT.

H.R. 805: Mr. EWING.

H.R. 811: Mr. KUCINICH.

H.R. 813: Mr. ADERHOLT.

H.R. 815: Mr. BALDACCI, Ms. PRYCE of Ohio, Mr. KASICH, Mr. COOKSEY, Mr. DEFAZIO, Mr. MARKEY, Mr. FATTAH, Mr. HUTCHINSON, Mr. SAWYER, Mr. SKAGGS, Mr. FRANK of Massachusetts, Mr. MASCARA, Mr. KOLBE, Mr. FOGLIETTA, Mr. GUTIERREZ, Ms. BROWN of Florida, Mr. KLINK, Mr. MCHALE, and Mr. SANDERS.

H.R. 816: Mr. KINGSTON and Mr. GRAHAM.

H.R. 878: Mr. EVANS, Mr. NADLER, and Ms. CHRISTIAN-GREEN.

H.R. 900: Mr. MCGOVERN, Mr. MCNULTY, Mr. FRANKS of New Jersey, Mr. COYNE, Mr. LAMPSON, Mr. PALLONE, Mr. SPRATT, Mr. HASTINGS of Florida, Ms. ESHOO, Mr. SHERMAN, Ms. HOOLEY of Oregon, Mr. LUTHER, Mr. PRICE of North Carolina, Mr. KIND of Wisconsin, Mr. CAMPBELL, Mr. ROEMER, Mr. KLECZKA, Ms. NORTON, Mr. DIXON, Mr. ALLEN, Mr. ACKERMAN, and Mr. BARRETT of Wisconsin.

H.R. 925: Mr. KUCINICH, Mr. OWENS, Mr. KIND of Wisconsin, Mr. DAVIS of Illinois, Mr. BARRETT of Wisconsin, and Ms. SLAUGHTER.

H.R. 947: Mr. BROWN of California.

H.R. 950: Mr. GUTIERREZ, Mr. OBERSTAR, Ms. WOOLSEY, Mr. BORSKI, Mr. KUCINICH, Mr. LEWIS of Georgia, Ms. LOFGREN, and Mr. JACKSON.

H.R. 956: Mr. DREIER and Mr. PICKERING.

H.R. 965: Mr. GALLEGLY and Mrs. CUBIN.

H.R. 981: Mr. SCHUMER and Ms. HOOLEY of Oregon.

H.R. 982: Mr. SCHUMER.

H.R. 1010: Mr. BERRY, Mr. TURNER, and Mr. NETHERCUTT.

H.R. 1033: Mr. CALVERT and Mr. RADANOVICH.

H.R. 1039: Ms. LOFGREN and Mr. MEEHAN.

H.R. 1053: Mr. FRANK of Massachusetts, Mr. STARK, and Mr. HOBSON.

H.R. 1071: Mr. ACKERMAN and Mr. MCINTYRE.

H.R. 1079: Mr. TRAFICANT, Mr. SABO, Mr. LIPINSKI, Mr. DELLUMS, Mr. BECERRA, Mr. OLVER, Mr. EVANS, Mr. DEFAZIO, Mr. DAVIS of Illinois, Mr. STARK, Mrs. CARSON, Mr. VENTO, Mr. LEWIS of Georgia, Ms. CHRISTIAN-GREEN, Mrs. MEEK of Florida, Mr. RAHALL, Mr. STUPAK, Mr. PASCRELL, Mr. KUCINICH, Mrs. MINK of Hawaii, Mr. CONYERS, Ms. MCKINNEY, Mr. NADLER, Mr. YATES, Ms. KAPTUR, Mr. OWENS, Mr. HINCHEY, Mr. GONZALEZ, Mr. HOLDEN, Mr. BOYD, Mr. MCGOVERN, Mr. TIERNEY, Ms. SLAUGHTER, Mr. CLYBURN, Mr. BROWN of Ohio, Mr. MASCARA, Mr. RUSH, Mr. PALLONE, Ms. NORTON, and Mr. TORRES.

H.R. 1126: Mr. LAZIO of New York.

H.R. 1132: Mr. OLVER, Mr. MEEHAN, Mrs. KELLY, Mr. LEWIS of Georgia, Mr. DELLUMS, Mr. YATES, Ms. SLAUGHTER, Mr. ROTHMAN, Mr. ABERCROMBIE, Ms. MCKINNEY, and Mr. GUTIERREZ.

H.R. 1134: Mr. BLILEY.

H.R. 1138: Mr. CHABOT, Mr. DEFAZIO, Mr. COX of California, Mrs. CHENOWETH, Mr. CAMP, and Mr. POMBO.

H.R. 1161: Ms. LOFGREN.

H.R. 1166: Mr. BERMAN, Mr. EVANS, Mr. MCNULTY, Mr. DICKS, Mr. CARDIN, Mr. FROST, Mr. MCDERMOTT, Mr. DELAHUNT, Mr. LEWIS of Georgia, Mr. KILDEE, Mr. KENNEDY of Rhode Island, Mrs. MINK of Hawaii, Ms. CHRISTIAN-GREEN, Mr. GREEN, and Mr. PASCRELL.

H.R. 1169: Mr. WELDON of Florida.

H.R. 1227: Mr. CALVERT and Mr. RADANOVICH.

H.R. 1232: Mr. FOLEY, Mr. CUNNINGHAM, Mr. DEAL of Georgia, and Mr. MCHUGH.

H.R. 1247: Mr. YOUNG of Alaska and Mr. PAPPAS.

H.R. 1263: Mr. DELAHUNT, Mr. LIPINSKI, Mr. MEEHAN, Mr. BALDACCI, Mr. FRANK of Massachusetts, and Mr. DELLUMS.

H.R. 1288: Mr. FILNER, Mr. TOWNS, Ms. LOFGREN, Ms. CHRISTIAN-GREEN, Ms. DELAURO, Mr. FROST, and Mr. DEFAZIO.

H.J. Res. 54: Mr. SMITH of Michigan.

H. Con. Res. 6: Mr. DINGELL.

H. Con. Res. 8: Mr. UNDERWOOD.

H. Con. Res. 55: Mrs. MORELLA, Mr. DOYLE, Mr. MCHUGH, Mr. TORRES, Mr. WALSH, Mr. KNOLLENBERG, Mr. FARR of California, and Mr. NORWOOD.

H. Res. 98: Mr. ABERCROMBIE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 400

OFFERED BY: MR. CAMPBELL

AMENDMENT NO. 1: amend section 302(C)(2), p. 68 of March 20 text: Strike lines 4–6.

Insert: ''under this chapter, and such use shall not be greater in quantity, volume, or scope than had been the actual quantity, volume, or scope of the prior use, however, the defense shall also extend to improvements in ''

Amend section 302(C)(6), p. 69 of March 20 text:

At line 23, strike ''.'' add: ''; in which case the use of the defense shall not be greater in quantity, volume, or scope than had been the actual quantity, volume, or scope of the prior use.''

H.R. 400

OFFERED BY: MR. CAMPBELL

AMENDMENT NO. 2: page 48 of March 20 text, strike line 3, insert:

''111(b) of this title, as to which there have been two substantive Patent Office actions since the filing, shall be published, in accordance''

Line 17, insert:

''(D) 'Substantive Patent Office action' means an action by the patent office relating to the patentability of the material of the application (not including an action to separate a parent application into parts), unless the patent applicant demonstrates under procedures to be established by the patent office that the office action in question was sought in greater part for a purpose other than to achieve a delay in the date of publication of the application. Such Patent Office decision shall not be appealable, or subject to the Administrative Procedures Act.''

