such transportation; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG (for himself, Mr. LEAHY, Mr. LUGAR, Mrs. FEINSTEIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 804. A bill to restrict foreign assistance for countries providing sanctuary to indicted war criminals who are sought for prosecution before the International Criminal Tribunal for the former Yugoslavia; to the Committee on Foreign Relations.

By Mr. LUGAR (for himself and Mr. HARKIN):

S. 805. A bill to reform the information technology systems of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MCCAIN (for himself and Mr. CAMPBELL):

S. 806. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes; to the Committee on Finance.

S. 807. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

S. 808. A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of tax-exempt bonds by Indian tribal governments, and for other purposes; to the Committee on Finance.

S. 809. A bill to amend the Internal Revenue Code of 1986 to exempt from income taxation income derived from natural resources activities by a member of an Indian tribe directly or through a qualified Indian entity; to the Committee on Finance.

By Mr. ABRAHAM (for himself and Mr. DEWINE):

S. 810. A bill to impose certain sanctions on the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

By Mr. FORD:

S. 811. A bill for the relief of David Robert Zetter, Sabina Emily Seitz, and their son, Daniel Robert Zetter; to the Committee on the Judiciary.

By Mr. KOHL:

S. 812. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal office; to the Committee on Rules and Administration.

By Mr. THURMOND (for himself and Mr. MCCAIN):

S. 813. A bill to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries; to the Committee on Veterans Affairs.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 814. A bill to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself, Mr. GORTON, and Mrs. MURRAY):

S. 815. A bill to amend the Internal Revenue Code of 1986 to provide tax treatment for foreign investment through a United States regulated investment company comparable to the tax treatment for direct foreign investment and investment through a foreign mutual fund; to the Committee on Finance.

By Mr. CRAIG:

S. 816. A bill to amend title 18, United States Code, to provide a national standard in accordance with which nonresidents of a State may carry certain concealed firearms in the State, and to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 817. A bill to amend title XVIII of the Social Security Act to permit classification of certain hospitals as rural referral centers, to permit reclassification of certain hospitals for disproportionate share payments, and to permit sole community hospitals to rebase Medicare payments based upon fiscal year 1994 and 1995 costs; to the Committee on Finance.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 818. A bill to improve the economic conditions and supply of housing in Native American communities by creating the Native American Financial Services Organization, and for other purposes; to the Committee on Indian Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself, Mr. COVERDELL, and Mr. CLELAND):

S. Res. 90. A resolution authorizing the printing of the publication entitled ''Dedication and Unveiling of the Statue of Richard Brevard Russell, Jr.''; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 91. A resolution to authorize the production of records by the Select Committee on Intelligence; considered and agreed to.

By Mr. LAUTENBERG:

S. Res. 92. A resolution designating July 2, 1997, and July 2, 1998, as ''National Literacy Day''; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. Res. 93. A resolution designating the week beginning November 23, 1997, and the week beginning on November 22, 1998, as ''National Family Week'', and for other purposes; to the Committee on the Judiciary.

By Mr. WARNER:

S. Res. 94. A resolution commending the American Medical Association on its 150th anniversary, its 150 years of caring for the United States, and its continuing effort to uphold the principles upon which Nathan Davis, M.D. and his colleagues founded the American Medical Association to ''promote the science and art of medicine and the betterment of public health''; to the Committee on the Judiciary.

By Mr. GORTON:

S. Con. Res. 29. A concurrent resolution recommending the integration of Estonia, Latvia, and Lithuania into the North Atlantic Treaty Organization; to the Committee on Foreign Relations.

By Mr. HELMS (for himself and Mr. LIEBERMAN):

S. Con. Res. 30. A concurrent resolution expressing the sense of the Congress that the Republic of China should be admitted to multilateral economic institutions, including the International Monetary Fund and the International Bank for Reconstruction and Development; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMAS (for himself and Mr. ENZI):

S. 799. A bill to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property; to the Committee on Energy and Natural Resources.

TRANSFER LEGISLATION

• Mr. THOMAS. Mr. President, I introduce legislation which would return a family farm in Big Horn County, WY, to its rightful owners. The family of Fred Steffens lost ownership of the property where they lived and prospered for almost 70 years, as a result of a misrepresentation by the original property owners. Mr. Steffens' relatives have explored every avenue to regain the title to their property, and are left with no other option than to seek congressional assistance. I stand before you today, on behalf of my constituents, to request help in providing a timely solution to this problem. It is my hope that in doing so, this wrong can be righted.

Upon the death of Fred Steffens on January 20, 1995, his sister, Marie Wambeke, was appointed personal representative of the 80-acre Steffens Estate. In February 1996, Ms. Wambeke learned from the Bureau of Land Management [BLM] that she did not have a clear title to her brother's property, and she submitted a color-of-title application. Shortly thereafter, Ms. Wambeke was informed that her brother's property was never patented, so her application was rejected.

The injustice of this situation is that when Mr. Steffens purchased this property in 1928, he did receive a Warranty Deed with Release of Homestead from the former owners. Unfortunately, these individuals did not have a reclamation entry to assign to Mr. Steffens. In fact, 2 years before selling the property, the original owners had been informed that the land they occupied was withdrawn by the Bureau of Reclamation for the Shoshone Reclamation Project. At the same time, they were notified that they had never truly owned the property.

Unethically, this did not stop them from selling the land to Mr. Steffens in 1928. In good faith Mr. Steffens purchased the property, paid taxes on the property from the time of purchase, and is on record at the Big Horn County Assessor's office as owner of this property. Due to the dishonesty of others, his family now faces the sobering reality of losing this land unless a title transfer can be effected legislatively.

Mr. President, the legislation I am introducing today would transfer the land from Fred Steffens' estate to his sister, Marie. This property has been in their family since 1928. Through no fault of their own, these folks are being forced to relinquish rights not only to their land, but to a part of their heritage and a legacy to their future generations. I hope we can expedite this matter by turning this land over to Marie Wambeke's ownership.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 799

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

SECTION 1. TRANSFER OF STEFFENS FAMILY PROPERTY.

Notwithstanding any other law, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall, without consideration of other reimbursement, transfer to Marie Wambeke of Big Horn County, Wyoming, personal representative of the estate of Fred Steffens, the land that was acquired by Fred Steffens under a Warranty Deed and Release of Homestead from Frank G. McKinney and Margaret W. McKinney on September 28, 1928, and thereafter occupied by Fred Steffens, known as ''Farm C'' in the E½NW¼ of Section 27 in Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.●

By Mr. ENZI (for himself and Mr. THOMAS):

S. 802. A bill to provide for the retention of the name of the mountain at the Devils Tower National Monument in Wyoming known as ''Devils Tower'', and for other purposes; to the Committee on Energy and Natural Resources.

THE DEVILS' TOWER NATIONAL MONUMENT DESIGNATION ACT OF 1997

Mr. ENZI. Mr. President, I rise to introduce a bill which will enable Devil's Tower National Monument to retain its historic and traditional name.

This, our first national monument, has been known as ''Devil's Tower'' for over 120 years. It is an unmistakable symbol of Wyoming and the West and is known internationally as one of the premiere crack climbing locations in the world. Consequently, Devil's Tower, and it's worldwide recognition by that name, is very important to my State, which depends so heavily on its tourism industry. And yet, there are those who would attempt to fix that which is not broken.

I am fully sensitive to the feelings of those Native Americans who would prefer to see the name of this natural wonder changed to something more acceptable to their cultural traditions. Many tribal members think of the monument as sacred. However, I believe that little would be gained from a name change, and much would be lost.

It is important to remember that there is no consensus as to which Indian name would be most appropriate. In fact, there seem to be as many proposals for new names as there are special interest groups proposing them. Among the candidates are Bear's Lodge, Grizzly Bear's Lodge, Bear's Tipi, Bear's Lair, Bear Lodge Butte, Tree Rock and several others. The only thing they seem agreed upon is what the monument should not be called: Devil's Tower.

The initiative to change the name of Devil's Tower would accomplish little more than to dredge up age-old conflicts and divisions between descendants of European settlers and the descendants of Native Americans. This would be most unfortunate and would result only in economic hardship for all the area's citizens. My legislation will prevent such hardship and will embrace the least offensive option offered so far—the preservation the traditional name of Devil's Tower. I urge my colleagues to support this measure. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 802

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

SECTION 1. DESIGNATION OF DEVILS TOWER.

(a) IN GENERAL.—The mountain at the Devils Tower National Monument in Wyoming, located at 44 degrees, 42 minutes, 58 seconds north latitude, 104 degrees, 35 minutes, 32 seconds west longitude, shall be known and designated as ''Devils Tower.''

(b) LEGAL REFERENCES.—Any reference in any law, map, regulation, document, paper, or other record of the United States to the mountain referred to in subsection (a) is deemed to be a reference to ''Devils Tower.''

By Mr. THURMOND (for himself and Mr. MURKOWSKI):

S. 803. A bill to permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage U.S.-flag vessels to participate in such transportation; to the Committee on Commerce, Science, and Transportation.

THE U.S. CRUISE TOURISM ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to greatly increase the economic benefits to our Nation from cruise ship tourism. This measure, called the United States Cruise Tourism Act, will implement one of the recommendations of the White House Conference on Travel and Tourism. I am pleased to be joined by Senator MURKOWSKI in introducing this bill.

Pleasure cruises aboard ocean-going vessels represent one of the fastest growing segments of our tourism industry. Over the past 5 years, cruise ship tourism has grown by 50 percent and is expected to grow at a rate of 5½ percent annually over the next few years. When a cruise ship is in port, as much as $250,000 is spent on maintenance and supplies, and cruise passengers spend an average of $205 a day. Although 85 percent of these cruise passengers are Americans, most of the revenues now go to foreign destinations.

This export of American tourist dollars is the unintended consequence of the outdated Passenger Vessel Services Act [PSA] of 1886. This act prohibits non-U.S.-flag vessels from carrying passengers between U.S. ports. Unfortunately, since the U.S.-flag fleet is now down to one cruise ship, this restriction makes passenger cruise travel between U.S ports virtually impossible. Today, the passenger cruise industry in the United States consists primarily of foreign flag vessels which, under current law, must sail to and from foreign ports. This prevents many of our mid-coast ports such as Charleston, San Francisco, Baltimore and others from participating in the cruise industry because of their distance from foreign ports. As a result, potential cruise itineraries on the east and west coast, the gulf coast, the Great Lakes and the coast of Alaska have yet to be developed.

Mr. President, our legislation would allow our port cities and shore-based tourism businesses to take advantage of this booming area of tourism while providing incentives for the rehabilitation of the U.S.-flag cruise industry. This bill would enact a narrow waiver to the PSA to permit large, ocean-going, foreign-flag cruise ships to carry passengers between U.S. ports. Subsequently, as U.S. companies become attracted to the business, U.S.-flag ships will enter the market. When this happens, foreign vessels would be required to reduce their capacity to make room for more U.S. competitors. This provision also addresses the concern expressed by many of our shipyards. They have complained that the uncertainty over the continuation of the PSA was chilling their efforts to obtain investment in a U.S.-built cruise ship. If enacted, our bill would assure a market for the ships they build.

Finally, Mr. President, this legislation in no way affects the Jones Act. The Jones Act is an entirely separate statute enacted in 1920 to protect our cargo fleet and assure that we have a qualified merchant marine in times of war. Also, this measure does not waive the PSA for any trade where there currently exists an American competitor. U.S. ferries, river boat cruises, and cruises on the Atlantic intra-coastal waterway would not be affected.

Mr. President, our country has a beautiful coastline and Americans should not have to join the armed services or buy a yacht to see it. Moreover, our tourist industry is one of the most successful contributors to the economic growth of our Nation. We should not permit artificial barriers to inhibit the good work of the people in this industry. This legislation will remove that barrier. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 803

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 ''United States Cruise Tourism Act of 1997''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) It is in the interest of the United States to maximize economic return from the growing industry of pleasure cruises—

(A) by encouraging the growth of new cruise itineraries between coastal cities in the United States, and

(B) by encouraging the use of United States goods, labor, and support services.

(2) In maximizing the economic benefits to the United States from increased cruise vessel tourism, there is a need to ensure that existing employment and economic activity associated with United States-flag vessels (including tour boats, river boats, intracoastal waterway cruise vessels, and ferries) are protected and to provide for the reemergence of a United States-flag cruise vessel industry.

(3) The pleasure cruise industry is one of the fastest growing segments of the tourism industry and is expected to grow at a rate of 5 percent a year over the next few years.

(4) The United States-flag ocean cruise vessel fleet consists of only a single vessel that tours the Hawaiian Islands. As a result, all the cruise vessels carrying passengers to and from United States ports are foreign-flag vessels and the United States ports served are mostly ports that are close enough to foreign ports to allow intermediate calls.

(5) Prohibiting cruises between United States ports by foreign-flag vessels results in the loss of tourist dollars and revenue for United States ports and greatly disadvantages United States ports and coastal communities.

SEC. 3. FOREIGN-FLAG CRUISE VESSELS.

(a) DEFINITIONS.—In this Act:

(1) COASTWISE TRADE.—The term ''coastwise trade'' means the coastwise trade provided for in section 12106 of title 46, United States Code and includes trade in the Great Lakes.

(2) CRUISE VESSEL.—The term ''cruise vessel'' means a vessel of greater than 4,000 gross registered tons which provides a full range of luxury accommodations, entertainment, dining, and other services for its passengers.

(3) FOREIGN-FLAG CRUISE VESSEL.—The term ''foreign-flag cruise vessel'' does not apply to a vessel which—

(A) provides ferry services or intracoastal waterway cruises;

(B) regularly carries for hire both passengers and vehicles or other cargo; or

(C) serves residents of the vessel's ports of call in the United States as a common or frequently used means of transportation between United States ports.

(4) REPAIR AND MAINTENANCE SERVICE.—The term ''repair and maintenance service'' includes alterations and upgrades.

(b) WAIVER.—Notwithstanding the provisions of section 8 of the Act of June 19, 1886 (24 Stat. 81, Chapter 421; 46 U.S.C. App. 289), or any other provision of law, and except as otherwise provided by this section, the Secretary of Transportation (in this Act referred to as the ''Secretary'') may approve the transportation of passengers on foreign-flag cruise vessels not otherwise qualified to engage in the coastwise trade between ports in the United States, directly or by way of a foreign port.

(c) EXCEPTIONS.—

(1) IN GENERAL.—The Secretary may not approve the transportation of passengers on a foreign-flag cruise vessel pursuant to this section with respect to any coastwise trade that is being served by a United States-flag cruise vessel.

(2) UNITED STATES-FLAG SERVICE INITIATED AFTER APPROVAL OF FOREIGN-FLAG VESSEL.—Upon a showing to the Secretary, by a United States-flag cruise vessel owner or charterer, that service aboard a cruise vessel qualified to engage in the coastwise trade is being offered or advertised pursuant to a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation from the Federal Maritime Commission (issued pursuant to section 3 of Public Law 89–777; 46 U.S.C. App. 817e) for service in the coastwise trade on an itinerary substantially similar to that of a foreign-flag cruise vessel transporting passengers under authority of this section, the Secretary shall, in accordance with subsection (d)(2), notify the owner or charterer of the foreign-flag cruise vessel that the Secretary will, within 3 years after the date of notification, terminate such service.

(d) TERMINATION.—

(1) IN GENERAL.—Coastwise trade privileges granted to such owner or charterer of a foreign-flag cruise vessel under this section shall expire on the date that is 3 years after the date of the Secretary's notification described in subsection (c)(2).