H.R. 400

OFFERED BY: MR. COBLE

AMENDMENT NO. 3: Page 3, insert in the table of contents after the item relating to section 149 the following:

Subtitle D—Under Secretary of Commerce for Intellectual Property Policy

Sec. 151. Under Secretary of Commerce for Intellectual Property Policy.

Sec. 152. Relationship with existing authorities.

Page 3, in the item relating to section 402, strike ''development'' and insert ''promotion''.

Page 5, line 12, insert ''(1)'' before ''For purposes''.

Page 5, insert after line 15 the following:

''(2) As used in this title, the term 'Under Secretary' means the Under Secretary of Commerce for Intellectual Property Policy.

Page 5, line 21, strike ''under'' and insert ''subject to''.

Page 6, line 1, strike ''conduct'' and insert '', in support of the Under Secretary, assist with''.

Page 6, line 4, strike '', the administration'' and all that follows through line 8 and insert a semicolon.

Page 6, line 9, strike ''authorize or conduct studies and programs cooperatively'' and insert '', in support of the Under Secretary, assist with studies and programs conducted cooperatively''.

Page 7, strike line 23 and all that follows through page 8, line 3, and insert the following:

''(5) may establish regulations, not inconsistent with law, which—

''(A) shall govern the conduct of proceedings in the Office;

Page 9, line 1, insert ''shall'' after ''(E)''.

Page 9, after line 6, insert the following:

''(F) provide for the development of a performance-based process that includes quantitative and qualitative measures and standards for evaluating cost-effectiveness and is consistent with the principles of impartiality and competitiveness;

Page 11, strike lines 15 through 17 and redesignate the succeeding paragraphs accordingly.

Page 11, add the following after line 25:

''In exercising the Director's powers under paragraphs (6) and (7)(A), the Director shall consult with the Administrator of General Services when the Director determines that it is practicable, efficient, and cost-effective to do so.''.

Page 13, strike lines 4 through 18 and redesignate the succeeding subparagraphs accordingly.

Page 14, strike line 18 and all that follows through page 15, line 7, and insert the following:

''(5) COMPENSATION.—The Director shall be paid an annual rate of basic pay not to exceed the maximum rate of basic pay of the Senior Executive Service established under section 5382 of title 5, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of title 5. In addition, the Director may receive a bonus in an amount up to, but not in excess of, 50 percent of such annual rate of basic pay, based upon an evaluation by the Secretary of Commerce of the Director's performance as defined in an annual performance agreement between the Director and the Secretary. The annual performance agreement shall incorporate measurable organization and individual goals in key operational areas as delineated in an annual performance plan agreed to by the Director and the Secretary. Payment of a bonus under this paragraph may be made to the Director only to the extent that such payment does not cause the Director's total aggregate compensation in a calendar year to equal or exceed the amount of the salary of the President under section 102 of title 3.

Page 16, line 2, strike ''policy and''.

Page 16, insert the following after line 20:

''(3) TRAINING OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent and trademark examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent and trademark examiners.''.

Page 21, line 13, insert ''including inventors,'' after ''Office,''.

Page 21, line 20, insert after ''call of the chair'' the following: '', not less than every 6 months,''.

Page 27, line 9, insert after the period close quotation marks and a second period.

Page 27, strike line 10 and all that follows through page 28, line 14.

Page 32, insert the following immediately before line 10 and redesignate the succeeding paragraphs accordingly:

(5) Section 41(h) of title 35, United States Code, is amended by striking ''Commissioner of Patents and Trademarks'' and inserting ''Director''.

Page 33, line 7, strike ''Title'' and insert ''(A) Except as provided in subparagraph (B), title''.

Page 33, insert the following after line 9:

(B) Chapter 17 of title 35, United States Code, is amended by striking ''Commissioner'' each place it appears and inserting ''Commissioner of Patents''.

Page 33, insert the following after line 12:

(12) Section 157(d) of title 35, United States Code, is amended by striking ''Secretary of Commerce'' and inserting ''Director''.

(13) Section 181 of title 35, United States Code, is amended in the third paragraph by striking ''Secretary of Commerce under rules prescribed by him'' and inserting ''Director under rules prescribed by the Patent and Trademark Office''.

(14) Section 188 of title 35, United States Code, is amended by striking ''Secretary of Commerce'' and inserting ''Patent and Trademark Office''.

(15) Section 202(a) of title 35, United States Code, is amended by striking ''iv)'' and inserting ''(iv)''.

Page 46, add the following after line 23:

Subtitle D—Under Secretary of Commerce for Intellectual Property Policy

SEC. 151. UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY POLICY.

(a) APPOINTMENT.—There shall be within the Department of Commerce an Under Secretary of Commerce for Intellectual Property Policy, who shall be appointed by the President, by and with the advice and consent of the Senate. On or after the effective date of this title, the President may appoint an individual to serve as the Under Secretary until the date on which an Under Secretary qualifies under this subsection. The President shall not make more than 1 appointment under the preceding sentence.

(b) DUTIES.—The Under Secretary of Commerce for Intellectual Property Policy, under the direction of the Secretary of Commerce, shall perform the following functions with respect to intellectual property policy:

(1) In coordination with the Under Secretary of Commerce for International Trade, promote exports of goods and services of the United States industries that rely on intellectual property.

(2) Advise the President, through the Secretary of Commerce, on national and international intellectual property policy issues.

(3) Advise Federal departments and agencies on matters of intellectual property protection in other countries.

(4) Provide guidance, as appropriate, with respect to proposals by agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection.

(5) Conduct programs and studies related to the effectiveness of intellectual property protection throughout the world.

(6) Advise the Secretary of Commerce on programs and studies relating to intellectual property policy that are conducted, or authorized to be conducted, cooperatively with foreign patent and trademark offices and international intergovernmental organizations.

(7) In coordination with the Department of State, conduct programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations.

(c) DEPUTY UNDER SECRETARIES.—To assist the Under Secretary of Commerce for Intellectual Property Policy, the Secretary of Commerce shall appoint a Deputy Under Secretary for Patent Policy and a Deputy Under Secretary for Trademark Policy as members of the Senior Executive Service in accordance with the provisions of title 5, United States Code. The Deputy Under Secretaries shall perform such duties and functions as the Under Secretary for Intellectual Property Policy shall prescribe.

(d) COMPENSATION.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

''Under Secretary of Commerce for Intellectual Property Policy.''.

(e) FUNDING.—Funds available to the United States Patent and Trademark Office shall be made available for all expenses of the office of the Under Secretary for Intellectual Property Policy, subject to prior approval in appropriations Acts. Amounts made available under this subsection shall not exceed 2 percent of the projected annual revenues of the Patent and Trademark Office from fees for services and goods of that Office. The Secretary of Commerce shall determine the budget requirements of the office of the Under Secretary for Intellectual Property Policy.

SEC. 152. RELATIONSHIP WITH EXISTING AUTHORITIES.

Nothing in section 151 shall derogate from the duties of the United States Trade Representative as set forth in section 141 of the Trade Act of 1974 (19 U.S.C. 2171).

Page 48, insert the following after line 18:

''(B) An application that is in the process of being reviewed by the Atomic Energy Commission, the Department of Defense, or a defense agency pursuant to section 181 of this title shall not be published until the Director has been notified by the Atomic Energy Commission, the Secretary of Defense, or the chief officer of the defense agency, as the case may be, that in the opinion of the Atomic Energy Commission, the Secretary of Defense, or such chief officer, as the case may be, publication or disclosure of the invention by the granting of a patent would not be detrimental to the national security of the United States.''.

Page 48, line 19, strike ''(B)'' and insert ''(C)''.

Page 48, strike line 22 and all that follows through page 49, line 2, and insert the following:

''(D)(i) Upon the request at the time of filing by an applicant that is a small business concern or an independent inventor entitled to reduced fees under section 41(h)(1) of this title, the application shall not be published in accordance with paragraph (1) until 3 months after the Director makes a second notification to such applicant on the merits of the application under section 132 of this title. The Director may require applicants that no longer have the status of a small business concern or an independent inventor to so notify the Director not later than 15 months after the earliest filing date for which a benefit is sought under this title.

Page 49, line 7, strike '', 121,''.

Page 49, insert after line 8 the following:

''(iii) Applications asserting the benefit of an earlier application under section 121 shall not be eligible for a request pursuant to this subparagraph unless filed within 2 months after the date on which the Director required the earlier application to be restricted to 1 of 2 or more inventions in the earlier application.

Page 49, line 9, strike ''(iii)'' and insert ''(iv)''.

Page 49, line 13, strike ''(iv)'' and insert ''(v)''.

Page 49, line 14, insert ''nominal'' before ''fees''.

Page 49, line 16, strike ''(D)'' and insert ''(E)''.

Page 49, line 17, strike ''(C)'' and insert ''(D)''.

Page 50, line 2, strike ''(C)'' and insert ''(D)''.

Page 50, after line 2, insert the following:

''(F) No fee established under this section shall be collected nor shall be available for spending without prior authorization in appropriations Acts.''.

Page 58, strike lines 1 through 17 and insert the following:

(11) Section 135(b) of title 35, United States Code, is amended to read as follows:

''(b)(1) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may only be made in an application if—

''(A) such a claim is made prior to 1 year after the date on which the patent was granted; and

''(B) the applicant files evidence which demonstrates that the applicant is prima facie entitled to a judgment relative to the patent.

''(2)(A) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of a published application may only be made in an application filed after the date of publication of the published application if, except in a case to which subparagraph (B) applies—

''(i) such a claim is made prior to 1 year after the date of publication of the published application; and

''(ii) the applicant of the application filed after the date of publication of the published application files evidence that demonstrates that the applicant is prima facie entitled to a judgment relative to the published application.

''(B) If the applicant of the application filed after the date of publication of the published application alleges that the invention claimed in the published application was derived from that applicant, such a claim may only be made if that applicant files evidence which demonstrates that the applicant is prima facie entitled to a judgment relative to the published application.''.

Page 59, line 7, strike ''appellate''.

Page 61, strike lines 5 through 9 and redesignate subclauses (III) through (V) as subclauses (II) through (IV), respectively.

Page 62, insert the following after line 6:

''(B) The period of extension of the term of a patent under clause (iv) of paragraph (1)(A), which is based on the failure of the Patent and Trademark Office to meet the criteria set forth in clause (v) of paragraph (1)(B), shall be reduced by the cumulative total of any periods of time that an applicant takes to respond in excess of 3 months after the date on which the Patent and Trademark Office makes any rejection, objection, argument, or other request.

Page 62, line 7, strike ''(B)'' and insert ''(C)''.

Page 62, line 19, strike ''(C)'' and insert ''(D)''.

Page 63, insert the following after line 4:

Section 132 of title 35, United States Code, is amended—

(1) in the first sentence by striking ''Whenever'' and inserting ''(a) Whenever''; and

(2) by adding at the end the following:

Page 63, strike lines 5 through 7 and insert the following:

''(b) The Director shall prescribe regulations to provide for the further limited examination of applications for patent at the request of the applicant.

Page 63, line 9, strike ''reexamination'' and insert ''examination''.

Page 63, strike lines 11 and 12 and insert the following:

qualify for reduced fees under section 41(h)(1) of this title.''

Page 63, line 21, insert ''secular or'' after ''succeeding''.

Page 64, lines 2 and 3, strike ''an applicant who has been accorded the status of independent inventor under section 41(h)'' and insert ''applicants who are independent inventors entitled to reduced fees under section 41(h)(1)''.

Page 71, line 8, strike ''**DEVELOPMENT**'' and insert ''promotion''.

Page 71, line 11, strike ''**DEVELOPMENT**'' and insert ''**PROMOTION**''.

Page 71, in the item relating to section 58 in the matter after line 12, strike ''developer'' and insert ''promoter''.

Page 71, line 15, strike ''development'' and insert ''promotion''.

Page 71, lines 16 and 17, strike ''developer'' and insert ''promoter''.

Page 71, line 17, strike ''development'' and inserting ''promotion''.

Page 71, strike line 20 and all that follows through page 72, line 1, and insert the following: ''partnership, corporation, or other entity who enters into a financial relationship or a contract''.

Page 72, line 22, strike ''development'' and insert ''promotion''.

Pages 73 through 84, strike ''invention developer'' and ''INVENTION DEVELOPER'' each place it appears and insert ''invention promoter'' and ''INVENTION PROMOTER'', respectively.

Pages 73 through 84, strike ''invention development'' and ''INVENTION DEVELOPMENT'' each place it appears and insert ''invention promotion'' and ''INVENTION PROMOTION'', respectively.

Page 74, line 1, strike ''DEVELOPER'' and insert ''PROMOTER''.

Page 74, line 22, strike ''developer'' and insert ''invention promoter''.

Page 77, line 1, strike ''DEVELOPER'S'' and insert ''PROMOTER'S''.

Page 81, line 7, strike ''DEVELOPER'' and insert ''PROMOTER''.

Page 81, line 16, strike ''developer's'' and insert ''promoter's.

Page 83, lines 19 and 21, and page 84, line 2, strike ''developers'' and insert ''promoters''.

Page 84, lines 3 and 4, strike ''**developer**'' and insert ''**promoter**''.

Page 84, in the matter after line 19, strike ''**Development**'' and insert ''**Promotion**''.

Page 85, line 16, strike ''Any'' and insert ''(a) REQUEST FOR REEXAMINATION.—''.

Page 85, line 19, strike ''or on the basis of'' and all that follows through ''invention'' on line 21.

Page 86, line 2, strike ''or the'' and all that follows through line 4 and insert a period.

Page 86, line 7, strike the quotation marks and second period and insert the following: ''If multiple requests for reexamination of a patent are filed, they shall be consolidated by the Office into a single reexamination, if a reexamination is ordered.

''(b) COLLECTION AND AVAILABILITY OF FEES.—No fee for reexamination shall be collected nor shall be available for spending without prior authorization in appropriations Acts.''.

Page 86, line 21, strike ''or by the failure'' and all that follows through line 24 and insert a period.

Page 89, line 8, insert before the quotation marks the following: ''Special dispatch shall not be construed to limit the patent owner's ability to extend the time for taking action by payment of the fees set forth in section 41(a)(8) of this title.''.

Page 95, line 13, strike ''6 months'' and insert ''1 year''.

Page 95, line 15, insert ''effective'' after ''such''.

Page 95, line 25, strike ''If'' and insert ''Subject to section 119(e)(3) of this title, if''.

Page 98, line 2, strike ''Section'' and insert ''(a) IN GENERAL.—Section''.

Page 99, add the following after line 8:

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is 2 years after the date of the enactment of this Act and shall apply to applications for patent filed on or after such effective date.

SEC. 606. PUBLICATIONS.

Section 11 of title 35, United States Code, is amended by adding at the end the following:

''(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services, and all contracts entered into by the Office for goods or services.''.

Amend the table of contents accordingly.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 4. Page 20, line 3, insert the following after the period: ''Of the members appointed by each appointing authority—

''(A) 1 shall be selected from among small business concerns entitled to reduced fees under section 141(h)(1) of title and individuals who are independent inventors entitled to reduced fees under such section;

''(B) 1 shall be selected from among patent attorneys; and

''(C) 1 shall be selected from among patent examiners.