(2) ORDER OF TERMINATION.—Any notification issued by the Secretary under this subsection shall be issued to the owner or charterer of a foreign-flag cruise vessel—

(A) in the reverse order in which the foreign-flag cruise vessel entered service in the coastwise trade under this section, determined by the date of the vessel's first coastwise sailing; and

(B) in the minimum number necessary to ensure that the passenger-carrying capacity thereby removed from the coastwise trade service exceeds the passenger-carrying capacity of the United States-flag cruise vessel entering the service.

(3) EXCEPTION.—If, at the expiration of the 3-year period specified in paragraph (1), the United States-flag cruise vessel that has been offering or advertising service pursuant to a certificate described in subsection (c)(2) has not entered the coastwise trade described in subsection (c)(2), then the termination of service required by paragraph (1) shall not take effect until 180 days after the date of the entry into that coastwise trade service by the United States-flag cruise vessel.

(e) REQUIREMENT FOR REPAIRS IN UNITED STATES SHIPYARDS.—

(1) IN GENERAL.—The owner or charterer of a foreign-flag cruise vessel that is qualified to provide coastwise trade service under this section is required to have repair and maintenance service for the vessel performed in the United States during the period that such vessel is qualified for such coastwise trade service, except in a case in which the vessel requires repair and maintenance service while at a distant foreign port (as defined in section 4.80a(a) of title 19, Code of Federal Regulations (or any corresponding similar regulation or ruling)).

(2) ACTION IF REQUIREMENT NOT MET.—

(A) GENERAL RULE.—If the Secretary determines that the owner or charterer has not met the repair and maintenance service requirement described in paragraph (1), the Secretary shall terminate the coastwise trade privileges granted to the owner or charterer under this section.

(B) WAIVER.—The Secretary may waive the repair and maintenance service requirement if the Secretary finds that—

(i) the repair and maintenance service is not available in the United States, or

(ii) an emergency prevented the owner or charterer from obtaining the service in the United States.

(f) ALIEN CREWMEN.—Section 252 of the Immigration and Nationality Act (8 U.S.C. 1282) is amended—

(1) in subsection (a), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting ''(1)'' immediately after ''(a)'';

(3) in subsection (a)(1) (as redesignated), in the second sentence, by inserting '', except as provided in paragraph (2), and'' after ''subsection (b),'';

(4) by adding at the end of subsection (a)(1) (as redesignated), the following:

''(2) An immigration officer may extend for a period or periods of up to 6 months each a conditional permit to land that is granted under paragraph (1) to an alien crewman employed on a vessel if the owner or charterer of the vessel requests the extension and the immigration officer determines that the extension is necessary to maintain the vessel in the coastwise trade between ports in the United States, directly or by way of a foreign port.''; and

(5) in subsection (b), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(g) DISCLAIMER.—

(1) IN GENERAL.—Nothing in this Act shall be construed as affecting or otherwise modifying the authority contained in—

(A) Public Law 87–77 (46 U.S.C. App. 289b) authorizing the transportation of passengers and merchandise in Canadian vessels between ports in Alaska and the United States; or

(B) Public Law 98–563 (46 U.S.C. App. 289c) permitting the transportation of passengers between Puerto Rico and other United States ports.

(2) JONES ACT.—Except as otherwise expressly provided in this Act, nothing in this Act shall be construed as affecting or modifying the provisions of the Merchant Marine Act, 1920.

Mr. MURKOWSKI. Today, Mr. President, I am very pleased to join the senior Senator from South Carolina [Mr. THURMOND] in introducing this important bill. It is intended to break down a barrier that Congress created 111 years ago, and which has long since ceased to make sense.

Opening that door will create a path to thousands of new jobs, to hundreds of millions of dollars in new economic activity and to millions in new Federal, State, and local government revenues. Furthermore, Mr. President, that door can be opened with no adverse impact on any existing U.S. industry, labor interest, or on the environment, and it will cost the government virtually nothing.

There's no magic to this; in fact, it's a very simple matter. This bill merely allows U.S. ports to compete in the business of offering homeport services to the cruise ship trade.

The bill amends the Passenger Service Act to allow foreign cruise ships to operate between U.S. ports. However, it also very carefully protects all existing U.S. passenger vessels by using a definition of cruise ship designed to exclude any foreign-flag vessels that could conceivably compete in the same market as U.S.-flag tour boats, ferries, or riverboats. Finally, it provides a mechanism to guarantee that if a U.S. vessel ever enters this trade in the future, steps will be taken to ensure an ample pool of potential passengers.

Mr. President, this is a straightforward approach to a vexing problem, and it deserves the support of this body.

As my colleagues know, this bill is very similar to S. 668, a bill I introduced just a few weeks ago. The major difference is that that bill applies only

to cruise ships operating in Alaska, and this one applies nationwide. Other differences include the fact that my original bill sets a 5,000 gross deadweight ton cut-off for vessels seeking to enter the coastwise trade, and this one uses a 4,000 ton limit. This bill also requires foreign vessels operating in the U.S. trade to effect repairs in U.S. shipyards. Both of these differences are positive, in my view.

The change in tonnage will encourage U.S. ports to compete for business from some of the smaller vessels in the luxury cruise ship fleet, which continuing to protect existing U.S. tour vessels in the 100-ton class. While there are a few riverboats in the area of 3,000 tons, none of these operate in the open ocean cruise ship trade, and the bill contains other protections specifically for these U.S. vessels.

The requirement for U.S. repair will assist in creating and maintaining even more U.S. jobs. From the standpoint of the cruise ships, it simply calls for the continuation of what is already a common practice among vessels that need work while visiting a U.S. port

Mr. President, it isn't 1886 anymore, and it is time to change the current law. These days, no one is building any U.S. passenger ships of this type, and no one has built one in over 40 years. Instead of protecting U.S. jobs, the current law is a job losing proposition, as it prohibits U.S. cities from competing. That is absurd.

The cash flow generated by the cruise ship trade is enormous. Most passengers bound for my State of Alaska fly in or out of Seattle-Tacoma International Airport, but because of the law, they spend little time there. Instead, they spend their pre- and post-sailing time in a Vancouver hotel, at Vancouver restaurants, and in Vancouver gift shops. And when their vessel sails, it sails with food, fuel, general supplies, repair and maintenance needs taken care of by Vancouver vendors.

According to some estimates, the city of Vancouver receives benefits of well over $200 million per year from the cruise ship trade. Others provide more modest estimates, such as a comprehensive study by the International Council of Cruise Lines, which indicated that in 1992 alone, the Alaska cruise trade generated over 2,400 jobs for the city of Vancouver, plus payments to Canadian vendors and employees of over $119 million.

This is a market almost entirely focused on U.S. citizens going to see one of the United State's most spectacular places, and yet we force them to go to another country to do it. We are throwing away both money and jobs—and getting nothing whatsoever in return.

Why is this allowed to happen? The answer is simple—but it is not rational. Although the current law is actually a job loser, there are those who argue that any change would weaken U.S. maritime interests. They seem to feel that amending the Passenger Service Act so that it makes sense for the United States would create a threat to Jones Act vessels hauling freight between U.S. ports. Mr. President, there simply is no connection whatsoever between the two.

Then there is the suggestion that this bill might harm smaller U.S. tour or excursion boats. Mr. President, that is also untrue. The industry featuring these smaller vessels is thriving, but it simply doesn't cater to the same client base as large cruise ships. The fact of the matter is that there is no significant competition between the two types of vessel, because the services they offer are in no way comparable. The larger vessels offer unmatched luxury and personal service, on-board shopping, entertainment, and so forth. The smaller vessels offer more flexible routes, timing, shore excursions, and other opportunities.

There is one operating U.S. vessel that doesn't fit the mold: the *Constitution*, an aging 30,000-ton vessel operating only in Hawai. This is the only ocean-capable U.S. ship that might fit the definition of cruise vessel. I have searched for other U.S. vessels that meet or exceed the tonnage limit in the bill, and the only ones I have found that even approach it are the *Delta Queen* and the *Mississippi Queen*, both of which are approximately 3,360 tons, and both of which are 19th century-style riverboats that are entirely unsuitable for any open-ocean itinerary such as the Alaska trade. Further, the bill specifically prohibits any foreign vessel from participating in the intracoastal trade served by these riverboats.

Mr. President, I will not claim that this legislation would immediately lead to increased earnings for U.S. ports. I can only say that it would allow them to compete fairly, instead of being anchored by a rule that is actively harmful to U.S. interests. That alone makes it good public policy, and I look forward to my colleagues' agreement and support.

By Mr. LAUTENBERG (for himself, Mr. LEAHY, Mr. LUGAR, Mrs. FEINSTEIN, Ms. MIKULSKI, Mrs. MURRAY, Mr. LIEBERMAN, Mr. D'AMATO and Mr. MOYNIHAN):

S. 804. A bill to restrict foreign assistance for countries providing sanctuary to indicted war criminals who are sought for prosecution before the International Criminal Tribunal for the former Yugoslavia; to the Committee on Foreign Relations.

THE WAR CRIMES PROSECUTION FACILITATION ACT OF 1997

Mr. LAUTENBERG. Mr. President, today I am introducing legislation to create stronger incentives for the parties to the Dayton Peace Agreement to arrest indicted war criminals and transfer them to the International Criminal Tribunal for the former Yugoslavia [ICTY]. I am pleased that Senators LEAHY, LUGAR, FEINSTEIN, MIKULSKI, MURRAY, LIEBERMAN, D'AMATO, and MOYNIHAN are original cosponsors of this bill, which we believe will foster reconciliation in Bosnia and Herzegovina in the long run.

As a result of the horrifying extent of war crimes committed before and during the war in Bosnia, the U.N. Security Council, in May 1993, created the International Criminal Tribunal for the former Yugoslavia [ICTY]. One of only four international war crimes tribunals ever established, its mandate is to prosecute "genocide, crimes against humanity, grave breaches of the Geneva Conventions, and violations of the laws and customs of war" committed in the territory of the former Yugoslavia from January 1, 1991, until "a date to be determined after restoration of peace."

When the parties to the conflict in the former Yugoslavia signed the Dayton Peace Agreement, they recognized that reconciliation could not occur unless war criminals were brought to justice. As such, they agreed to cooperate fully with "the investigation and prosecution of war crimes and other violations of international humanitarian law." All members of the international community are required by the tribunal statute to cooperate in "the identification and location of persons," "the arrest or detention of persons," and "the surrender or the transfer of the accused" to the tribunal.

With the exception of the Bosnian Muslims, however, the parties to the Dayton Peace Agreement have failed to arrest and transfer to the tribunal the vast majority of indicted war criminals in territory within their control. Though 74 persons have been indicted by the 4-year-old tribunal, 66 of them remain at large. Let me repeat that. Of the 74 persons indicted for the most heinous crimes against humanity on European soil since World War II, 66 remain at large. Among these are the notorious Bosnian Serb leader Radovan Karadzic and Bosnian Serb Army commander Ratko Mladic, both accused of genocide and crimes against humanity.

Where are these and other war criminals finding sanctuary?

Many of the indicted war criminals have been sighted living openly and freely in Croatia, the Croat-controlled areas of the Federation of Bosnia and Herzegovina, the Republika Srpska, and the Federal Republic of Yugoslavia (Serbia-Montenegro).

Last fall, one nongovernmental organization, the Coalition for International Justice, compiled a list of all public sightings of war criminals. For example, according to the coalition's research, Dario Kordic, one of the most widely recognized war criminals in the former Yugoslavia for his role in killings in Lasva Valley, was seen visiting his parents' apartment in Zagreb, Croatia. About the same time, Ivica Rajic, another highly sought after war criminal, was reportedly seen in a hotel in Split, Croatia.

The list of public sightings of indicted war criminals goes on and on.

Associated Press correspondent Liam McDowall reportedly located six Bosnian Croats indicted for war crimes living and working in the Bosnian Croat town of Vitez. And in perhaps the most egregious case to date, Boston Globe reporter Elizabeth Neuffer reportedly found Zeljko Mejakic—indicted for crimes committed as commander of Omarska camp where some 4,000 people were tortured to death and women were brutally raped—working as the deputy commander of the Prijedor police station in Republika Srpska.

This list may not be entirely up to date now, but it illustrates graphically that many of the indicted war criminals could have been arrested easily if the authorities in control of the territory where they were located had chosen to do so. I believe that is still the case today. I ask unanimous consent that a list of sightings of indicted war criminals who remain at large be included in the RECORD at the end of my remarks.

I know, Mr. President, that the act of apprehending and transferring indicted war criminals to the Hague presents a thorny problem for the United States. While some argue that American and NATO military personnel should do the job, the prevailing wisdom is that using our troops to arrest these indicted war criminals would be fraught with difficulties that could put our troops in danger. Others have raised the possibility that some type of international strike force could get the job done. Discussions about these options have been underway since NATO troops landed in the region 1½ years ago, but no action has been taken. Meanwhile war criminals continue to roam the region with impunity, and the clock ticks ever closer to the June 1998 withdrawal date for SFOR.

If the international community concludes that it cannot use force to apprehend indicted war criminals, it must try another approach. Make no mistake about it: if indicted war criminals remain at large when the SFOR's mission ends, our prestige and credibility will be severely undermined. America may be able to protect NATO troops by not involving them in a mission to arrest indicted war criminals, but we cannot protect our reputation and that of NATO as a defender of democracy and human rights if indicted war criminals roam the region with impunity when our troops withdraw.

Mr. President, since NATO is unwilling to arrest the indicted, my colleagues and I are recommending an approach which reinforces the obligation of the parties to the Dayton Agreement to arrest and transfer those indicted for genocide, rape, and other crimes against humanity to the Hague. To secure their cooperation, it imposes conditions on America's portion of the $5.1 billion in economic reconstruction funding to Bosnia and Herzegovina. Because parties to the Dayton Agreement sorely want Western assistance and the international acceptance it implies, this assistance provides us with a powerful lever. We ought to use it.

Under our legislation, until the President certifies that a majority of war criminals have been arrested and transferred to the tribunal, no assistance—with the exception of assistance for humanitarian programs, democracy programs, and certain physical infrastructure projects that cross borders—could be provided to a sanctioned country or constituent entity. Similarly, U.S. executive directors of international financial institutions could not vote for assistance until the President makes the required certification.

The President would have up to 6 months to make this certification. Once the certification is made, assistance could be provided for up to 6 months. At the end of the 6-month waiver period, no assistance could be provided unless all indicted war criminals have been arrested and turned over to the ICTY. If a country or entity arrests and transfers to the Hague a majority of the indicted war criminals in territory under its effective control immediately, and the rest of them within 6 months, assistance to that country or entity will not be affected.

In other words, this legislation recognizes that even the parties to the Dayton Agreement may find it difficult to apprehend all indicted war criminals immediately, and therefore does not require them to complete the process all at once. Once a majority of the war criminals have been arrested and turned over, they are given up to 6 months to finish the job.

Because our goal is to promote greater cooperation, democratic and humanitarian assistance will still be provided even in sanctioned countries or entities. Humanitarian assistance is defined to include food and disaster assistance and assistance for demining, refugees, education, health care, social services, and housing. Democratization assistance includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society, including police training.

However, assistance for projects in communities in which local authorities are harboring criminals or preventing refugees from returning home will be strictly limited to emergency food and medical assistance and demining assistance. And absolutely no assistance—humanitarian or otherwise—can be provided to projects or organizations in which an indicted war criminal is affiliated or has a financial interest. These provisions are important to ensure that our assistance is not being used to prop up war criminals and that only communities that allow refugees to return are rewarded with assistance.