Page 21, strike lines 10 through 15 and insert the following:

''(b) BASIS FOR APPOINTMENTS.—Members of the Advisory Board shall be citizens of the United States, and those appointed under subparagraphs (A) and (B) of subsection (a)(1) shall be chosen so as to represent the interests of diverse users of the United States Patent and Trademark Office.

Page 22, strike line 8 and insert the following:

''(f) COMPENSATION.—

''(1) IN GENERAL.—Subject to paragraph (2), members of the Advisory Board''.

Page 22, insert the following after line 18:

''(2) FEDERAL EMPLOYEES.—Members of the Advisory Board who are appointed under subparagraph (C) of subsection (a)(1) shall receive no additional compensation by reason of their service on the Advisory Board.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 5. Page 48, insert the following after line 21:

''(C) An application filed by a small business concern entitled to reduced fees under section 41(h)(1) of this title, or by an individual who is an independent inventor entitled to reduced fees under such section shall not be published until a patent is issued thereon, except upon the request of the applicant.

Page 48, line 22, strike ''(C)'' and insert ''(D)''.

Page 49, line 16, strike ''(D)'' and insert ''(E)''.

Page 49, line 17, strike ''(C)'' and insert ''(D)''.

Page 50, line 2, strike ''(C)'' and insert ''(D)''.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 6: Page 85, line 16, strike ''at any time'' and insert '', not later than 9 months after a patent is issued,''.

Page 85, line 17, strike ''a'' and insert ''the''.

Page 86, line 7, insert the following after the first period: ''No person may file more than 1 request for reexamination with respect to the same patent.''.

Page 90, line 20, insert '', subject to the limitations on filing requests for reexamination set forth in section 302,'' after ''not''.

Page 92, line 10, strike the quotation marks and second period.

Page 92, insert the following after line 10:

''(c) LIMITATION ON FILING REQUESTS FOR REEXAMINATION.—Nothing in subsection (a) or (b) shall be construed to permit any person to file a request for reexamination of a patent more than 9 months after the patent is issued, or to file more than 1 request for reexamination of a patent as provided in section 302.''.

H.R. 400

OFFERED BY: MR. FORBES

AMENDMENT NO. 7: Page 99, add the following after line 8:

TITLE VII—PATENT TERM.

SEC. 701. PATENT TERMS.

(a) AMENDMENT TO TITLE 35, UNITED STATES CODE.—Effective on the date of the enactment of this Act, section 154 of title 35, United States Code, is amended—

(1) in paragraph (2) of subsection (a), by striking ''and ending'' and all that follows in that paragraph and inserting ''and ending—

''(A) 17 years from the date of the grant of the patent, or

''(B) 20 years from the date on which the application for the patent was filed in the United States, except that if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, 20 years from the date on which the earliest such patent application was filed,

whichever is later.''; and

(2) in subsection (c)(1), by striking ''shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant'' and inserting ''shall be the term provided in subsection (a)''.

(b) TECHNICAL AMENDMENT.—Section 534(b) of the Uruguay Round Agreements Act is amended by striking paragraph (3).

H.R. 400

OFFERED BY: MR. HUNTER

AMENDMENT NO. 8: Page 99, insert the following after line 8 and redesignate the succeeding sections accordingly:

''SEC. 606. CRIMINAL INFRINGEMENT OF A PATENT.

''(a) ESTABLISHMENT OF OFFENSE.—

''(1) IN GENERAL.—Chapter 113 of title 18, United States Code, is amended by adding at the end of Section 2319 the following:

''Sec. 2319A. Criminal Infringement of a Patent

''(a) PROHIBITION.—Whoever,

''(1) willingly and intentionally uses, offers to sell, or sells any infringed patented invention, within the United States or imports into the United States any infringed patented invention during the term of the patent;

''(2) attempts to commit an offense under paragraph (1); or

''(3) is a party to a conspiracy of two or more persons to commit an offense under paragraph (1),

''(4) offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in violation of paragraph(1)

shall be punished as provided in subsection (b).

''(b) PUNISHMENT.—

''(1) IN GENERAL.—Whoever violates subsection (a) shall be punished as follows:

''(a) If the victim has five or more patents, the infringer shall be sentenced to one year imprisonment and fined one million dollars;

''(b) If the victim has four or fewer patents, the infringer shall be sentenced to three years imprisonment and fined three million dollars;

''(c) If the victim has one patent or has a patent pending that has been published, the infringer shall be sentenced to five years imprisonment and fined five million dollars and shall be assessed a 5% royalty which shall be payable to the victim of the infringement.

''(2) RESTITUTION.—In sentencing a defendant convicted of an offense under this section, the court may order the defendant to make restitution in accordance with section 3663.

''(C) DEFINITION.—In this section—

''(1) the term ''patent'' has the same meaning as in chapter 10 of title 35, United States Code; and

''(2) the term ''victim'' shall mean anyone who owns a patent or has a published pending patent application that has not been granted that is infringed in accordance with the above.

''(3) the term ''infringement'' has the same meaning as in chapter 28 of title 35 United States Code.

''(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

''2319. Criminal Infringement of a Patent.

''(b) RESTITUTION.—Section 3663 of title 18, United States Code, is amended by adding at the end the following:

''Criminal Infringement of a Patent.—

''(1) IN GENERAL.—In sentencing a defendant convicted of an offense under section 2319A, the court may order, in addition to any other penalty authorized that the defendant make restitution to any victim of the offense.

''(2) COST INCLUDED.—Making restitution to a victim under this subsection may include payment for any costs, including attorneys fees, incurred by the victim in connection with any civil or administrative proceeding arising as a result of the actions of the defendant.''.

H.R. 400,

OFFERED BY: MR. HUNTER

AMENDMENT NO. 9: Strike title V and insert the following:

''TITLE V—REEXAMINATION PROCEDURE

''SEC. 501. CONDUCT OF REEXAMINATION.

''Section 305 of title 35, United States Code, is amended in the first sentence by inserting before the period at the end the following: ', except that the primary examiner who issued the patent may not conduct the reexamination'.

''SEC. 502. EFFECTIVE DATE.

''The amendment made by this title shall take effect on the date that is 6 months after the date of the enactment of this Act and shall apply to all reexamination requests filed on or after such date.''

Amend the table of contents accordingly.

H.R. 400,

OFFERED BY: MR. HUNTER

AMENDMENT NO. 10: Strike title I of the bill and insert the following:

''TITLE I—PATENT SOVEREIGNTY ACT

''SEC. 101. SHORT TITLE.

''This title may be cited as the 'Patent Sovereignty Act of 1997'.

''SEC. 102. FINDINGS.

''The Congress finds that—

''(1) the quality of United States letters patent is essential for preserving the technological lead and economic well-being of the United States in the next century;

''(2) the quality of United States letters patent is highly dependent upon the maintenance and the comprehensiveness of patent examiners' search files; and

''(3) the quality of United States letters patent is inextricably linked to the professionalism of patent examiners and the quality of the training of patent examiners.''.

SEC. 103. SECURE PATENT EXAMINATION.

Section 3 of title 35, United States Code, is amended by adding at the end the following:

''(f) All examination and search duties for the grant of United States letters patent are sovereign functions which shall be performed within the United States by United States citizens who are employees of the United States Government.''.

SEC. 104. MAINTENANCE OF EXAMINERS' SEARCH FILES.

Section 9 of title 35, United States Code, is amended—

(1) by striking ''may revise and maintain'' and inserting ''shall maintain and revise''; and

(2) by adding at the end the following ''United States letters patent, and all such other patents and printed publications shall be maintained in the examiners' search files under the United States Patent Classification System.''.