This legislation recognizes that the realities of government control in the former Yugoslavia do not always conform to the arrangements in the Dayton Agreement. Recognizing that a constituent entity of Bosnia and Herzegovina may not control all areas within its border, and that Croatia or Serbia may have effective control of territory that reaches beyond their borders, the legislation holds a government or constituent entity responsible for indicted war criminals ''in territory that is under their effective control.'' As such, the legislation is not meant to impose sanctions on the Muslim-Croat Federation as a whole if an indicted war criminal remains in a Croat-controlled area of the Federation. Likewise, it would allow sanctions to be imposed against a country, such as Croatia, for failing to secure the apprehension of war criminals in areas of the Federation which it effectively controls.

Mr. President, these measures are not intended to be punitive. I have made every effort to ensure that humanitarian assistance to the people in all parts of the former Yugoslavia will not be affected. I do not oppose reconstruction funding, and recognize that it is in our national interest to help rebuild this war-torn region. But I believe there is value in using bilateral and multilateral assistance as a carrot, to provide an incentive to the parties to arrest and turn war criminals over to the tribunal.

Unless war criminals are brought to justice, reconciliation in Bosnia and Herzegovnia will remain an elusive goal and refugees and displaced persons will be unable to return to their homes. Though reconstruction assistance will help to rebuild ravaged economies, reconstruction without reconciliation will not be effective in ensuring long-term stability. Until the perpetrators of genocide are held accountable, victimized communities will continue to assign collective guilt and the cycle of hatred will be perpetuated.

No infusion of money can wipe away the crimes of the past 6 years. Money alone is not enough. What is required is a genuine process of reconciliation, which can never occur unless war criminals are brought to justice.

The Washington Post, in a February 1997 editorial, said it well:

> U.S. forces [cannot] fulfill their mission—bringing peace to Bosnia—as long as war criminals remain at large. Lately, it has become popular to focus on economic reconstruction as the answer to Bosnia's troubles. But war didn't break out for economic reasons, and economic aid alone can't secure the peace. As long as alleged war criminal Radovan Karadzic and his henchmen run things from behind the scenes, economic aid actually will flow to the criminals. . . .

Mr. President, we know that the threat of sanctions can work to effect cooperation with the War Crimes Tribunal. In the last year and a half, the administration has successfully leveraged assistance to Croatia to secure the transfer of two indicted war criminals to The Hague. But the process has been too long and drawn out. One of the war criminals voluntarily agreed to be sent to The Hague, and the other was in custody for more than 10 months before the Croatian Government transferred him to the tribunal.

At this rate, it would take us some 66 years to bring all the indicted war criminals to The Hague. That's just too long. Stronger action must be taken.

The World Bank is pumping hundreds of millions of dollars into Croatia and sending assessment teams to Republika Srpska. In fiscal year 1997, the Agency for International Development has set aside roughly $70 million for Republika Srpska, and it intends to do the same in fiscal year 1998. This bill requires the Administration to use these assistance programs to secure the speedy apprehension of war criminals, which is just as essential for reconciliation and long-term stability as reconstruction efforts—if not more so.

No one has articulated the need for this legislation as well as Justice Goldstone, Former Chief Prosecutor of the International Criminal Tribunals for the Former Yugoslavia and Rwanda when he spoke at the U.S. Holocaust Memorial Museum in January of 1997:

> Where there have been egregious human rights violations that have been unaccounted for, where there has been no justice, where the victims have not received any acknowledgment, where they have been forgotten, where there's been a national amnesia, the effect is a cancer in the society. It's the reason that explains . . . spirals of violence that the world has seen in the former Yugoslavia for centuries . . .

Justice Goldstone was right. What is required is a genuine process of reconciliation, which can never occur unless war criminals are brought to justice. Without reconciliation, the spiral of violence will only continue, and the military mission on which the American taxpayers have literally spent billions will be for naught.

Secretary of State Albright will be traveling to Bosnia next week. She has assured me that the issue of war criminals will be raised at every opportunity, and I am confident that she will take a very tough stand, urging the parties to the Dayton Agreement to meet their commitments. But the U.S. Government has been urging compliance for over a year now with little success, and it's clear that we need to put more teeth into our position. Our bill does just that. It clearly states that the apprehension of war criminals is critical for reconciliation. It links U.S. assistance to progress on this issue, and it provides clear deadlines for progress in arresting and transferring indicted war criminals to The Hague.

Mr. President, I urge my colleagues to cosponsor this legislation, which has been endorsed by the Coalition for International Justice, Human Rights Watch, Physicians for Human Rights, Action Council for Peace in the Balkans, and the International Human Rights Law Group. I ask unanimous consent that a copy of the legislation and a letter of endorsement from those organizations appear in the RECORD.

America stands for justice and reconciliation throughout the world. We must stand up for those principles by ensuring that the war criminals of Bosnia are apprehended and the victims are heard.

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

S. 804

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 ''War Crimes Prosecution Facilitation Act of 1997''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In May 1993, the United Nations established the International Criminal Tribunal for the Former Yugoslavia (ICTY).

(2) The mandate of the Tribunal is to prosecute ''genocide, crimes against humanity, grave breaches of the Geneva Conventions, and violations of the laws and customs of war'' committed in the territory of the former Yugoslavia from January 1, 1991, until ''a date to be determined after restoration of peace''.

(3) Parties to the Dayton Agreement, as well as subsequent agreements, agreed to cooperate fully with the ''investigation and prosecution of war crimes and other violations of international humanitarian law''. All members of the international community are required by the Tribunal Statute to cooperate in ''the identification and location of persons'', ''the arrest or detention of persons'', and ''the surrender or the transfer of the accused'' to the Tribunal.

(4) Although 74 persons are under indictment by the Tribunal, 66 remain at large, including 53 Bosnian and Yugoslav Serbs, and 13 Bosnian and Croatian Croats.

(5) Credible reports indicate that some of the indicted war criminals are living in areas of Bosnia and Herzegovina that are under the effective control of Croatia or Serbia-Montenegro. Many of the indicted war criminals have been sighted living openly and freely in Croatia, the Croat-controlled areas of the Federation of Bosnia and Herzegovina, Republika Srpska, and Serbia-Montenegro.

(6) An estimated 2,000,000 persons have been forced from their homes by the war, many of whom remain displaced and unable to return to their homes, in violation of the Dayton Accords, because their homes are in a jurisdiction controlled by a different ethnic group.

(7) The fighting in Bosnia has ceased for more than a year, and international efforts are now focused on the economic reconstruction and implementation of the civilian aspects of the Dayton Accords.

(8) The International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the International Monetary Fund, and individual donor countries, including the United States, have begun disbursing funds toward meeting an identified goal of $5,100,000,000 for reconstruction of Bosnia.

SEC. 3. SENSE OF THE SENATE.

(a) It is the sense of the Senate that—

(1) reconciliation in Bosnia and Herzegovina cannot be achieved if indicted war criminals remain at large and refugees and displaced persons are unable to return to their homes;

(2) reconstruction without reconciliation will not be effective in ensuring stability in the long run because absent individual accountability, victimized communities will assign collective responsibility, thus perpetuating the cycle of hatred; and

(3) the Government of the United States should ensure that multilateral and bilateral assistance is provided to parties to the Dayton Agreement only if doing so would promote reconciliation as well as reconstruction, including the transfer of war criminals to the Tribunal, the return of refugees and displaced persons, and freedom of movement.

(b) It is further the sense of the Senate that the Tribunal, consistent with its mandate, should continue to investigate and bring indictments against persons who have violated international humanitarian law.

SEC. 4. RESTRICTIONS ON FUNDING.

(a) BILATERAL ASSISTANCE.—

(1) IN GENERAL.—No assistance may be provided under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (d).

(2) APPLICATION TO PRIOR APPROPRIATIONS.—The prohibition on assistance contained in paragraph (1) includes the provision of assistance from funds appropriated prior to the date of enactment of this Act.

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country described in subsection (d).

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance; or

(C) assistance for physical infrastructure projects involving activities in both a sanctioned country and nonsanctioned contiguous countries, if the nonsanctioned countries are the primary beneficiaries.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available under the Foreign Assistance Act of 1961 or the Arms Export Control Act for a program, project, or activity in any country described in subsection (d) in which an indicted war criminal has any financial or material interest or through any organization in which the indicted individual is affiliated; and

(B) no assistance (other than emergency food or medical assistance or demining assistance) may be made available under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any program, project, or activity in any area in any country described in subsection (d) in which local authorities are not complying with the provisions of Article IX and Annex 4, Article II of the Dayton Agreement relating to war crimes and the Tribunal, or with the provisions of Annex 7 of the Dayton Agreement relating to the rights of refugees and displaced persons to return to their homes of origin.

(d) SANCTIONED COUNTRIES.—A country described in this section is a country the authorities of which fail to apprehend and transfer to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(e) WAIVER.—

(1) AUTHORITY.—The President may waive the application of subsection (a) or subsection (b) with respect to a country if the President determines and certifies to the appropriate committees of Congress within six months after the date of enactment of this Act that a majority of the indicted persons who are within territory that is under the effective control of the country have been arrested and transferred to the Tribunal.

(2) PERIOD OF EFFECTIVENESS.—Any waiver made pursuant to this subsection shall be effective for a period of six months.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsection (a) or subsection (b) with respect to a country shall

cease to apply only if the President determines and certifies to Congress that the authorities of that country have apprehended and transferred to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

SEC. 5. DEFINITIONS.

As used in this Act:

(1) COUNTRY.—The term ''country'' shall not include the state of Bosnia and Herzegovina, and the provisions of this Act shall be applied separately to its constituent entities of Republika Srpska and the Federation of Bosnia and Herzegovina.

(2) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(3) DEMOCRATIZATION ASSISTANCE.—The term ''democratization assistance'' includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society.

(4) HUMANITARIAN ASSISTANCE.—The term ''humanitarian assistance'' includes disaster and food assistance and assistance for demining, refugees, housing, education, health care, and other social services.

(5) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

INDICTED BY THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA
(List Compiled by the Coalition for International Justice)

Name	Title/Indicted for/Date	Charged with/Status
1. Zlatko Aleksovski	Croat—indicted on 11/10/95 for killing Muslims in Lasva Valley	g.v.—transferred to The Hague 4/28/97 by Croatian Government.
2. Stripo Alilovic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
3. Mirko Babic	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—At Large.
4. Nenad Banovic	Serb—indicted 7/21/95 for atrocities committed at Keraterm	g.v.c.—At Large.
5. Pedrag Banovic	Serb—same as N. Banovic	g.v.c.—At Large.
6. Tihomir Blaskic	Croat—Indicted 11/10/95 for killings in Lasva Valley	In custody in the Netherlands—plead not guilty—trial postponed 7—g.v.c.
7. Goran Borovinica	Serb—indicted 2/13/96 for expelling Muslims to various camps as well as killings and rapes in Omarska	g.v.c.—At Large.
8. Mario Cerkez	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
9. Ranko Cesic	Serb—indicted 7/21/95 for atrocities committed in Brcko	g.v.c.—At Large.
10. Zejnil Delalic	Muslim—indicted 3/21/96 for atrocities committed in Celebici	in custody at The Hague—joint trial with Delic, Mucic, and Landzo began in March of 1997—g.v.
11. Hazim Delic	Muslim—same as Delalic	same as Delalic—joint trial.
12. Djordje Djukic	Serb—General—indicted /29/96 for shelling Bosnian civilians	was held at The Hague but released—Deceased.
13. Damir Dosen	Serb—indicted 7/21/95 for atrocities committed at Keraterm	g.v.c.—At Large.
14. Drazen Erdemovic	Croat—indicted 5/29/96	*Sentenced to 10 years*—v.c.
15. Dragan Fustar	Serb—Keraterm	g.v.c.—At Large.
16. Dragan Gagovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
17. Zdarvko Govedarica	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—Deceased.
18. Momcilo Gruban	Serb—indicted 2/13/95 for crimes committed at Omarska	g.v.c.—At Large.
19. Gruban	Unknown—indicted for crimes at Omarska—2/13/95	g.v.c.—At Large.
20. Janko Janjic	Serb—indicted 6/26/96 for crimes at Foca	g.v.c.—At Large.
21. Nikica Janjic	Serb—indicted 7/21/95 at Keraterm & 2/13/96 at Omarska	g.v.c.—Deceased.
22. Gojko Jankovic	Serb—indicted 6/26/96 for crimes in Foca	g.v.c.—At Large.
23. Goran Jelisic	Serb—Commander of Luka camp at Brcko—indicted 7/21/95 for Genocide	g.v. Gen. c.—At large.
24. Drago Josipovic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
25. Marinko Katava	Serb—same as Josipovic	g.v.c.—At Large.
26. Radovan Karadzic	Serb—Party Leader—Indicted 7/25/95 and 11/16/95 for genocide in Srebrenica, and Sarajevo. Also charged with violations of laws of war and crimes against humanity.	g.v. Gen. c.—At Large..
27. Dusan Knezevic	Serb—indicted 2/13/95 for atrocities committed at Omarska 7/21/95 for crimes committed at Keraterm	g.v.c. for both indictments—At Large.
28. Dragan Kondic	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
29. Dario Kordic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
30. Milojica Kos	Serb—indicted 2/13/95 for atrocities committed at Omarska	g.v.c.—At Large.
31. Predrag Kostic	Serb—same as Kos	g.v.c.—At Large.
32. Radomir Kovac	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
33. Dragan Kulundzija	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
34. Dragoljub Kunarac	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
35. Mirjan Kupreskic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
36. Vlatko Kupreskic	Croat—Same as above	g.v.—At Large.
37. Zoran Kupreskic	Croat—Same as above	g.v.—At Large.
38. Miroslav Kvocka	Serb—indicted for Omarska	g.v.c.—At Large.
39. Goran Lajic	Serb—indicted for Keraterm 7/21/95	At Large: wrong person siezed in Germany—g.v.c.
40. Esad Landzo	Muslim—indicted 3/21/96 for crimes committed at Celebici	In custody at the Hague—joint trial (see Delalic) began 3/10/97.
41. Zoran Marinic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.—At Large.
42. Milan Martic	Serb—rebel Krajina leader indicted 7/25/95 for ordering cluster bomb attacks on Zajreb	Rule 61 hearings have been held for Martic—v.—At Large.
43. Zeljko Meakic	Serb—Commander of Omarska indicted 2/13/95	At Large: wrong person seized in Germany—g.v.c.
44. Slobodan Milijkovic	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.v.c.—At Large.
45. Ratko Mladic	Serb—Army Commander indicted 7/25/95 and 11/16/95 for genocide in Srebrenica and Sarajevo, charged with Crimes against humanity and violations of laws of war.	g.v. Gen. c.—At Large.
46. Mile Mrksic	Serb—Yugoslavian Army—indicted 11/7/95 for killing 261 non-Serbs at Vukovar Hospital	Rule 61 hearings have been held for Mrksic—g.v.c.—At Large.
47. Zdravko Mucic	Croat—indicted 3/21/96 for crimes committed at Celebici	Joint trial (see Delalic) began in March of 1997—g.v.
48. Dragan Nikolic	Serb—Commander of Susica camp in Bosnia—indicted 11/4/94 for genocide	Rule 61 hearings have been held for Nikolic—g.v.c.—At Large.
49. Dragan Papic	Croat—indicted 11/10/95 for killings in Lasva Valley	g.v.c.—At Large.
50. Nedjeljko Paspalj	Serb—indicted 2/13/96 for atrocities committed at Omarska	g.v.c.—At Large.
51. Milan Pavlic	Serb—same as above	g.v.c.—At Large.
52. Milutin Popovic	Serb—same as above	g.v.c.—At Large.
53. Dragoljub Prcac	Serb—same as above	g.v.c.—At Large.
54. Drazenko Predojevic	Serb—same as above	g.v.c.—At Large.
55. Mladen Radic	Serb—same as above	g.v.c.—At Large.
56. Miroslav Radic	Serb—Yugoslavian Army—Indicted 11/7/95 for killing 261 non-Serbs	g.v.c.—At Large.
57. Ivica Rajic	Croat—indicted 8/29/95 for killings at Stupni Do	g.v.—At Large.
58. Ivan Santic	Croat—indicted for Lasva Valley	g.v. indicted on 11/10/95—At Large.
59. Vladimir Santic	Croat—indicted for Lasva Valley	g.v. indicted on 11/10/95—At Large.
60. Dragomir Saponja	Serb—indicted 2/13/95 for atrocities committed at Omarska also charged with Keraterm 7/21/95	g.v.c. for both indictments—At Large.
61. Zeljko Savic	Serb—indicted for Omarska	g.v.c. indicted on 2/13/95—At Large.
62. Dusko Sikirica	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v. Gen. c.—Camp Commander—At Large.
63. Blagoje Simic	Serb—indicted 7/21/95 for incidents of war crimes at Bosanski Samac	g.v.c.—At Large.
64. Milan Simic	Serb—same as above	g.v.c.—At Large.
65. Pero Skopljak	Croat—indicted for Lasva Valley	g.v.—At Large.
66. Vesselin Sljivancanin	Yugoslavian Army—indicted 11/7/95 for killings at Vukovar hospital	Rule 61 hearings have been held for Sljivancanin—g.v.c.—At Large.
67. Radovan Stankovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
68. Dusko Tadic	Serb—indicted 2/13/95 for murder, rape and torture at Omarska	Case in deliberation at The Hague—has plead not guilty to charges—verdict will be given 5/7/97 g.v.c.
69. Miroslav Tadic	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.c.—At Large.
70. Nedjeljko Timarac	Serb—indicted 7/21/95 for crimes committed at Keraterm	g.v.c.—At Large.
71. Stevan Todorovic	Serb—indicted for killings at Bosanski Samac	g.v.c.—At Large.
72. Zoran Vukovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
73. Simo Zaric	Serb—indicted 7/21/95 for crimes committed at Bosanski Samac	g.c.—At Large.
74. Dragan Zelenovic	Serb—indicted 6/26/96 for crimes committed at Foca	g.v.c.—At Large.
75. Zoran Zigic	Serb—indicted 7/21/95 for Keraterm and 2/13/95 for Omarska	g.v.c. for both indictments—At Large.