SEC. 105. PATENT EXAMINER TRAINING.

(a) IN GENERAL.—Chapter 1 of title 35, United States Code, is amended by adding at the end the following new section:

''§ 15. Patent examiner training

''(a) IN GENERAL.—All patent examiners shall spend at least 5 percent of their duty time per annum in training to maintain and develop the legal and technological skills useful for patent examination.

''(b) TRAINERS OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent examiners of the primary examiner grade or higher who are eligible for retirement, for the sole purpose of training patent examiners who have not achieved the grade of primary examiner.''.

(b) CLERICAL AMENDMENT.—The table of contents for chapter 1 of title 35, United States Code, is amended by adding at the end the following:

''15. Patent examiner training.''.

SEC. 106. ADMINISTRATIVE MATTERS.

(a) LIMITATIONS ON PERSONNEL.—Section 3(a) of title 35, United States Code, is amended by adding at the end the following: ''The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation.''.

(b) RETENTION OF FEES.—(1) Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after the item relating to the National Credit Union Administration, credit union share insurance fund, the following new item:

''Patent and Trademark Office''.

(2) Section 10101(b)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking '', to the extent provided in appropriation Acts,'' and inserting ''without appropriation''.

(3) Section 42(c) of title 35, United States Code, is amended by amending by striking first sentence and inserting the following: ''Revenue from fees shall be available to the Commissioner to carry out the activities of the Patent and Trademark Office, in such allocations as are approved by Act of Congress. Such revenues shall not be made available for any purpose other than that authorized for the Patent and Trademark Office.''.

(c) USE OF FEES.—Section 42(c) of title 35, United States Code, is amended by adding at the end the following: ''All patent application fees collected under paragraphs (1), (3)(A), (3)(B), and (4) through (8) of section 41(a), and all other fees collected under section 41 for services or the extension of services to be provided by patent examiners shall be used only for the pay and training of patent examiners.''.

(d) PUBLICATIONS.—Section 11 of title 35, United States Code, is amended by adding at the end the following:

''(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services, and all contracts for goods or services entered into by the Office.

''(d) Notice of a proposal to change United States patent law that will be made on behalf of the United States to a foreign country or international body shall be published in the Federal Register before, or at the same time as, the proposal is transmitted.''.

SEC. 107. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect 30 days after the date of the enactment of this Act.

In the table of contents, strike all items relating to title I and insert the following:

TITLE I—PATENT SOVEREIGNTY ACT

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Secure patent examination.
Sec. 104. Maintenance of examiners' search files.
Sec. 105. Patent examiner training.
Sec. 106. Administrative matters.
Sec. 107. Effective date.

H.R. 400

OFFERED BY: MR. ROHRABACHER

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 11: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Patent Rights and Sovereignty Act of 1997''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) the right of an inventor to secure a patent is assured through the authorization powers of the Congress contained in Article I, section 8 of the Constitution, has been consistently upheld by the Congress, and has been the stimulus to the unique technological innovativeness of the United States;

(2) the right must be assured for a guaranteed length of time in the term of the issued patent and be further secured by maintaining absolute confidentiality of all patent application data until the patent is granted if the applicant is timely prosecuting the patent;

(3) the quality of United States patents is also an essential stimulus for preserving the technological lead and economic well-being of the United States in the next century;

(4) the process of examining and issuing patents is an inherently governmental function that must be performed by Federal employees acting in their quasi-judicial roles under regular executive and legislative oversight; and

(5) the quality of United States patents is inextricably linked to the professionalism of patent examiners and the quality of the training of patent examiners as well as to the resources supplied to the Patent and Trademark Office in the way of adequate manpower, appropriately maintained search files, and other needed professional tools.

SEC. 3. SECURE PATENT EXAMINATION.

Section 3 of title 35, United States Code, is amended by adding at the end thereof the following:

''(f) All examination and search duties for the grant of United States patents are sovereign functions which shall be performed within the United States by United States citizens who are employees of the United States Government.''.

SEC. 4. MAINTENANCE OF EXAMINERS' SEARCH FILES.

Section 9 of title 35, United States Code, is amended—

(1) by striking ''may revise and maintain'' and inserting ''shall maintain and revise''; and

(2) by adding at the end thereof the following: ''United States patents, and all such other patents and printed publications shall be maintained in the examiners' search files under the United States Patent Classification System.''.

SEC. 5. PATENT EXAMINER TRAINING.

(a) IN GENERAL.—Chapter 1 of title 35, United States Code, is amended by adding at the end the following new section:

''§ 15. Patent examiner training

''(a) IN GENERAL.—All patent examiners shall spend at least 5 percent of their duty time per annum in training to maintain and develop the legal and technological skills useful for patent examination.

''(b) TRAINERS OF EXAMINERS.—The Patent and Trademark Office shall develop an incentive program to retain as employees patent examiners of the primary examiner grade or

higher who are eligible for retirement, for the sole purpose of training patent examiners who have not achieved the grade of primary examiner.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 1 is amended by adding at the end the following:

''15. Patent examiner training.''

SEC. 6. ADMINISTRATIVE MATTERS.

(a) LIMITATIONS ON PERSONNEL.—Section 3(a) of title 35, United States Code, is amended by adding at the end thereof the following: ''The Office shall not be subject to any administratively or statutorily imposed limitation on positions or personnel, and no positions or personnel of the Office shall be taken into account for purposes of applying any such limitation.''.

(b) RETENTION OF FEES.—(1) Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after the item relating to the National Credit Union Administration, credit union share insurance fund, the following new item:

''Patent and Trademark Office''.

(2) Section 10101(b)(2)(B) of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended by striking '', to the extent provided in appropriation Acts,'' and inserting ''without appropriation''.

(3) Section 42(c) of title 35, United States Code, is amended by striking the first sentence and inserting the following: ''Revenues from fees shall be available to the Commissioner to carry out the activities of the Patent and Trademark Office, in such allocations as are approved by Act of Congress. Such revenues shall not be made available for any purpose other than that authorized for the Patent and Trademark Office.''.

(c) USE OF FEES.—Section 42(c) of title 35, United States Code, is amended by adding at the end thereof the following: ''All patent application fees collected under paragraphs (1), (3)(A), (3)(B), and (4) through (8) of section 41(a), and all other fees collected under section 41 for services or the extension of services to be provided by patent examiners shall be used only for the pay and training of patent examiners.''.

(d) PUBLICATIONS.—Section 11 of title 35, United States Code, is amended by adding at the end thereof the following:

''(c) The Patent and Trademark Office shall make available for public inspection during regular business hours all solicitations issued by the Office for contracts for goods or services and all contracts for goods or services entered into by the Office.

''(d) Notice of a proposal to change United States patent law that will be made on behalf of the United States to a foreign country or international body shall be published in the Federal Register before, or at the same time as, the proposal is transmitted.''.

SEC. 7. GAO STUDY AND REPORT.

(a) IN GENERAL.—The Comptroller General shall conduct a study of—

(1) the total number of patents applied for, issued, abandoned, and pending in the period of the study;

(2) the classification of the applicants for patents in terms of the country they are a citizen of and whether they are an individual inventor, small entity, or other:

(3) the pendency time for applications for patents and such other time and tracking data as may indicate the effectiveness of the amendments made by this Act;

(4) the number of applicants for patents who also file for a patent in a foreign country, the number of foreign countries in which such filings occur and which publish data from patent applications in English and make it available to citizens of the United States through governmental or commercial sources;

(5) a summary of the fees collected by the Patent and Trademark Office for services related to patents and a comparison of such fees with the fully allocated costs of providing such services; and

(6) recommendations regarding—

(A) a revision of the organization of the Patent and Trademark Office with respect to its patent functions, and

(B) improved operating procedures in carrying out such functions,

and a cost analysis of the fees for such procedures and the impact of the fees.