Notes—1. g.: Grave Breaches of the 1949 Geneva Convention. 2. v.: Violations of the Laws or Customs of War. 3. GEN.: Genocide. 4. c.: Crimes Against Humanity.

WAR CRIMINAL WATCH

Information on the whereabouts of 37 of the 67 people publicly indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) who are still at large:

1. Nenad Banovic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Frequents ''Express'' restaurant in Prijedor. Lives at home in Prijedor. Twin brother to Predrag Banovic (q.v.). One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (Christian Science Monitor, Nov. 28, 1996).

2. Predrag Banovic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Frequents ''Express'' restaurant in Prijedor. Lives in Prijedor. Twin brother to Nenad Banovic (q.v.). One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (Christian Science Monitor, Nov. 28, 1996).

3. Mario Cerkez—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Commanded a Bosnian Croat brigade in Vitez in 1993 and is still there (Tanjug, Nov. 13, 1995).

4. Dragan Fustar—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Residence address listed on the IFOR wanted poster was 41 First of May Street in Prijedor. A journalist found Fustar's mother and wife both living there in late November 1996. The number sign has been pulled from the house. His mother and wife say that they live at 37 First of May Street, even though the building is located between 39 and 43 First of May Street. He is now unemployed (Christian Science Monitor, Nov. 28, 1996).

5. Dragan Gagovic—Foca (Bosnian Serb)—Foca (Bosnian Serb territory)—Chief of police in Foca (Sunday Times of London, July 28, 1996).

6. Gojko Jankovic—Foca (Bosnian Serb)—Foca (Bosnian Serb territory)—Seen by a journalist at a Foca cafe while ''French soldiers from IFOR * * * leant against a nearby wall smoking cigarettes and paying no attention as Jankovic, accompanied by bodyguards, casually ordered a drink.'' (Sunday Times of London, July 28, 1996). Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him.

7. Goran Jelisic—Brcko (Bosnian Serb) indicted for Genocide—Bijeljina (Bosnian Serb territory)—Interviewed in his apartment in Bijeljina (DeVolkskrant [Amsterdam], Feb. 29, 1996). Knows the telephone number of Ratko Cesic, also indicted for Brcko (De Volkskrant [Amsterdam], Feb. 29, 1996).

8. Drago Josipovic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—A chemical engineer at the local Vitezit explosives factory, he lives in his family home in the village of Santici, just east of Vitez (Associated Press, Nov. 9, 1996). Works as a chemical engineer in the Princip munitions factory. May also be found at the local Croatian Democratic Party headquarters, where his wife is president (Washington Post, Nov. 27, page A21).

9. Radovan Karadzic—Sarajevo and Srebrenica (Bosnian Serb) indicted for Genocide—Pale (Bosnian Serb territory) Banja Luka (Bosnian Serb territory)—Pale house—large house on a mountainside—pointed out to Prof. Charles Ingrao on trip to Pale (New York Times, Oct. 28, 1996). Has friend, Slavko Rogulic, who runs gas station and hotel for him in Banja Luka. Building a house in Koljani village near Banja Luka. ''[M]akes little effort to conceal his daily movements'' (Associated Press, Nov. 9, 1996).

10. Marinko Katava—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federal)—Works as a labor inspector for the Federation government at a desk in the town hall in Vitez, and lives in a pleasant downtown apartment (Associated Press, Nov. 9, 1996). Works in the town hall in Vitez as an employment inspector. He may be at the pharmacy run by his wife. The family telephone is printed on a sign in the pharmacy window, and the Katavas live upstairs (Washington Post, Nov. 27, 1996, page A21).

11. Dragan Kondic—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Said to have connections with special police in Ljubia. Hangs out almost every night at ''The Pink'' bar in Prejedor.

12. Dario Kordic—Lasva Valley (Bosnian Croat)—Zagreb, Croatia—Numerous reports have him living in Zagreb. On or about July 8, 1996, was photographed in front of an apartment in Zagreb's Tresnjevka district on the 4th floor with no name on the door; block is owned by the defense ministry (Globus [Zagreb], as quoted in Reuters, July 10, 1996). Croatian ambassador to the United States says the apartment belongs to Kordic's parents, which means the Croatian government knows where Kordic has been living (Washington Post, Nov. 11, 1996, A28).

13. Milojica Kos—Omarska (Bosnian Serb)—Omarska (Bosnian Serb territory)—His brother Zheljko Kos owns the ''Europa'' restaurant in Omarska, across the street from the Omarska camp buildings; Milojica Kos frequently at the restaurant. Otherwise, he is keeping a low profile in Omarska (Christian Science Monitor, Nov. 28, 1996).

14. Radomir Kovac—Foca (Bos Serb)—Foca Bosnian Serb territory)—A journalist said at the IFOR press briefing on Nov. 19, 1996, that Kovac was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, ''I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who as been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word.''

15. Mirjan Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim—Croat Federation)—Can be found at the grocery store he and his cousin Vlatko Kupreskic (q.v.) run; he lives in Pirici, just east of Vietz (Associated Press, Nov. 9, 1996). Runs a grocery shop in Vitez not far from Marinko Katava's (q.v.) wife's pharmacy (Washington Post, Nov. 27, page A21).

16. Vlatko Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Can be found at the grocery store he and his cousin Mirjan KUPRESKIC (q.v.) run; he lives in Pirici, just east of Vitez (Associated Press, Nov. 9, 1996).

17. Zoran Kupreskic—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—Can be found at the grocery store run by him, his brother Mirjan Kupreskic (q.v.) and their cousin Vlatko Kupreskic (Q.v.) (Associated Press, Nov. 9, 1996). Runs a business in Vitez, not his brother Mirjan Kupreskic's (q.v.) grocery shop. ''I have been advised not to talk to the press by the guy in charge,'' he said. ''But call my brother Mirjan. Maybe he will want to talk to you,'' giving the telephone number and location of his brother's shop (Washington Post, Nov. 27, page A21).

18. Miroslav Kvocka—Omarska (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave. Was the Prijedor police duty officer as recently as Oct. 23, 1996, but is on temporary leave (Christian Science Monitor, Nov. 28, 1996).

19. Milan Martic—Zagreb rocket attack (CroSerb)—Banja Luka (Bosnian Serb territory)—''[H]is place of residence has been precisely located. . . .'' (Telegraf [Belgrade], Feb. 28, 1996). Believed living in Banja Luka (London Press Association, Mar. 8, 1996). Said to have regular meetings with Plavsic, et al. Attended a public event near Banja Luka in July also attended by IFOR personnel (Human Rights Watch press release, Nov. 8, 1996). Seen in Banja Luka on Nov. 5, 1996. Lives less than 100 meters from IFOR civilian affairs center in Banja Luka (Human Rights Watch press release, Nov. 8, 1996). Gave a videotape interview from his office in Banja Luka (ABC World News Tonight, Nov. 26, 1996).

20. Zeljko Meakic [also spelled ''Mejakic'']—Omarska (Bosnian Serb) indicted for Genocide—Omarska (Bosnian Serb territory)—Deputy commander of Omarska police station (Boston Globe, Oct. 31, 1996, page a6). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave. On duty as recently as Oct. 20 (Christian Science Monitor, Nov. 28, 1996).

21. Slobodan Milijkovic—Bosanski Samac (Bosnian Serb)—Kragujevac, Serbia—Kragujevac is 60 miles southeast of Belgrade (Time magazine, May 13, 1996).

22. Ratko Mladic—Sarajevo and Srebrenica (Bosnian Serb) indicted for Genocide—Han Pijesak (Bosnian Serb territory)—Belgrade, Serbia—Lives inside his headquarters (numerous sources). Maintains an apartment in Belgrade.

23. Milan Mrksic—Vukovar (Serb)—Banja Luka (Bosnian Serb territory)—General in the JNA at the time of Vukovar; then went to work for the Krajina Serbs. Reported to have been in Banja Luka (New York Times, Jan. 5, 1996). Later, reported to have retired and now living a solitary life in Belgrade (Vreme, Apr. 6, 1996).

24. Dragan Nikolic—Susica (Bosnian Serb)—Vlasenica (Bosnian Serb territory)—Either in the Bosnian Serb Army or the Bosnian Serb civilian government (Reuter, Feb. 16, 1996).

25. Miroslav Radic—Vukovar (Serb)—In the Serbian ''provinces''—Operates a private company ''in the provinces'' of Serbia (Vreme, Apr. 6, 1996).

26. Mladen Radic—Omarska (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave.

27. Ivica Rajic—Stupni Do (Bosnian Croat)—Split, Croatia—Lived in a Croatian-government owned hotel, believed to be the Zagreb Hotel, but has since reportedly left Split (Globus [Zagreb]; reported by Reuter, Oct. 23 and 24, 1996).

28. Ivan Santic—Lasva Valley (Bosnian Croat)—territory unknown—Santic was described as an engineer, the director of the Sintevit plant in Vitez, and, at the time the crimes occurred, the mayor of Vitez (Tanjug, Nov. 13, 1995). Interviewed by Inter Press Service (Inter Press Service, Dec. 14, 1995). In 1994–95 (at least), Santic was Deputy Minister of Industry and Energy in the Federation (Vjesnik [Zagreb], June 20, 1994, and Vecernji List [Zagreb], Nov. 20, 1995). Federation officials should know his address.

29. Dusko Sikirica—Keraterm (Bosnian Serb) indicted for Genodice—territory unknown—Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him. OSCE should know his address.

30. Blagoje Simic—Bosanski Samac (Bosnian Serb)—Bosanski Samac (Bosnian Serb territory)—Highest-ranking public official in Bosanski Samac, with an office in the town hall (Boston Globe, Nov. 1, 1996, page a1).

31. Pero Skopljak—Lasva Valley (Bosnian Croat)—Vitez (Muslim-Croat Federation)—An official in the Bosnian Croat Presidency (Tanjug, Nov. 13, 1995). ''Still lives in Vitez, where he runs a print shop'' (Inter Press Service, Dec. 14, 1995). Now runs a local printing company from the ground floor of his spacious home in Vitez (Associated Press, Nov. 9, 1996). Still runs the printing shop, though his wife says he's rarely there (Washington Post, Nov. 27, page A21).

32. Veselin Sljivancanin—Vukovar (Serb)—Belgrade, Serbia—Reportedly had falling out with his superior, Gen. Milan MRKSIC (q.v.), also indicted for Vukovar (New York Times, Jan. 5, 1996). Promoted to full colonel and transferred to Belgrade (Agence France-Presse, Feb. 16, 1996). Now head of the Center of Advanced Military Schools in Belgrade (Svijet [Sarajevo], Apr. 25, 1996). Also referred to as an instructor at the Center of Advanced Military Schools in Belgrade (Vreme, Apr. 6, 1996).

33. Radovan Stankovic—Foca (Bosnian Serb)— Foca (Bosnian Serb territory)—Working in the Bosnian Serb police in Foca as of August, according to IPTF spokesman Aleksandar Ivanko. In August, Stankovic walked into IPTF police station near Sarajevo, but IPTF did not recognize his name. Local police stopped him, asked to see his driver's license, recognized his name, ordered him to come to a police station, whereupon he fled—later to file a complaint with the IPTF alleging that the Bosnian police fired shots at his car (Reuter, Nov. 8, 1996). In August, Stankovic filed a complaint against the Bosnian police at an IPTF office. ''After being embarrassed by the fact that journalists discovered five others indicted on war-crime charges in the Serbian police force, U.N. officials reacted by forbidding their monitors to discuss the Stankovic case with reporters'' (New York Times, Nov. 9, 1996).

34. Nedjeljko Timarac—Keraterm (Bosnian Serb)—Prijedor (Bosnian Serb territory)—Works at Prijedor police station (Reuters, Oct. 29, 1996). Put on leave (ABC World News Tonight, Nov. 26, 1996). Put on one month's leave.

35. Stevan Todorovic—Bosanski Samac (Bosnian Serb)—Bosanski Samac (Bosnian Serb territory)—Deputy of the local office of Republika Srpska state security in Bosanski Samac; works the night shift (7 p.m.-7 a.m.) (Boston Globe, Nov. 1, 1996, page a1). Lives in the village of Donja Slatina, a 3 minute, 30 second drive from American-staffed NATO base of Camp Colt, with 1,000 soldiers. His commuter route is routinely traveled by NATO patrols (Boston Globe, Nov. 1, 1996, page a1).

36. Dragan Zelenovic—Foca (BosSerb)—Foca (Bosnian Serb territory)—A journalist said at the IFOR press briefing on Nov. 19, 1996, that Zelenovic was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, ''I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who has been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word.''

37. Zoran Zigic—Omarska and Keraterm (Bosnian Serb)—Banja Luka (Bosnian Serb territory)—Believed to be in jail in Banja Luka. Reported to be in a Bosnian Serb prison for an unrelated murder (Christan Science Monitor, Nov. 28, 1996).

Other information:

1. Nikica Janjic—Omarska and Keraterm (Bosnian Serb)—Banja Luka (Bosnian Serb territory)—According to friends and his father, he killed himself in September 1995 (Christian Science Monitor, Nov. 28, 1996).