(b) ADDITIONAL STUDY MATTER.—The Committees on Appropriations, Judiciary, and Small Business of the House of Representatives and the Senate may, no later than 12 months after the beginning of the study under subsection (a), direct the Comptroller General to include other matters relating to patents and the Patent and Trademark Office in the study conducted under subsection (a).

(c) REPORT.—Upon the expiration of 36 months after the beginning of the study under subsection (a), the Comptroller General shall report the results of the study to the Congress.

SEC. 8. PATENT TERMS.

(a) AMENDMENT OF TITLE .—Effective on the date of the enactment of this Act, section 154 of title 35, United States Code, as amended by the Uruguay Round Agreements Act, is amended—

(1) in paragraph (2) of subsection (a), by striking ''and ending'' and all that follows in that paragraph and inserting ''and ending—

''(A) 17 years from the date of the grant of the patent, or

''(B) 20 years from the date on which the application for the patent was filed in the United States, except that if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, 20 years from the date on which the earliest such patent application was filed,

whichever is later.''.

(2) in subsection (c)(1), by striking ''shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant'' and inserting ''shall be the term provided in subsection (a)''.

(b) TECHNICAL AMENDMENT.—Section 534(b) of the Uruguay Round Agreements Act is amended by striking paragraph (3).

SEC. 9. DEFINITION OF SPECIAL CIRCUMSTANCES TO PROTECT THE CONFIDENTIALITY STATUS OF APPLICATIONS.

Section 122 of title 35, United States Code, is amended by striking ''as may be determined by the Commissioner'' and inserting ''as in any of the following:

''(1) In the case of an application under section 111(a) for a patent for an invention for which the applicant intends to file or has filed an application for a patent in a foreign country, the Commissioner may publish, at the discretion of the Commissioner and by means determined suitable for the purpose, no more than that data from such application under section 111(a) which will be made or has been made public in such foreign country. Such a publication shall be made only after the date of the publication in such foreign country and shall be made only if the data is not available, or cannot be made readily available, in the English language through commercial services.

''(2)(A) If the Commissioner determines that a patent application which is filed after the date of the enactment of this paragraph—

''(i) has been pending more than 5 years from the effective filing date of the application,

''(ii) has not been previously published by the Patent and Trademark Office,

''(iii) is not under any appellate review by the Board of Patent Appeals and Interferences,

''(iv) is not under interference proceedings in accordance with section 135(a),

''(v) is not under any secrecy order pursuant to section 181,

''(vi) is not being diligently pursued by the applicant in accordance with this title, and

''(vii) is not in abandonment,

the Commissioner shall notify the applicant of such determination.

''(B) An applicant which received notice of a determination described in subparagraph (A) may, within 30 days of receiving such notice, petition the Commissioner to review the determination to verify that subclauses (i) through (vii) are all applicable to the applicant's application. If the applicant makes such a petition, the Commissioner shall not publish the applicant's application before the Commissioner's review of the petition is completed. If the applicant does not submit a petition, the Commissioner may publish the applicant's application no earlier than 90 days after giving such a notice.

''(3) If after the date of the enactment of this paragraph a continuing application has been filed more than 6 months after the date of the initial filing of an application, the Commissioner shall notify the applicant under such application. The Commissioner shall establish a procedure for an applicant which receives such a notice to demonstrate that the purpose of the continuing application was for reasons other than to achieve a delay in the time of publication of the application. If the Commissioner agrees with such a demonstration by the applicant, the Commissioner shall not publish the applicant's application. If the Commissioner does not agree with such a demonstration by the applicant or if the applicant does not make an attempt at such a demonstration within a reasonable period of time as determined by the Commissioner, the Commissioner shall publish the applicant's application.

The Commissioner shall ensure that publications under paragraph (1), (2), or (3) will not result in third-party pre-issuance oppositions which will delay or interfere with the issuance of the patents whose applications' data will be published.''.

SEC. 10. INVENTION DEVELOPMENT SERVICES.

(a) INVENTION DEVELOPMENT SERVICES.—Part I of title 35, United States Code, is amended by adding after chapter 4 the following new chapter:

''CHAPTER 5—INVENTION DEVELOPMENT SERVICES

''Sec.
''51. Definitions.
''52. Contracting requirements.
''53. Standard provisions for cover notice.
''54. Reports to customer required.
''55. Mandatory contract terms.
''56. Remedies.
''57. Records of complaints.
''58. Fraudulent representation by an invention developer.
''59. Rule of construction.

''§ 51. Definitions

''For purposes of this chapter—

''(1) the term 'contract for invention development services' means a contract by which an invention developer undertakes invention development services for a customer;

''(2) the term 'customer' means any person, firm, partnership, corporation, or other entity who is solicited by, seeks the services of, or enters into a contract with an invention promoter for invention promotion services;

''(3) the term 'invention promoter' means any person, firm, partnership, corporation,

or other entity who offers to perform or performs for, or on behalf of, a customer any act described under paragraph (4), but does not include—

''(A) any department or agency of the Federal Government or of a State or local government;

''(B) any nonprofit, charitable, scientific, or educational organization, qualified under applicable State law or described under section 170(b)(1)(A) of the Internal Revenue Code of 1986; or

''(C) any person duly registered with, and in good standing before, the United States Patent and Trademark Office acting within the scope of that person's registration to practice before the Patent and Trademark Office; and

''(4) the term 'invention development services' means, with respect to an invention by a customer, any act involved in—

''(A) evaluating the invention to determine its protectability as some form of intellectual property, other than evaluation by a person licensed by a State to practice law who is acting solely within the scope of that person's professional license;

''(B) evaluating the invention to determine its commercial potential by any person for purposes other than providing venture capital; or

''(C) marketing, brokering, licensing, selling, or promoting the invention or a product or service in which the invention is incorporated or used, except that the display only of an invention at a trade show or exhibit shall not be considered to be invention development services.

''§ 52. Contracting requirements

''(a) IN GENERAL.—(1) Every contract for invention development services shall be in writing and shall be subject to the provisions of this chapter. A copy of the signed written contract shall be given to the customer at the time the customer enters into the contract.

''(2) If a contract is entered into for the benefit of a third party, such party shall be considered a customer for purposes of this chapter.

''(b) REQUIREMENTS OF INVENTION DEVELOPER.—The invention developer shall—

''(1) state in a written document, at the time a customer enters into a contract for invention development services, whether the usual business practice of the invention developer is to—

''(A) seek more than 1 contract in connection with an invention; or

''(B) seek to perform services in connection with an invention in 1 or more phases, with the performance of each phase covered in 1 or more subsequent contracts; and

''(2) supply to the customer a copy of the written document together with a written summary of the usual business practices of the invention developer, including—

''(A) the usual business terms of contracts; and

''(B) the approximate amount of the usual fees or other consideration that may be required from the customer for each of the services provided by the developer.

''(c) RIGHT OF CUSTOMER TO CANCEL CONTRACT.—(1) Notwithstanding any contractual provision to the contrary, a customer shall have the right to terminate a contract for invention development services by sending a written letter to the invention developer stating the customer's intent to cancel the contract. The letter of termination must be deposited with the United States Postal Service on or before 5 business days after the date upon which the customer or the invention developer executes the contract, whichever is later.

''(2) Delivery of a promissory note, check, bill of exchange, or negotiable instrument of any kind to the invention developer or to a third party for the benefit of the invention developer, without regard to the date or dates appearing in such instrument, shall be deemed payment received by the invention developer on the date received for purposes of this section.

''§ 53. Standard provisions for cover notice

''(a) CONTENTS.—Every contract for invention development services shall have a conspicuous and legible cover sheet attached with the following notice imprinted in boldface type of not less than 12-point size:

'''YOU HAVE THE RIGHT TO TERMINATE THIS CONTRACT. TO TERMINATE THIS CONTRACT, YOU MUST SEND A WRITTEN LETTER TO THE COMPANY STATING YOUR INTENT TO CANCEL THIS CONTRACT. THE LETTER OF TERMINATION MUST BE DEPOSITED WITH THE UNITED STATES POSTAL SERVICE ON OR BEFORE FIVE (5) BUSINESS DAYS AFTER THE DATE ON WHICH YOU OR THE COMPANY EXECUTE THE CONTRACT, WHICHEVER IS LATER.

'''THE TOTAL NUMBER OF INVENTIONS EVALUATED BY THE INVENTION DEVELOPER FOR COMMERCIAL POTENTIAL IN THE PAST FIVE (5) YEARS IS _____. OF THAT NUMBER, _____ RECEIVED POSITIVE EVALUATIONS AND _____ RECEIVED NEGATIVE EVALUATIONS.

'''IF YOU ASSIGN EVEN A PARTIAL INTEREST IN THE INVENTION TO THE INVENTION DEVELOPER, THE INVENTION DEVELOPER MAY HAVE THE RIGHT TO SELL OR DISPOSE OF THE INVENTION WITHOUT YOUR CONSENT AND MAY NOT HAVE TO SHARE THE PROFITS WITH YOU.

'''THE TOTAL NUMBER OF CUSTOMERS WHO HAVE CONTRACTED WITH THE INVENTION DEVELOPER IN THE PAST FIVE (5) YEARS IS _____. THE TOTAL NUMBER OF CUSTOMERS KNOWN BY THIS INVENTION DEVELOPER TO HAVE RECEIVED, BY VIRTUE OF THIS INVENTION DEVELOPER'S PERFORMANCE, AN AMOUNT OF MONEY IN EXCESS OF THE AMOUNT PAID BY THE CUSTOMER TO THIS INVENTION DEVELOPER IS _____.

'''THE OFFICERS OF THIS INVENTION DEVELOPER HAVE COLLECTIVELY OR INDIVIDUALLY BEEN AFFILIATED IN THE LAST TEN (10) YEARS WITH THE FOLLOWING INVENTION DEVELOPMENT COMPANIES: (LIST THE NAMES AND ADDRESSES OF ALL PREVIOUS INVENTION DEVELOPMENT COMPANIES WITH WHICH THE PRINCIPAL OFFICERS HAVE BEEN AFFILIATED AS OWNERS, AGENTS, OR EMPLOYEES). YOU ARE ENCOURAGED TO CHECK WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THE FEDERAL TRADE COMMISSION, YOUR STATE ATTORNEY GENERAL'S OFFICE, AND THE BETTER BUSINESS BUREAU FOR ANY COMPLAINTS FILED AGAINST ANY OF THESE COMPANIES.

'''YOU ARE ENCOURAGED TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING BEFORE SIGNING THIS CONTRACT. BY PROCEEDING WITHOUT THE ADVICE OF AN ATTORNEY REGISTERED TO PRACTICE BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, YOU COULD LOSE ANY RIGHTS YOU MIGHT HAVE IN YOUR IDEA OR INVENTION.'.

''(b) OTHER REQUIREMENTS FOR COVER NOTICE.—The cover notice shall contain the items required under subsection (a) and the name, primary office address, and local office address of the invention developer, and may contain no other matter.

''(c) DISCLOSURE OF CERTAIN CUSTOMERS NOT REQUIRED.—The requirement in the notice set forth in subsection (a) to include the 'TOTAL NUMBER OF CUSTOMERS WHO HAVE CONTRACTED WITH THE INVENTION DEVELOPER IN THE PAST FIVE (5) YEARS' need not include information with respect to customers who have purchased trade show services, research, advertising, or other nonmarketing services from the invention developer, nor with respect to customers who have defaulted in their payments to the invention developer.

''§ 54. Reports to customer required

''With respect to every contract for invention development services, the invention developer shall deliver to the customer at the address specified in the contract, at least once every 3 months throughout the term of the contract, a written report that identifies the contract and includes—

''(1) a full, clear, and concise description of the services performed to the date of the report and of the services yet to be performed and names of all persons who it is known will perform the services; and

''(2) the name and address of each person, firm, corporation, or other entity to whom the subject matter of the contract has been disclosed, the reason for each such disclosure, the nature of the disclosure, and complete and accurate summaries of all responses received as a result of those disclosures.

''§ 55. Mandatory contract terms

''(a) MANDATORY TERMS.—Each contract for invention development services shall include in boldface type of not less than 12-point size—

''(1) the terms and conditions of payment and contract termination rights required under section 52;

''(2) a statement that the customer may avoid entering into the contract by not making a payment to the invention developer;

''(3) a full, clear, and concise description of the specific acts or services that the invention developer undertakes to perform for the customer;

''(4) a statement as to whether the invention developer undertakes to construct, sell, or distribute one or more prototypes, models, or devices embodying the invention of the customer;

''(5) the full name and principal place of business of the invention developer and the name and principal place of business of any parent, subsidiary, agent, independent contractor, and any affiliated company or person who it is known will perform any of the services or acts that the invention developer undertakes to perform for the customer;

''(6) if any oral or written representation of estimated or projected customer earnings is given by the invention developer (or any agent, employee, officer, director, partner, or independent contractor of such invention developer), a statement of that estimation or projection and a description of the data upon which such representation is based;

''(7) the name and address of the custodian of all records and correspondence relating to the contracted for invention development services, and a statement that the invention developer is required to maintain all records and correspondence relating to performance of the invention development services for such customer for a period of not less than 2 years after expiration of the term of such contract; and

''(8) a statement setting forth a time schedule for performance of the invention development services, including an estimated date in which such performance is expected to be completed.

''(b) INVENTION DEVELOPER AS FIDUCIARY.—To the extent that the description of the specific acts or services affords discretion to the invention developer with respect to what

specific acts or services shall be performed, the invention developer shall be deemed a fiduciary.

''(c) AVAILABILITY OF INFORMATION.—Records and correspondence described under subsection (a)(7) shall be made available after 7 days written notice to the customer or the representative of the customer to review and copy at a reasonable cost on the invention developer's premises during normal business hours.

''§ 56. Remedies

''(a) IN GENERAL.—

''(1) VOIDABLE CONTRACT.—Any contract for invention development services that does not comply with the applicable provisions of this chapter shall be voidable at the option of the customer.

''(2) RELIANCE ON FALSE, FRAUDULENT, OR MISLEADING INFORMATION.—Any contract for invention development services entered into in reliance upon any material false, fraudulent, or misleading information, representation, notice, or advertisement of the invention developer (or any agent, employee, officer, director, partner, or independent contractor of such invention developer) shall be voidable at the option of the customer.

''(3) WAIVER.—Any waiver by the customer of any provision of this chapter shall be deemed contrary to public policy and shall be void and unenforceable.

''(4) ACTION BY DEVELOPER.—Any contract for invention development services which provides for filing for and obtaining utility, design, or plant patent protection shall be voidable at the option of the customer unless the invention developer offers to perform or performs such act through a person duly registered to practice before, and in good standing with, the Patent and Trademark Office.