Statistical summary:

37 out of 67: 55.2% of the 67 indicted war criminals who are still at large. 5 out of 5: 100% of war criminals who have been indicted for Genocide.—John W. Hefferman, Coalition for International Justice.

BOSNIA TOLERATES WAR CRIMINALS

(By Liam McDowall)

Vitez, Bosnia-Herzegovina (AP).—Locating war crimes suspects in this Bosnian Croat town is easy. Finding someone prepared to arrest them is tough.

On a typical afternoon, Marinko Katava, who's wanted for murder, can be found behind his desk in the town hall. Pero Skopljak, the town's former chief of police, runs a local printing store.

The Kupreskic family—three of whose members are wanted for their role in the murderous wartime campaign against their Muslim neighbors—are usually at the grocery store they run.

All have been indicted by the U.N. war crimes tribunal in The Hague, Netherlands and listed on a widely-distributed ''Wanted'' poster.

The suspects aren't easy to see. A reporter who spoke by telephone with the Kupeskics was met at the grocery by a group of men who asked the reporter to leave. Skopljak's wife made the same request at the printing shop, and fellow town hall workers said Katava did not want to meet the visitor.

But none of them take any precautions to guard against arrest.

Why should they?

Nobody is looking for them. The unarmed U.N. police force has no powers of arrest and the NATO-led peace force has no mandate to hunt those indicted for their alleged roles in Bosnia's war.

Of the 74 men indicted by the tribunal—four Muslims, 16 Croats and 54 Serbs—only eight are in detention. Four Muslims, two Serbs and one Croat are in The Hague, and one Croat is being held in Croatia, pending extradition.

Just the most famous war crimes suspects follow elaborate security measures to make sure they won't be nabbed and carried off to trial. They include Radovan Karadzic, who led the Bosnian Serbs during the war, and his former military commander Gen. Ratko Mladic, who was fired Saturday by Karadzic's replacement, President Biljana Plavsic.

''Somehow the issue of detaining war criminals has fallen into an institutional black hole,'' said Michael Steiner, a top international peace administrator in Bosnia.

The impotence of the international community was starkly illustrated in August when an indicted Serb walked into a U.N. police station near Sarajevo to file a complaint against Bosnian police who had attempted to arrest him.

The U.N. police did not recognize him and later said they would have made no effort to detain him anyway, since it wasn't their job.

Stung by criticism, international peace administrators are now compiling a list of war crimes suspects and their whereabouts.

They're hoping that with the U.S. elections over—along with the chance that U.S. casualties could mar President Clinton's re-election—Washington may be prepared to support a new mission to go after some of the wanted men.

But up to now, officials have displayed little zeal to embroil any of the 43,000 soldiers of the NATO-led peace force in the war crimes issue, wary of possible retaliation by Bosnia's former warring parties.

The peace force claims that during the past 11 months, not one of its men has spotted a war crimes suspect. Spokesmen now even deny their troops' sightings of Karadzic, which they once confirmed.

That leaves nabbing suspects up to Bosnian Muslim, Croat and Serb authorities—and ''they will not do it,'' Steiner said. It would be political suicide for any leader to hand over suspects to The Hague.

While the Muslim-led government in Sarajevo has in the main cooperated in arresting and extraditing suspects, Bosnia's Serbs and Croats have not.

The two Serbs in custody were arrested abroad, and the Croat in The Hague handed himself in after special conditions were agreed upon in advance. The Croat being held in Croatia was arrested by Croatian officials, not Bosnian Croats.

Karadzic, accused of genocide and crimes against humanity for the siege of Sarajevo and the presumed massacre of thousands of Muslims after the fall of Srebrenica in July 1995, still controls the Serb-controlled half of Bosnia from behind the scenes.

Ostensibly forced out of office in July under the terms of a U.S.-brokered deal, he makes little effort to conceal his daily movements in his mountain stronghold of Pale, southeast of Sarajevo. Confident of his security system and aware that nobody is going to try and grab him, he drives past the U.N. police station in Pale each day.

Mladic lives just 8 miles from a big American base in eastern Bosnia, keeping bees and goat in a heavily-guarded compound in Han Pijesak. There was no unusual movement reported around his compound on Saturday.

U.N. officials told The AP that six indicted Serbs still hold their police jobs: four in the northwestern town of Prijedor and two in the southeastern town of Foca.

Bosnian Croats are no more compliant. In Vitez, 50 miles northwest of Sarajevo, at least six of the 14 Croats indicted for their role in the expulsion and murder of Muslims from the region remain at liberty.

The Associated Press discovered that at least one of the war crimes suspects wanted for murder, Marinko Katava, continues to work as a labor inspector in the local government.

Katava—whose whereabouts, according to the tribunal and the multinational peace force, is unknown—can be found during working hours at town hall and at other times in his pleasant downtown apartment.

Mirjan Kupreskic and his cousin Vlatko Kupreskic, wanted for their alleged role in a murderous campaign against Muslim civilians, live in Pirici on Vitez's eastern flank and run a small grocery in the center of town.

Together with Zoran Kupreskic, Mirjan's brother, the three are charged on several counts of war crimes. Their victims, Muslim neighbors, included a four-month-old infant and a 75-year-old pensioner.

Pero Skopljak, whom tribunal prosecutors accuse of overseeing ''the inhumane treatment'' of Muslim civilians, runs a printing company from the ground floor of his spacious house in Vitez.

Drago Josipovic, indicted for his role in the execution of Muslim civilians, is a chemical engineer at the local Vitezit explosives factory. He lives in his family house in the village of Santici, just east of Vitez.

The town's deputy policy chief, Marko Dundzer, told The AP that he knew ''a few'' suspects remained in Vitez but didn't know any of them personally.

In spite of Bosnian Croat leaders' claims that they are cooperating fully with the tribunal, Dundzer said he would not attempt to arrest any suspect. ''I have received no orders to do such a thing,'' he said.

[From the Boston Globe, Oct. 29, 1996]

BOSNIA'S WAR CRIMINALS ENJOY PEACETIME POWER

(By Elizabeth Neuffer)

Prijedor, Bosnia-Herzegovina—It only takes a phone call to nearby Omarska to discover the whereabouts of Zjelko Mejakic, one of the West's most wanted indicted war criminals.

''Zejelko?'' says the operator at the town police station. ''He's not here at the moment, but he'll definitely be here later.''

Mejakic, the Bosnian Serb former commander of the notorious Omarska prison camp, is deputy police chief, despite his indictment for genocide by the International War Crimes Tribunal at the Hague. And he is not alone: Three indicated war criminals work at the Prijedor police station, according to United Nations and Bosnian Serb sources.

Nearly a year after the Dayton peace accord for Bosnia called for war criminals to be brought to justice, alleged war criminals remain at large and in positions of power, many ruling their communities as firmly in peace as they did during the war.

The net result, a Globe investigation has found, is that some alleged war criminals are flourishing in peacetime. Some are believed to have turned to organized crime, including drug trafficking, counterfeiting and extortion.

Others have kept their hold on communities, allegedly intimidating political opponents and running protection rackets, keeping their war records buried under new abuses of power. Their reach appears to stretch beyond Bosnia: Several war crimes witnesses interviewed in Germany said they have been threatened there.

''Unfortunately, Dayton is only a piece of paper,'' said Rev. Karlo Visaticki, a Roman Catholic priest in Serb-held Banja Luka who holds local warloads responsible for the 1995 disappearance of a local priest. ''All the war criminals are still in power.''

The arrest and trial of alleged war criminals is seen as a key element of peace here, allowing justice to break Balkan cycles of revenge. Yet NATO peacekeepers, whose mandate bans them from searching out war criminals, have yet to arrest any of the more than 76 men indicted. Nor have former warring parties turned over those charged.

Under the Dayton accord, indicted war criminals are banned from holding public or elective office. But in reality, many still do: most notably, Gen. Ratko Mladic heads the Bosnian Serb Army despite his indictment for overseeing the massacre of thousands of Muslims from the UN ''safe haven'' of Srebrenica. In fact, UN sources say Mladic has extended his power base to include police in northwest Bosnia.

Radovan Karadzic, the former Bosnian Serb leader widely viewed as a prime architect of a conflict that killed scores of thousands of people and created 2 million refugees, was forced to step down, but still dictates Bosnian Serb policies and lives in Bosnia with impunity despite his war crimes indictment.

Other less renowned indicated war criminals threaten peace by continuing to control their communities. Prijedor, in Serb-held Bosnia, and Mostar, in the Muslim-Croat Federation, are two such places.

PRIJEDOR

In 1993, Prijedor burst into the West's consciousness with news of the Serb-run detention camps of Ornarska, Keraterm and Trnopolje. Today, the camps are closed. But those who operated them, beating, torturing, raping and killing Muslim and Croat prisoners, still run Prijedor, according to Bosnian Serbs and Western officials. To some, these men are war heroes, who deserve to be in charge of the police station and newspaper. But to opposition politicians, ethnic minorities or dissidents of any kind, the presence of indicted and alleged war criminals in power means peace brings no guarantee of freedom.

''The only thing that has changed since Dayton is that there is no shooting,'' said one of the few remaining Muslims here, who asked not to be identified. Out of a prewar population of about 45,000 Muslims, about 450 remain. ''We continue to live in fear.''

Three indicted war criminals accused of genocide for ''ethnic cleansing'' at the Omarska camp are today Prijedor policemen: shift commander Mladen ''Krkan'' Radic, former camp commander Miroslav Kvocka and guard Nedjeljko Timarac.

''The worst shift in the camp was the one in which Mladen Radic was in charge,'' recalled camp survivor Nusret Sivac in a book about Ornarska and Trnopolje. ''One day * * * they were beating and stomping over everyone, saying, 'On St. Peter's day, we'll light you as firewood, [rape] your Turkish mothers!' and they kept their promise.''

With these men in power in Prijedor—and Mejakic in the police station in Ornarska—there can be no freedom of speech, local Bosnian Serbs say.

''It's a pity these killers are still free,'' said one Bosnian Serb from near Ornarska, who asked not to be identified. ''Because it is still dangerous. Overnight, one can lose one's life.''

Learning of the presence of indicted war criminals on the Prijedor force, Robert Wasserman, deputy commissioner of the UN International Police Task Force, which monitors civilian aspects of the Dayton accords, said the group would seek to have the officers removed.

''We are outraged, and we will move immediately for the removal of these people,'' he said. ''It seriously undermines confidence in police in the country.''

One alleged criminal who is still free is former Prijedor police chief Simo Drljaca, whom UN and NATO officials expect to be indicted this month for war crimes. Drljaca, sources say, determined who was sent to prison camps and how they were treated, including signing all the execution orders.

Since the war, Drljaca has run Prijedor as if it were his fiefdom. In addition to controlling officials from the mayor on down. Drljaca is alleged by residents to have demanded kickbacks for apartments and police protection of businesses. Locally, his nickname is ''Mr. Ten Percent,'' for the rate he demands from area bars and restaurants.

Bosnian Serbs who don't toe the party line allege they had to pay the police to avoid being evicted from their apartments. Western officials say that residents who talked to them later were threatened by Drljaca, called to the police station for ''informative talks.''

NATO officials attempted to reduce Drljaca's power a few weeks ago, forcing Bosnian Serb authorities to remove him as police chief after he threatened NATO peacekeepers with a gun.

''He was God here,'' said one Western official in the region. ''He controlled everything and everyone.''

But last week, despite a new job as logistics adviser to the minister of interior of the Serb half of Bosnia, Drljaca was working as the Prijedor police station, still reachable via his secretary there. ''Unfortunately,'' said one military source, ''he's still pulling the strings here.''

''Oh, from now on I am going to be a good boy,'' Drljaca said in a recent interview with the Globe, denying all allegations. ''These charges are unjustified . . . but it won't affect my personal life. I have protection. Any time of day or night, I am ready to resist.''

That alleged war criminals still run Prijedor is a powerful disincentive for Muslim and Croat refugees who want to return home.

''These criminals assaulted and killed and robbed us, and now they are still in power?'' said Sefik Terzic, a 54–year–old Omarska survivor now in Germany. ''And this is where I am supposed to return to? I'd rather kill myself than let them finish the job they began four years ago.''

MOSTAR

Since the signing of the Dayton agreement last December, the city of Mostar has become Bosnia's hub for organized crime. Explosions routinely destroy cafes of owners unwilling to pay protection money. Opposition figures are openly harassed. Car theft and counterfeit rings abound. Ethnic minorities are chased from their homes. An illegal drug trade, from marijuana to cocaine, is flourishing. And lurking behind all these developments. Bosnian government and Western sources say, are two men accused of being war criminals: Mladen ''Tuta'' Naletilic and Vinko ''Stela'' Martinovic.

''It's got to be the leaders in Mostar and in Bosnia who are determined to get rid of this problem and put the scum where they belong, behind bars,'' Sir Martin Garrod, the European Union envoy to Mostar, told reporters in August, naming Naletilic and Martinovic.

Neither man has been indicted by the War Crimes Tribunal, although files on their wartime activities have been sent to the Hague. The Tribunal was alarmed after Nedzad Ugljen, a Bosnian agent investigating the two men and cooperating with the Tribunal, was assassinated in Sarajevo, according to sources who read a letter sent by the Tribunal to Bosnian officials.

A look at the two men's alleged wartime and peacetime careers reveals how fine a line there appears to be between war crimes and organized crime in today's Bosnia.

The old warlords have simply shifted their activities to organized crimes.'' said Col. Pieter Lambrechste of the European Union police in Mostar. ''And in this postwar period, crime is flourishing.''

So much so that FBI and Drug Enforcement Administration investigators, drawn by the boom in organized crime, recently visited Bosnia.

According to Bosnian government and Western sources. Tuta and Stela gained a stranglehold on Mostar in 1993, running antiterrorist units in the Bosnian Croatian Army that drove minorities from the city and set up local detention camps.

Tuta, a Canadian Croat who is close to Croatian Defense Minister Gojko Susak, is described as having been the brains behind the operation; Stela, who had a lengthy criminal record before the war, the front man. ''Tuta gave the orders, and Stela obeyed,'' said one Western official here.

Officials allege that ''Stela'' Martinovic and his thugs—the ''ATG Mrmak,'' identifiable by their sunglasses and shaved heads—drove out Muslims and Serbs from West Mostar, killing and raping as they went. ''Our whole neighborhood was kicked out by Stela's team,'' said Azra Hasanbegovic, 49, now in East Mostar. ''My 74-year-old mother was badly beaten with rifle butts . . . there were a lot of rapes.''

Bosnian government sources allege that Tuta and Stela established a prison camp at the local helicopter base. Testimony from camp survivors, compiled by the Bosnian government and delivered to the Hague, includes accounts of people forced to eat feces,

denied water under beating sun and made to watch their children raped or killed.

Even local Croats were not safe. Both Tuta and Stela reportedly levied a ''war tax'' on those who refused to fight the Muslims.

Today, the two men continue to exercise power with impunity. Stela prowls Mostar in his green Jaguar, Mercedes 600 or Mercedes 124; Tuta lives next door to Susak in the village of Siroki Brijeg. Bosnian government sources allege the two men are now involved in counterfeiting money, running drugs, prostitution, smuggling cigarettes and protection rackets.

Western authorities say they are aware of the allegations, but cannot prove them. But they do think the two hold sway over Bosnian Croat police, who have done nothing about 50 cases so far this year involving the expulsion of Muslims from their homes. Last week, a Muslim woman arrived home after a two-hour absence to discover a Croatian family in her apartment.