''(b) CIVIL ACTION.—

''(1) IN GENERAL.—Any customer who is injured by a violation of this chapter by an invention developer or by any material false or fraudulent statement or representation, or any omission of material fact, by an invention developer (or any agent, employee, director, officer, partner, or independent contractor of such invention developer) or by failure of an invention developer to make all the disclosures required under this chapter, may recover in a civil action against the invention developer (or the officers, directors, or partners of such invention developer) in addition to reasonable costs and attorneys' fees, the greater of—

''(A) $5,000; or

''(B) the amount of actual damages sustained by the customer.

''(2) DAMAGE INCREASE.—Notwithstanding paragraph (1), the court may increase damages to not more than 3 times the amount awarded.

''(c) REBUTTABLE PRESUMPTION OF INJURY.—For purposes of this section, substantial violation of any provision of this chapter by an invention developer or execution by the customer of a contract for invention development services in reliance on any material false or fraudulent statements or representations or omissions of material fact shall establish a rebuttable presumption of injury.

''§ 57. Records of complaints

''(a) RELEASE OF COMPLAINTS.—The Director shall make all complaints received by the United States Patent and Trademark Office involving invention developers publicly available, together with any response of the invention developers.

''(b) REQUEST FOR COMPLAINTS.—The Director may request complaints relating to invention development services from any Federal or State agency and include such complaints in the records maintained under subsection (a), together with any response of the invention developers.

''§ 58. Fraudulent representation by an invention developer

''Whoever, in providing invention development services, knowingly provides any false or misleading statement, representation, or omission of material fact to a customer or fails to make all the disclosures required under this chapter, shall be guilty of a misdemeanor and fined not more than $10,000 for each offense.

''§ 59. Rule of construction

''Except as expressly provided in this chapter, no provision of this chapter shall be construed to affect any obligation, right, or remedy provided under any other Federal or State law.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of chapters for part I of title 35, United States Code, is amended by adding after the item relating to chapter 4 the following:

''5. Invention Development Services ... 51''.

SEC. 11. PROVISIONAL APPLICATIONS, PLANT BREEDER'S RIGHTS, DIVISIONAL APPLICATIONS.

(a) ABANDONMENT.—Section 111(b)(5) of title 35, United States Code, is amended to read as follows:

''(5) ABANDONMENT.—Notwithstanding the absence of a claim, upon timely request and as prescribed by the Director, a provisional application may be treated as an application filed under subsection (a). If no such request is made, the provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any provisional application filed on or after June 8, 1995.

(c) INTERNATIONAL APPLICATIONS.—Section 119 of title 35, United States Code, is amended—

(1) in subsection (a), by inserting ''or in a WTO member country'' after ''the United States'' the first place it appears; and

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

''(f) APPLICATIONS FOR PLANT BREEDER'S RIGHTS.—Applications for plant breeder's rights filed in a WTO member country (or in a UPOV Contracting Party) shall have the same effect for the purpose of the right of priority under subsections (a) through (c) of this section as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents.

''(g) DEFINITIONS.—As used in this section—

''(1) the term 'WTO member country' has the same meaning as the term is defined in section 104(b)(2) of this title; and

''(2) the term 'UPOV Contracting Party' means a member of the International Convention for the Protection of New Varieties of Plants.''.

(d) PLANT PATENTS.—

(1) TUBER PROPAGATED PLANTS.—Section 161 of title 35, United States Code, is amended by striking ''a tuber propagated plant or''.

(2) RIGHTS IN PLANT PATENTS.—The text of section 163 of title 35, United States Code, is amended to read as follows: ''In the case of a plant patent, the grant shall include the right to exclude others from asexually reproducing the plant, and from using, offering for sale, or selling the plant so reproduced, or any of its parts, throughout the United States, or from importing the plant so reproduced, or any parts thereof, into the United States.''.

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply on the date of the enactment of this Act. The amendment made by paragraph (2) shall apply to any plant patent issued on or after the date of the enactment of this Act.

(e) ELECTRONIC FILING.—Section 22 of title 35, United States Code, is amended by striking ''printed or typewritten'' and inserting ''printed, typewritten, or on an electronic medium''.

(f) DIVISIONAL APPLICATIONS.—Section 121 of title 35, United States Code, is amended—

(1) in the first sentence by striking ''If'' and inserting ''(a) If''; and

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

''(b) In a case in which restriction is required on the ground that two or more independent and distinct inventions are claimed in an application, the applicant shall be entitled to submit an examination fee and request examination for each independent and distinct invention in excess of one. The examination fee shall be equal to the filing fee, including excess claims fees, that would have applied had the claims corresponding to the asserted independent and distinct inventions been presented in a separate application for patent. For each of the independent and distinct inventions in excess of one for which the applicant pays an examination fee within two months after the requirement for restriction, the Director shall cause an examination to be made and a notification of rejection or written notice of allowance provided to the applicant within the time period specified in section 154(b)(1)(B)(i) of this title for the original application. Failure to meet this or any other time limit set forth in section 154(b)(1)(B) of this title shall be treated as an unusual administrative delay under section 154(b)(1)(A)(iv) of this title.

''(c) An applicant who requests reconsideration of a requirement for restriction under this section and submits examination fees pursuant to such requirement shall, if the requirement is determined to be improper, be entitled to a refund of any examination fees determined to have been paid pursuant to the requirement.''.

SEC. 12. PROVISIONAL RIGHTS.

Section 154 of title 35, United States Code, is amended—

(1) in the section caption by inserting ''; **provisional rights**'' after ''**patent**''; and

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

''(d) PROVISIONAL RIGHTS.—

''(1) IN GENERAL.—In addition to other rights provided by this section, a patent shall include the right to obtain a reasonable royalty from any person who, during the period beginning on the date of publication of the application for such patent pursuant to the voluntary disclosure provisions of section 122 or the publication provisions of section 122(1) or 122(2) of this title, or in the case of an international application filed under the treaty defined in section 351(a) of this title designating the United States under Article 21(2)(a) of such treaty, the date of publication of the application, and ending on the date the patent is issued—

''(A)(i) makes, uses, offers for sale, or sells in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or

''(ii) if the invention as claimed in the published patent application is a process, uses, offers for sale, or sells in the United States or imports into the United States products made by that process as claimed in the published patent application; and

''(B) had actual notice of the published patent application and, where the right arising under this paragraph is based upon an international application designating the United States that is published in a language other than English, a translation of the international application into the English language.

''(2) RIGHT BASED ON SUBSTANTIALLY IDENTICAL INVENTIONS.—The right under paragraph (1) to obtain a reasonable royalty shall not be available under this subsection unless the invention as claimed in the patent is substantially identical to the invention as claimed in the published patent application.

''(3) TIME LIMITATION ON OBTAINING A REASONABLE ROYALTY.—The right under paragraph (1) to obtain a reasonable royalty shall be available only in an action brought not later than 6 years after the patent is issued. The right under paragraph (1) to obtain a reasonable royalty shall not be affected by the duration of the period described in paragraph (1).

''(4) REQUIREMENTS FOR INTERNATIONAL APPLICATIONS.—The right under paragraph (1) to obtain a reasonable royalty based upon the publication under the treaty defined in section 351(a) of this title of an international application designating the United States shall commence from the date that the Patent and Trademark Office receives a copy of the publication under such treaty of the international application, or, if the publication under the treaty of the international application is in a language other than English, from the date that the Patent and Trademark Office receives a translation of the international application in the English language. The Director may require the applicant to provide a copy of the international publication of the international application and a translation thereof.''.

SEC. 13. EFFECTIVE DATE.

Except as otherwise provided, this Act and the amendments made by this Act shall take effect 60 days after the date of the enactment of this Act.