''No one Croat can survive in business or politics unless he is in agreement with Tuta,'' said one Bosnian government source.

In recent weeks, leading political opposition figures in Mostar have been threatened, shot at and beaten. In April, Tuta physically attacked a leading Croatian government critic, Slobodan Budak, at Zagreb's Inter-Continental Hotel.

''There is a climate of intimidation and fear in Mostar, and people are frightened to stand up and express their views as a result,'' said Garrod, the European Union envoy. ''Unfortunately, people on all levels are not yet prepared to demand that the guilty be brought to justice.''

Previous Globe coverage and links are available on Globe Online at http://www.boston.com.

The keyword is Bosnia.

Among alleged war criminals in Prijedor and Omarska.

Momcilo ''Cigo'' Radanovic, Prijedor deputy mayor; Former head of Bosnian Serb Army unit; allegedly extorted residents by promising freedom for cash. ''The biggest crimes in Kozarac were committed . . . under the command of Momcilo (Cigo) Radanovic,'' charged a camp survivor, Nusret Sivac.

Ranko Mijic, new Prijedor chief of police: Omarska camp survivors say he was their chief interrogation officer.

Simo Drljaca, previous Prejidor chief of police: Now adviser to the ministry of interior. Allegedly determined who went to camps; signed orders for executions. ''I became a victim of his revenge,'' said D.E., a Croatian sent to Keraterm. ''Shoving of police clubs into the anus and sitting on broken beer bottles were only some of the maltreatments.''

Mladen Radic, Prijedor police officer: Indicted by War Crimes Tribunal. ''The guards formed a lane, we had to walk through it. It was later explained that if Mladen winked his eye or said, 'Not this one,' the man would walk the lane without being battered,'' said D.I., a former prisoner.

Miroslav Kvocka, police officer: Indicted for war crimes. Original commander of Omarska.

Nedeljko Timarac, chief of forensics, Prijedor police: Indicted for war crimes. At Omarska camp, he was ''a member of the gang of Zoran Zigic, a multiple criminal. They are responsible for many murders and rapes,'' said Nusrat Sevic.

Zeljko Mejakic, Omarska deputy police commander: Indicted for war crimes. Commander of Omarska camp. ''He interrogated me four times,'' said Sefik Terzie, a survivor. ''He knocked me with his fist. His mates knocked my teeth out.''

Slobodan Kuruzovic, Prijedor newspaper editor: Indicted in Croatia for war crimes. Was commander at Trnopoije camp.

MAY 6, 1997.

Hon. FRANK R. LAUTENBERG,
Hon. PATRICK J. LEAHY,
Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG AND SENATOR LEAHY: We are writing to express our strong support and thanks for your legislation, the ''War Crimes Prosecution Facilitation Act.''

We are outraged that 66 of the 75 persons who have been indicted by the International Criminal Tribunal for the Former Yugoslavia (ICTY) for some of the worst crimes in this half-century—including genocide, systematic rape and other crimes against humanity—remain at large. As you know, many of the indicted are living openly and comfortably in the region, continuing to wield political and economic power.

We are united in our concern that bilateral and multilateral reconstruction assistance not strengthen and enrich those indicted war criminals and the governments that are failing to assist in their apprehension and transfer to the Tribunal. It is essential to the peace process that we carefully direct aid so as to encourage compliance with the Dayton Agreement's core elements—apprehension of indicated war criminals, freedom of movement, and return of refugees and displaced persons—rather than strengthen those who are flouting their sworn commitments to do so.

We are particularly pleased that your legislation recognizes the undeniable political realities of the region and holds each Dayton signatory country responsible for the actual extent of its authority and ability to assist the Tribunal. Specifically, Croatia and Serbia have an obligation not only to arrest indicted persons who are within their borders but also to exercise their decisive political and economic influence in the sections of Bosnia-Herzegovina they effectively control to ensure that the indicted who are there are arrested and sent to the Tribunal for trial.

The continued presence of indicted war criminals in the region and continued political and economic strength of their protectors are the major obstacles to reform and implementation of Dayton. Reconstruction will not be successful—and U.S. tax dollars and those of other donors—will be wasted unless such assistance is provided in a manner that supports reconciliation and the rule of law, rather than rewards the very people most responsible for genocide and ethnic cleansing.

Thank you very much for your leadership and concern.

Sincerely,
Coalition for International Justice.
Human Rights Watch.
Physicians for Human Rights.
Action Council for Peace in the Balkans.
International Human Rights Law Group.

Mr. LEAHY. Mr. President, I am very pleased to be an original cosponsor of Senator LAUTENBERG's legislation, the War Crimes Prosecution Facilitation Act of 1997.

Senator LAUTENBERG has consistently called for stronger action to bring war crimes in the former Yugoslavia to justice, and I appreciate his efforts and commend him for keeping the spotlight on this.

I am not going to repeat what Senator LAUTENBERG has already said about why this legislation is needed. He has discussed it in detail. It is simply outrageous that people who are believed to be responsible for some of the most heinous crimes in this century have been living and traveling freely within the former Yugoslavia, their whereabouts a matter of public knowledge.

My own view is that NATO forces, or some special contingent specifically constituted to capture war criminals, should go after these people. The longer we wait, the more powerless NATO appears, and the more convinced these people are that they have nothing to fear. But until that happens, at the very least, we should not give aid to governments that harbor war criminals, especially considering that they pledged to cooperate fully with the War Crimes Tribunal.

That is the purpose of this legislation—to deny aid to governments of the former Yugoslavia until they arrest and turn over indicted war criminals who are within territory under that control, or to projects in communities whose local authorities are protecting war criminals or preventing refugees from returning home. Frankly, that should already be U.S. Government policy. There should be no need for this legislation. Since our goal is to promote reconciliation, the bill does make appropriate exceptions for humanitarian and other limited assistance.

Mr. President, I want to again thank Senator LAUTENBERG for his leadership, I hope that the administration will respond by telling us that they are in agreement with this legislation and will conform their policy accordingly.

By Mr. LUGAR (for himself and Mr. HARKIN): S. 805. A bill to reform the information technology systems of the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE DEPARTMENT OF AGRICULTURE INFORMATION REFORM ACT

Mr. LUGAR. Mr. President, I rise to introduce legislation that will help Secretary of Agriculture Dan Glickman in his efforts to make USDA a more efficient user of taxpayer money. The Department of Agriculture has a long history of wasteful spending on information technology [IT]—telecommunications and computers. Over the past 10 years, USDA invested almost $8 billion on IT purchases that were often poorly planned, incompatible, and redundant. Recently Secretary Glickman lamented the stovepipe mentality that pervades USDA planning and purchases of information technology. That is, each agency of the Department protects its own turf and budget, and is reluctant to coordinate its IT planning and purchases with other agencies.

The Secretary's observations are consistent with messages we have sent to USDA in years past. Five years ago, Senator LEAHY and I warned that ''money invested by USDA in computer technology over the past several years has been spent without a clear understanding of what was being purchased

or what was operationally required to increase efficiency within the Department.'' We asked then Secretary Madigan to curtail computer purchases until a ''strategic plan or vision for Department reorganization is completed.'' We still await a final version of the current strategic plan.

For over a decade, audits of USDA's IT purchases have uncovered the same root problems: inadequate control, planning, and direction of IT investments. Historically, USDA's administration has failed to exercise the authority to control the IT expenditures of its 30 agencies. These agencies' independent IT purchases have led to systems that are unable to communicate across the Department. This has impeded program delivery and resulted in a labyrinth of duplicative and incompatible systems that has wasted hundreds of millions of dollars.

The 104th Congress passed the Clinger-Cohen Act, which requires performance and results-based management in IT planning and purchases throughout Government. Clinger-Cohen created the position of the Chief Information Officer [CIO], a high-level executive responsible for achieving program delivery through prudent and coordinated IT investments. The concept of CIO coordination of IT planning and purchases is already widespread in the private sector.

To be successful, the CIO must have significant legal and budgetary authorities. The CIO at USDA has neither. Individual agencies, which control their own budgets, can ignore the CIO. Currently, USDA's CIO has the responsibility to coordinate IT investments across agencies, but lacks the planning and budgeting authority to meet this responsibility. Without such authority, the problems of the past are sure to continue.

The legislation I introduce today builds on Clinger-Cohen by giving the CIO at USDA the legal and budgetary authorities necessary to manage IT across USDA's 30 agencies. This bill accomplishes three things. First, the CIO is given the legal and budget authorities necessary to sucessfully manage IT to benefit the Department as a whole. Second, the CIO is given subcabinet rank within USDA, and will report directly to the Secretary. Third, the CIO is given the authority to approve or disapprove all purchases for telecommunications and computers.

One important provision of this bill transfers to the CIO 10 percent of all USDA agencies' appropriations for salaries and expenses, to be used for IT planning and purchases. This amount can be adjusted by the Secretary. When the CIO approves an expenditure, the funds are released back to the agency. My purpose in including this provision is to provide the CIO with sufficient authority to control IT throughout USDA. I understand that Secretary Glickman may prefer alternative methods of achieving this goal. I look forward to working with him to craft the best means of accomplishing our common objective, because I genuinely intend this legislation to be helpful to his efforts and want to be supportive.

Secretary Glickman sincerely wants to change the stovepipe mentality that pervades decisionmaking among USDA's 30 agencies. The Secretary has expressed a desire to reform the planning and budgeting of IT expenditures. He has stated a desire to halt the pattern of uncoordinated planning and ill-advised purchases that has resulted in the waste of taxpayer dollars. I believe the Secretary agrees that we cannot afford the operating procedures which exist today.

However, the challenge of effecting change in the long-standing pattern of stovepipe agencies operating on their own is formidable. By introducing this bill today, I offer my assistance to the Secretary in this difficult and heretofore elusive task.

The intent of this legislation is to help the Secretary realize his vision of a common USDA spirit by allowing him to implement reforms across the entire Department of Agriculture. I look forward to working with him to increase the efficiency and effectiveness of IT purchases and in so doing improve delivery of USDA programs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 805

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Department of Agriculture Information Technology Reform Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
Sec. 4. Powers and duties of Chief Information Officer.
Sec. 5. Procurement of outside consultants.
Sec. 6. Transfer of agency information technology funds.
Sec. 7. Review by Office of Management and Budget.
Sec. 8. Technical amendment.
Sec. 9. Termination of authority.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Office of Management and Budget estimates that the Department of Agriculture will spend $1,100,000,000, $1,200,000,000, and $1,250,000,000 for fiscal years 1996, 1997, and 1998, respectively, on information technology and automated data processing equipment;

(2) according to the Department, as of October 1993, the Department had 17 major information technology systems under development with an estimated life-cycle cost of $6,300,000,000;

(3) over the past decade, committees of Congress, the General Accounting Office, the Office of Management and Budget, and private consultants have repeatedly argued that the Department's information technology decisions have been made in piecemeal fashion, on an individual agency basis, resulting in duplication, a lack of coordination, and wasted financial and technological resources by the offices or agencies of the Department and in hundreds of millions of wasted dollars over the past decade;

(4) the Department's role in agriculture in the United States was substantially altered by the FAIR Act, although the Department has yet to adequately assess fully the impact the FAIR Act will have on the services the Department provides to its customers;

(5) decentralized, uncoordinated, and wasteful purchases for information technology have continued at the Department until recently when the Secretary imposed a moratorium on purchases;

(6) strong central and independent leadership, control, and accountability is essential to coordinating planning and eliminating wasteful purchases;

(7) the Chief Information Officer should have a subcabinet rank within the Department;

(8) a single authority for Department-wide planning is needed to ensure that the information technology architecture of the Department is based on the strategic business plans, information resources, management goals, and core business process methodology of the Department;

(9) information technology is a strategic resource for the missions and program activities of the Department;

(10) consolidating the budgetary authority for information technology purchases is key to eliminating purchases that are conducted in piecemeal fashion, on an individual office or agency of the Department basis, resulting in duplication, a lack of coordination, and wasted financial and technological resources at the Department;

(11) centralizing the authority and funding for planning and investment for information technology in the Office of the Chief Information Officer will—

(A) provide the Department with strong and coordinated leadership and direction;

(B) ensure that the business architecture is based on rigorous core business process methodology;

(C) ensure that the information technology architecture of the Department is based on the strategic business plans of the offices or agencies of the Department and the missions of the Department;

(D) ensure that funds will be invested in information technology only after the Chief Information Officer has completed the planning and review of future business requirements of the offices or agencies and developed an information technology architecture that is based on the business requirements; and

(E) force the Department to act as a single enterprise with respect to information technology, thus eliminating the duplication and inefficiency associated with a single office- or agency-based approach;

(12) each office or agency of the Department should achieve at least—

(A) a 5 percent per year decrease in costs incurred for operation and maintenance of information technology; and

(B) a 5 percent per year increase in operational efficiency through improvements in information resource management; and

(13) information resource management should be supported by a senior official of the Department who is committed to using information technology as a process to facilitate the most efficient administration of the program functions of the Department by marshalling the necessary resources and the commitment of high-level managers toward that end.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGENCY INFORMATION TECHNOLOGY FUNDS.—The term ''agency information technology funds'' means 10 percent of the annual fiscal year funds that are made available to each office or agency of the Department for salaries and expenses.

(2) CHIEF INFORMATION OFFICER.—The term ''Chief Information Officer'' means the individual appointed by the Secretary to serve as Chief Information Officer (as established by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425)) for the Department.

(3) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(4) FAIR ACT.—The term ''FAIR Act'' means the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127).

(5) INFORMATION RESOURCE MANAGEMENT.—The term ''information resource management'' means the process of managing information resources to accomplish agency missions and to improve agency performance.

(6) INFORMATION RESOURCES.—The term ''information resources'' means information and related resources such as personnel, equipment, funds, and information technology systems.

(7) INFORMATION TECHNOLOGY ARCHITECTURE.—The term ''information technology architecture'' means an integrated framework for evolving or maintaining existing information technology and acquiring new information technology to achieve the strategic business plans, information resources, management goals, and core business process methodology of the Department.

(8) INFORMATION TECHNOLOGY SYSTEM.—The term ''information technology system'' means a system of automated data processing or telecommunications equipment or software (including support services), information resource management, or business process reengineering of an office or agency of the Department.

(9) OFFICE OR AGENCY OF THE DEPARTMENT.—The term ''office or agency of the Department'' means, as applicable, each current or future—

(A) national, regional, county, or local office or agency of the Department;

(B) county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5));

(C) State committee, State office, or field service center of the Farm Service Agency; and

(D) a group of multiple offices and agencies of the Department that are currently, or will be, connected through common program activities and information technology systems.

(10) PERFORMANCE GOAL.—The term ''performance goal'' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

(11) PROGRAM ACTIVITY.—The term ''program activity'' means a specific activity or project of a program that is carried out by 1 or more offices or agencies of the Department.

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(13) TRANSFER OR OBLIGATION OF FUNDS.—The term ''transfer or obligation of funds'' means, as applicable—

(A) the transfer of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) from 1 account to another account of an office or agency of the Department for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department;

(B) the obligation of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department; or

(C) the obligation of funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) for the purpose of investing in an information technology system of an office or agency of the Department that exceeds $250,000 for any 1 order, or aggregation of orders, for the same or similar items and involves planning, providing services, or leasing or purchasing of personal property (including all hardware and software) or services for an information technology system of an office or agency of the Department, to be obtained through a contract with an office or agency of the Federal Government, a State, the District of Columbia, or any person in the private sector.

SEC. 4. POWERS AND DUTIES OF CHIEF INFORMATION OFFICER.

Notwithstanding any other provision of law (except the Government Performance and Results Act of 1993 (Public Law 103–62), amendments made by that Act, and the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.)), in addition to the general authorities provided to the Chief Information Officer by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425), the Chief Information Officer shall have the following powers and duties within the Department:

(1) LEADERSHIP IN REORGANIZATION AND STREAMLINING EFFORTS.—The Chief Information Officer, in cooperation with other persons such as the Chief Financial Officer and the Executive Information Technology Investment Review Board (or its successor), shall provide the strong central leadership, planning, and accountability that is needed in light of the substantial changes created by the FAIR Act and reorganization and downsizing initiatives already commenced within the Department.

(2) INFORMATION TECHNOLOGY SYSTEMS AND INFORMATION RESOURCE MANAGEMENT.—The Chief Information Officer shall oversee the development, implementation, and maintenance of all information technology systems and information resource management in the Department.

(3) DEPARTMENT-WIDE INFORMATION TECHNOLOGY SYSTEMS.—The Chief Information Officer shall ensure that information technology systems of the Department are designed to coordinate the functions of the offices or agencies of the Department on a Department-wide basis.

(4) INFORMATION TECHNOLOGY ARCHITECTURE.—The Chief Information Officer shall establish, and exercise exclusive authority over, an information technical architecture that serves the entire Department based on the strategic business plans, information resources, management goals, and core business process methodology of the Department.

(5) COORDINATION OF INFORMATION TECHNOLOGY ARCHITECTURE AND AGENCY STRATEGIC PLANS.—

(A) IN GENERAL.—The Chief Information Officer shall ensure that the information technology architecture of the Department clearly implements the strategic business plans, and information resource management, of offices or agencies of the Department regarding the needs and goals of program activities of the Department.

(B) GOALS OF THE INFORMATION TECHNOLOGY ARCHITECTURE.—The Chief Information Officer shall design and implement an information technology architecture in a manner that ensures that—

(i) the information technology system of each office or agency of the Department maximizes the effectiveness and efficiency of mission delivery and information resource management, and supports core business processes of the Department;

(ii) the information technology system of each office or agency of the Department maximizes quality per dollar expended;

(iii) maximizes efficiency and coordination of information technology systems between offices or agencies of the Department;

(iv) planning for, leases, and purchases of the information technology system of each office or agency of the Department most efficiently satisfy the needs of the office or agency in terms of the customers served, program characteristics, and employees affected by the system; and

(v) information technology systems of the Department are designed and managed to coordinate or consolidate similar functions of the missions, and offices or agencies of the Department, on a Department-wide basis.

(6) COORDINATION AND EVALUATION OF INFORMATION TECHNOLOGY SYSTEMS OF OFFICES AND AGENCIES.—The Chief Information Officer shall—

(A) monitor the performance of the information technology system of each office or agency of the Department;

(B) evaluate the performance of the system on the basis of applicable performance measurements; and

(C) advise the head of the office or agency on whether to continue, modify, or terminate the system.

(7) ELECTRONIC FUND TRANSFERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department complies with the requirement of section 3332 of title 31, United States Code, that certain current, and all future payments after January 1, 1999, be tendered through electronic fund transfer.

(8) FIELD SERVICE CENTERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department provides for information technology systems that are designed for field service centers—

(A) to best facilitate the exchange of information between field service centers and other offices or agencies of the Department;

(B) that integrate the operation of all existing information technology systems of the Department to provide a single point of service for program delivery;

(C) that integrate the changed missions of the Department in light of the FAIR Act and reorganization and downsizing initiatives of the Department; and

(D) that are cost effective.

(9) INFORMATION TECHNOLOGY SYSTEM INVESTMENTS.—

(A) IN GENERAL.—The Chief Information Officer shall have the exclusive authority to approve a transfer or obligation of funds to be used for the purpose of investing in an information technology system of the Department that exceeds $250,000 and that applies to an office or agency of the Department or has a Department-wide impact.

(B) CONDITIONS ON APPROVAL OF FUNDING.—The Chief Information Officer shall not approve the transfer or obligation of funds with respect to an office or agency of the Department unless the Chief Information Officer determines that—

(i) the information technology architecture of the Department is complete;

(ii) the funds will be transferred or obligated for an information technology system that is consistent with, and maximizes the performance of, the strategic business plans of the office or agency of the Department and of the Department;

(iii) ongoing projects and other acquisitions have been reviewed to ensure that similar requirements, common elements, and economies of scale are realized; and

(iv) in coordination with the Chief Financial Officer, the strategic business plan of the office or agency is complete.

(C) CAPITAL PLANNING AND INVESTMENT CONTROL.—Before approving a transfer or obligation of funds for an investment under subparagraph (A), the Chief Information Officer shall consult with the Executive Information Technology Investment Review Board (or its successor) concerning whether the investment—

(i) meets the objectives of capital planning processes for selecting, managing, and evaluating the results of major investments in information systems; and

(ii) links the affected strategic plan with the information technology architecture of the Department.

(D) EVALUATION OF INVESTMENTS.—The Chief Information Officer shall adopt, and have exclusive authority to use, a standard set of criteria to evaluate proposals for information technology system investments that are applicable to individual offices or agencies of the Department or have a Department-wide impact. The criteria adopted shall include considerations of Department-wide or Federal Government-wide impact, visibility, cost, risk, consistency with the information technology architecture, and maximization of performance goals for program activities.

(10) USE OF BUDGET PROCESS.—

(A) IN GENERAL.—The Chief Information Officer shall develop, as part of the budget process, a process for analyzing, tracking, and evaluating the risks and results of all major capital investments made by an office or agency of the Department for information systems.

(B) PROCESS.—The process shall cover the life of each system and shall include explicit criteria for analyzing the projected and actual costs, benefits, and risks associated with the investments.

(C) CONTROL AND OVERSIGHT OF BUDGET.—The Chief Information Officer shall exercise exclusive control over the budget of the Office of the Chief Information Officer, including funds appropriated to the Office, and agency information technology funds that are annually transferred to the account of the Chief Information Officer under section 6(a).

(11) COMPLIANCE WITH OMB CRITERIA AND OVERSIGHT.—The Chief Information Officer shall ensure compliance with all criteria for an information technology architecture or information technology investment that are established by the Office of Management and Budget and under the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.).

(12) EVALUATION OF PROGRAMS AND INVESTMENTS.—

(A) REQUIREMENT.—The Chief Information Officer, in consultation with the Executive Information Technology Investment Review Board (or its successor), shall evaluate the information resources management practices of the offices or agencies of the Department with respect to the performance and results of the investments made by the offices or agencies in information technology.

(B) DIRECTION FOR ACTION.—The Chief Information Officer shall issue to the head of each office or agency of the Department clear and concise direction that the head of the office or agency shall—

(i) establish effective and efficient capital planning processes for selecting, managing, and evaluating the results of all of its major investments in information systems;

(ii) determine, before making an investment in a new information system—

(I) whether the function to be supported by the system should be performed by the private sector and, if so, whether any component of the office or agency performing that function should be converted from a governmental organization to a private sector organization; or

(II) whether the function should be performed by the office or agency and, if so, whether the function should be performed by a private sector source under contract or by personnel of the office or agency;

(iii) analyze the missions of the office or agency and, based on the analysis, revise the office or agency's mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of those missions; and

(iv) ensure that the information security policies, procedures, and practices are adequate.

(13) REPORTING.—The Chief Information Officer shall report only to the Secretary.

SEC. 5. PROCUREMENT OF OUTSIDE CONSULTANTS.

(a) IN GENERAL.—Consistent with section 3109 of title 5, United States Code, the Chief Information Officer may procure a private consultant who is an expert in—

(1) planning and organizing information technologies in the context of a business; and

(2) coordinating information technologies with core business plans and processes.

(b) REPORT.—The Chief Information Officer shall submit the evaluation by the consultant to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 6. TRANSFER OF AGENCY INFORMATION TECHNOLOGY FUNDS.

(a) IN GENERAL.—Subject to subsections (b) and (c) and notwithstanding any other provision of law, each office or agency of the Department shall annually transfer agency information technology funds to the account of the Chief Information Officer.

(b) USE AND AVAILABILITY OF FUNDS.—Agency information technology funds that are transferred to the account of the Chief Information Officer—

(1) may be used only for an activity described in section 4, 5, or 6 or the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.) that the Chief Information Officer determines will best serve the needs of the Department; and

(2) shall remain available until expended.

(c) ADJUSTMENT OF FUNDS TRANSFERRED.—The Secretary may adjust the amount of funds transferred by an office or agency under subsection (a) to reflect the actual or estimated expenditure of the office or agency for information technology systems for a fiscal year.

(d) MULTIPLE OFFICES AND AGENCIES.—An office or agency of the Department shall not be required to transfer more than 10 percent of the funds made available to the office or agency for salaries and expenses in any fiscal year to the extent that the office or agency participates in a program activity that involves more than 1 office or agency of the Department.

SEC. 7. REVIEW BY OFFICE OF MANAGEMENT AND BUDGET.

The Director of the Office of Management and Budget may review any regulation or transfer or obligation of funds involving an information technology system of the Department based on criteria for a strategic business plan, information technology architecture, or information technology investment, established by the Office of Management and Budget under the Government Performance and Results Act of 1993 (Public Law 103–62), amendments made by that Act, and the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.).

SEC. 8. TECHNICAL AMENDMENT.

Section 13 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714k) is amended in the second sentence by striking ''section 5 or 11'' and inserting ''section 4, 5, or 11''.

SEC. 9. TERMINATION OF AUTHORITY.

The authority under this Act (other than section 8) terminates on March 31, 2002.

By Mr. MCCAIN (for himself and Mr. CAMPBELL): S. 806. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for Indian investment and employment, and for other purposes; to the Committee on Finance.

S. 807. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

S. 808. A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of tax-exempt bonds by Indian tribal governments, and for other purposes; to the Committee on Finance.

S. 809. A bill to amend the Internal Revenue Code of 1986 to exempt from income taxation income derived from natural resources activities by a member of an Indian tribe directly or through a qualified Indian entity; to the Committee on Finance.

NATIVE AMERICAN TAX RELIEF LEGISLATION

Mr. MCCAIN. Mr. President, I am pleased to join my colleague, Senator BEN NIGHTHORSE CAMPBELL, chairman of the Indian Affairs Committee, in introducing a series of tax relief bills designed to encourage investment, economic development, and growth on Indian reservations and other native American communities throughout the United States. The four bills that I am introducing today would amend the Tax Code to give Indian tribes the tools with which to improve their economies.

In simple terms, native Americans as a group have experienced grinding poverty of epidemic proportions since the days when they were first uprooted from their homelands or overrun by settlers. At the end of World War II, the United States assisted in rebuilding the economies of Germany and Japan to the advancement of peace,

stability, and our own prosperity. Since the time native America lost ''the war,'' their economy has never been rebuilt. The treaties that the United States made with tribes in exchange for their land and peace have, for the most part, not been honored.

The economic conditions on Indian reservations have not improved even during those periods of economic growth that have swept much of the rest of our Nation. Instead, Indians have long suffered the indignity of promises broken and treaties discarded, and a personal hopelessness that reaches tragic dimensions. Many Indian reservations are, relatively speaking, islands of poverty in the ocean of wealth that is the rest of America.

In previous Congresses, I have offered these amendments to the Federal Tax Code to create incentives for private sector investment on Indian reservations and remove inequities in the Tax Code so that tribal governments can enjoy the same tax benefits accorded other nontaxable government entities. I have offered these provisions, not to provide an advantage to Indians, but merely to give them the same kind of tax incentives and benefits the Congress has given other economically depressed areas and other units of government. Given the extremely underdeveloped economies of native American communities, I believe we must authorize these reasonable measures to stimulate economic growth and productivity for Indians.

RESERVATION INVESTMENT TAX CREDIT

Mr. President, the first bill I am introducing today is the Indian Reservations Jobs and Investment Act of 1997. This bill would provide tax credits to otherwise taxable business enterprises if they locate certain kinds of income-producing property on Indian reservations. The bill does not provide any tax credit for reservation property used in connection with gaming activities.

I am very concerned by how little private enterprise is present on Indian reservations. Typically, the only economic activity is that generated by the Federal or tribal governments. We must begin to see private investment attracted to Indian reservations if we are to realize any significant improvement in the economies of Indian tribes.

TRIBAL UNEMPLOYMENT TAX EQUITY AND RELIEF

Mr. President, the second measure is the Indian Tribal Government Unemployment Compensation Act Tax Relief Amendments of 1997. This bill would correct a serious oversight in the way the Internal Revenue Code treats Indian tribal governments for unemployment tax purposes under the unique, State-Federal unemployment program authorized by the Federal Unemployment Tax Act [FUTA]. It would clarify existing tax statutes so that tribal governments are treated as State and local units of governments for unemployment tax purposes.

Unless this problem is resolved, many former tribal government employees will continue to be denied benefits by State unemployment funds. I believe that Indian and nonIndian workers who are separated from tribal governmental employment should be included in our Nation's comprehensive unemployment benefit system, and this bill will go a long way toward ensuring mandatory participation by tribal governments on a fair and equitable basis in the Federal-State unemployment fund system. I can think of nothing more fair than the approach clarified in this bill.

TRIBAL TAX-EXEMPT BOND AUTHORITY

Mr. President, a third measure I am introducing is the Tribal Government Tax-Exempt Bond Authority Amendments Act of 1997. This bill would bring new investment dollars to Indian reservations where capital formation is so desperately needed. There are serious deficiencies in the basic infrastructure on Indian reservations, primarily because increasingly tight fiscal restraints have limited the ability of the United States, through direct appropriations, to fund construction and other activities. Reservations lag far behind the rest of the United States in terms of sanitation, housing, roads, basic utilities, and public service facilities necessary to support a society and a competitive economy. I believe that providing additional tax-exempt bond authority to tribal governments will go a long way toward attracting new sources of capital to Indian reservations.

TRIBAL NATURAL RESOURCE TAX RELIEF

Mr. President, finally, I am introducing the Treatment of Indian Tribal Natural Resource Income Act of 1997. This bill would extend an exemption to income derived by individual Indians from the harvest of natural resources from tribal trust land that is now extended to income derived by individual Indians from treaty-protected Indian fishing activity. In 1988 Congress amended the Internal Revenue Code to provide the treaty fishing exemption under section 7873, which serves as a model for this bill.

The bill would apply only to tribal members and only with regard to natural resources, underlying title to which is owned by the United States in trust for a tribe. It would remove the existing anomaly which allows a tribe as a whole to harvest or process such resources free of tax, but imposes an income tax on an individual tribal member of that tribe carrying out activity permitted by the tribe.

Mr. President, native Americans need to have the appropriate tools to overcome years of economic hardship and deprivation. They need to be given a full and fair opportunity to improve their quality of life today and to become more self-sufficient in the future. These bills will help to achieve these goals by spurring economic development on Indian reservations and tribal industries. I urge all of my colleagues to join in supporting early passage of these measures.

Mr. CAMPBELL. Mr. President, today I would like to co-sponsor the Indian Tribal Government Unemployment Compensation Act Tax Relief Amendments of 1997 introduced by Senator MCCAIN. The Federal Unemployment Tax Act of 1935 [FUTA] is a joint Federal-State tax system which imposes on each employer a tax on wages paid to their employees. These taxes are used to provide unemployment insurance to out-of-work citizens. The Federal portion of the tax can range up to 6.2 percent on wages paid, and the State portion ranges from near zero to 9 percent of wages paid.

Indian tribes from around the country have contacted me expressing a great deal of confusion with the FUTA tax system and the difficulties they are having in planning as a result of the varying interpretations given FUTA by the IRS and the Labor Department. This problem is national in scope and experienced by tribes in the Great Lakes region such as the Red Lake Band of Chippewa Indians and the Fond du Lac Band of Lake Superior Chippewa Indians, and by tribes in my own State of Colorado—the Ute Mountain Ute and the Souther Ute tribes.

The FUTA encourages States to undertake their own unemployment insurance programs by permitting employers to take the State unemployment insurance taxes they have paid and use them to offset their Federal unemployment insurance tax bill.

This legislation is necessary to clarify the status of tribal governments under the FUTA and the Internal Revenue Code. As independent sovereign entities, Indian tribal governments should be afforded the same tax treatment, in this instance with regard to FUTA, as other governments—Federal, State, and local. Indian tribal governments are legitimate governments and, in fact, are one in four sovereign governments mentioned in the U.S. Constitution; the others being foreign nations, the several states, and the Federal Government. This is critical because FUTA treats private, commercial employers differently than it does foreign, State and local government employers. Private employers are subject to both State and Federal unemployment insurance taxes.

In brief, the FUTA exempts foreign, Federal, State, and local government employers from the 0.8 percent Federal unemployment tax; and exempts foreign and Federal Government employers from the State unemployment insurance tax. FUTA allows state and local government employers to pay a favorable, lower State unemployment insurance taxes, and for tax purposes treats tax-exempt charitable organizations the same as State and local governments.

The problem is that the FUTA does not expressly include Indian tribal government within the ''government employer'' category it has created for State and local government employers. As a result tribal governments across

the country have been subjected to widely differing interpretations of the FUTA statute, with inconsistent results. Some tribes's good faith interpretation of the statute led them to believe that they, as units of government, were immune from the Federal tax. These tribes face large tax liabilities as a direct result of the way the act is being applied. Other tribes, again in good faith, did not participate in State unemployment insurance programs. In these instances, employees of tribal governments, both Indian and non-Indian, have been denied unemployment insurance benefits, pointing to the lack of participation by the tribes.

Not surprisingly, the agencies charged with administering the tax and labor laws have not arrived at a consensus on the FUTA issue. For the past several years, various Internal Revenue Service field offices have interpreted the FUTA in different ways. The varying interpretations have resulted in differences in benefits availability for tribal employees, Indians as well as non-Indians, and differing degrees of tax liability for tribal governments themselves. The bottom line is that for Federal FUTA tax purposes, the treatment for tribes often depends on where they are located. Absent explicit recognition from Congress clarifying the status of tribal governments, this is a problem that will go on.

Because State governments, the IRS, and the U.S. Labor Department cannot seem to agree on the status of Indian tribal governments under the FUTA, the time is right for the Congress to act and to clarify this issue so that tribal members can secure benefits they are entitled to and the tribes will have certainty and predictability in their employment and hiring decisions.

Tribal government employers will benefit from this measure by the uniform application of the FUTA statute. The increased certainty that it will provide to tribal employers, their employees, and separated employees will enhance the tribal work environment, reduce litigation, and provide assurances to all parties involved. This bill would require that Indian tribal government employers receive the same treatment as Federal, State, and local governments and tax-exempt organizations receive for FUTA purposes.

The Joint Tax Committee has been requested to estimate the revenue impact of this measure. Similar estimates performed in 1995 indicated the impacts to be minor. The development of tribal economies is a critical element in encouraging tribal self-sufficiency and political self-determination. Increasing the ability of tribal government employers to attract and retain the best skilled employees is one of my main objectives as chairman of the Indian Affairs Committee. If the confusion and lack of certainty that has plagued tribal governments continues, employment with an Indian tribe will be increasingly unattractive, and tribes will suffer.

By providing equitable FUTA treatment to tribal government employers, this legislation will assist in the long-term growth and stability of tribal economies and tribal governments. I urge my colleagues to join in supporting this crucial measure.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

FOND DU LAC RESERVATION,
BUSINESS COMMITTEE,
Cloquet, MN, March 27, 1997.

Senator BEN NIGHTHORSE CAMPBELL,
Chairman, Senate Committee on Indian Affairs, Hart Senate Office Building, Washington, DC.

RE: H.R. 294, to amend the Federal Unemployment Tax Act.

DEAR SENATOR CAMPBELL: As Chairman of the Reservation Business Committee of the Fond du Lac Band of Lake Superior Chippewa Indians, I write to request your support of H.R. 294, a bill to amend the Federal Unemployment Tax Act to clarify that Indian tribes, like state and local governments, are exempt from this tax.

State and local governments in recognition of their sovereignty, are not required to pay federal unemployment taxes. In 1987, the IRS took the same position with regard to Indian tribes. At that time, the IRS specifically advised the Fond du Lac Band that the Band was not subject to FUTA and was therefore not required to pay the federal unemployment tax. The IRS actually refunded federal taxes that the Band had previously paid. A copy the IRS letter to us is enclosed.

The IRS has since changed its mind, and has initiated an action against the Band which is now being litigated before an Administrative Law Judge. In these proceedings, the IRS seeks over $2 million in back taxes and penalties from the Band. The government's change of position on the issue is not only unfair to tribes, but has generated litigation that is expensive and inefficient for both the tribes and the federal government to pursue.

Moreover, the IRS is pursuing this matter even though the Fond du Lac Band has voluntarily participated in the State's unemployment compensation plan. The Band has done so, not because the Band is required to, but because the welfare of our employees and our former employees is of the utmost importance to us.

The legal uncertainty about the applicability of FUTA to tribes, and the IRS' inconsistent position on that question, results in a situation that should be fixed. FUTA should be amended to recognize the tribes' status as sovereigns. The Fond du Lac Band—like the State of Minnesota and the local communities within the state—is responsible for providing a myriad of services to Band members and Reservation residents. Established federal Indian policy has—for many years—been directed to encouraging tribal self-determination, and economic self-sufficiency. And numerous federal statutes—enacted to further those ends—recognize and confirm tribal status as separate sovereigns. It is inconsistent with tribal sovereignty, and the federal policy of encouraging tribal self-determination, to treat tribes differently from state and local governments, and to subject tribes to the payment of a federal tax from which state and local governments are exempt.

H.R. 294, introduced by Congressman Shadegg, would resolve this disputed question. The bill is identical to S. 1305 introduced by Senator McCain and yourself in the 104th Congress. The measure was further supported by Senator Grams. A copy of Senator Grams' letter to the Senate Finance Committee on this matter is attached. The bill strikes an appropriate balance between tribal sovereignty—in that it clarifies that tribes, like every other government in this country, are exempt from FUTA taxes—while also ensuring that tribal employees are provided unemployment benefits, by requiring tribes to either voluntarily participate in state plans, as Fond du Lac is now doing, or to reimburse the state plans for any payment made to Tribal employees.

We urge you to show your support of this measure by introducing companion legislation in the Senate. We look forward to working with you and your staff to see enactment of this important legislation and we thank you for your consideration of our request.

Very truly yours,

ROBERT B. PEACOCK,
Chairman.

UTE MOUNTAIN UTE TRIBE,
Towaoc, CO, November 14, 1996.

Re Federal Unemployment Tax Act—applicability to Indian tribes.

JOHN ECHOHAWK,
Executive Director, Native American Rights Fund, Boulder, CO.

DEAR JOHN: Please find enclosed several documents pertaining to a serious problem we are having with the federal Department of Labor and the State of Colorado concerning our status under the Federal Unemployment Tax Act (FUTA). Because the Department of Labor's enclosed Unemployment Insurance Letter (UIPL) was forwarded to all state employment security agencies, this problem will eventually effect all tribes across the nation.

The documents I am providing include; 1. The UIPL issued by Labor; 2. Letter received from the Colorado Department of Labor; 3. The draft resolution presented to NCAI; 4. The signed NCAI resolution passed at their recent Phoenix meeting[1]; 5. Copies of relevant portions of FUTA, and; 6. Copies of 26 USC §7871 concerning Indian tribe's tax status under the Internal Revenue Code.

In person, I will explain in more complete detail the chronology of this issue. Both Colorado Ute tribes thought we solved this problem several years ago. The crux of the issue is that states and their political subdivisions are exempt under FUTA. State agencies are thus charged with the responsibility of insuring their political subdivisions. Tribes were not included in the state law as political subdivisions and therefore we received no unemployment insurance benefits whatsoever.[2] Finally, the Colorado State Legislature amended state law to include the two Colorado Ute tribes as political subdivisions. We were then able to participate in the program and were given the favorable rate afforded to such entities.

Because the Colorado Department of Labor is afraid its program will be decertified per the UIPL, they are now placing us at a new employer rate and demanding back payments to January 1, 1996. *See*, enclosed letter. While they have informed us we will be considered a ''continuing employer,'' the rate is a much higher rate than that afforded to political subdivisions.

It is our attorney's initial position the matter can be resolved by amending the federal law on Indian tribe's tax status. Simply put, this and other tribes need an amendment to 26 USC §7871 adding FUTA to the other excise taxes which tribes are considered as states for purposes of.

Footnotes at end of article.

We would like to request the assistance of the Native American Rights Fund attorneys and policy staff on this issue. Some coordination of effort would be greatly appreciated. I firmly believe it is an issue which will affect all tribes in the very near future. The impacts of Labor's UIPL surely will negatively affect sovereignty and degrade the government-to-government relationship which President Clinton affirmed by Executive Order a few years ago.

I thank you for your consideration of this matter.

Sincerely,

JUDY KNIGHT-FRANK,
Chairman.

FOOTNOTES

[1] At the time of writing, I am still awaiting a facsimile copy of the NCAI Resolution and will forward it immediately when it is received.

[2] We did not pay our IRS FUTA tax bills since we received no benefit therefrom. A large IRS claim was dropped via federal legislation acknowledging the problem.

NATIONAL CONGRESS OF AMERICAN INDIANS,
Washington, DC, May 22, 1997.

Hon. BEN NIGHTHORSE CAMPBELL,
Chairman, Committee on Indian Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN CAMPBELL: On behalf of the National Congress of American Indians, the oldest and largest national Indian organization, I am writing to voice the support of more than 200 tribal governments for legislation to fix the inequitable treatment of tribal governments under the Federal Unemployment Tax Act (FUTA).

Since its enactment in the 1930's, FUTA has treated foreign, federal, state and local governments employers differently from commercial business employers. FUTA also treats tax-exempt charitable organizations the same as state and local governments. It is well-settled that tribal governments are not taxable entities under the federal tax code because of their governmental status. However, because FUTA does not expressly include tribal governments within the definition of governmental employers, the Internal Revenue Service (IRS) is forcing tribal governments to pay the high tax rates that apply to commercial business employers.

To correct this situation, Representative Shadegg has introduced H.R. 294, the Indian Tribal Government Unemployment Compensation Tax Act. H.R. 294 would give tribal governments the same options that FUTA gives to all state and local governments. I have attached a resolution passed by the NCAI member tribes that supports such an amendment to FUTA.

Thank you very much for your efforts to take this issue under consideration. If we can assist you in any way, please contact me or NCAI Executive Director JoAnn K. Chase at (202) 466–7767.

Sincerely,

W. RON ALLEN,
President.

RESOLUTION PHX–96–107

TITLE: FUTA

Whereas, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the welfare of the Indian people, do hereby establish and submit the following resolution; and

Whereas, the National Congress of American Indians (NCAI) is the oldest and largest national organization established in 1944 and comprised of representatives of and advocates for national, regional, and local Tribal concerns; and

Whereas, the health, safety, welfare, education, economic and employment opportunity, and preservation of cultural and natural resources are primary goals and objectives of NCAI; and

Whereas, this exemption is based on the fact that states and their political subdivisions are immune from such taxation under the Constitution of the United States, Id., and immunity which federally recognized Indian tribes share; and

Whereas, prior to the UIPL, states could consider Tribes and their various wholly owned entities as ''political subdivisions'' of their state for purposes of exempting Tribes from the FUTA tax, thereby making Tribes eligible for favorable governmental unemployment tax rates as well as reimbursement status (where a Tribe would only pay for those unemployment benefits paid out) if desired; and

Whereas, if member Tribes allow the UIPL to stand and not seek to change the law to rightfully exempt them from this federal tax, they will not only be subject to a higher state program tax rate (provided they can still even participate in the program), Tribes will also be subject to an unacceptable and possibly illegal federal tax, and

Whereas, the two Colorado Ute Tribes are already faced with a seven-fold increase in their state unemployment insurance tax rate due directly to Labor's UIPL (reference attached letter from the Colorado Department of Labor); and

Whereas, it is settled law that the FUTA tax is an excise tax and this is acknowledged in Labor's own UIPL; and

Whereas, Tribes should be exempt from the FUTA tax and be allowed to participate in a state's unemployment insurance program on the same level as any political subdivision therein; and

Whereas, this exemption and fair treatment could be guaranteed by amending 26 USC* 7871(a)(2) (which treats Tribes as states for purposes of several federal taxes, including many excise taxes) to add FUTA to that list of excise taxes for which Tribes are considered as states and therefore exempt: Now therefore be it

Resolved That the National Congress of American Indians does hereby acknowledge this as a serious issue affecting nearly all member Tribes and shall immediately begin a member-wide survey to coordinate among its members the effort to amend the above-mentioned law in as timely a fashion as possible.

By Mr. ABRAHAM (for himself and Mr. DEWINE):

S. 810. A bill to impose certain sanctions on the People's Republic of China, and for other purposes; to the Committee on Foreign Relations.

THE CHINA SANCTIONS AND HUMAN RIGHTS ADVANCEMENT ACT

Mr. ABRAHAM. Mr. President, I rise today to address United States policy toward China. When Ronald Reagan visited China in 1984, he declared in a speech that:

> Economic growth and human progress make their greatest strides when people are secure and free to think, speak, worship, choose their own way and reach for the stars.

While China has made great strides since Ronald Reagan spoke those words, it is clear today that the people of China are not free to think, speak, worship, or choose their own way.

The question is how the United States, a nation conceived in liberty, should respond to continuing violations of basic human rights in China and other actions of the Chinese leadership.

Religious persecution, abuses against minorities, coercive family planning, military threats, and weapons proliferation and attempts to improperly influence American elections. All of these policies have been and continue to be undertaken by the Chinese Government. And all of them must stop.

One thing is clear, Mr. President: As the world's leading democracy, the United States cannot simply look the other way, ignoring the Chinese Government's record on human rights.

And, despite the real and measurable expansion of freedom in some spheres in China, problems remain. The organization Amnesty International has stated that:

> a fifth of the world's people are ruled by a government that treats fundamental human rights with contempt. Human rights violations continue on a massive scale.

In addition, there have been numerous reports of religious persecution in China. These reports by Amnesty International and Human Rights Watch/Asia do not state that China has recently been targeting religious leaders for execution. But some religious leaders have been executed along with others in remote provinces. And long and arduous sentences have been handed out to certain Chinese religious leaders.

For example, Tibetan abbot, Shadrel Rimposh, was in charge of the original search in that country to find the missing child whom the Tibetans consider the reincarnation of the Pansen Lama.

The abbot was missing for more than a year, officially labeled ''a criminal and a scum of Buddhism'' by the government. Recently the government sentenced him to 6 years in prison. Other religious leaders have been sent to labor camps.

The people of Tibet have been subject to particularly harsh abuse from the Chinese Government because their form of the Buddhist religion is so closely tied to their independence movements; movements that have met with brutal suppression.

Allow me to quote at length from a 1997 Human Rights Watch/Asia report:

> In the Tibetan Autonomous Region and Tibetan areas of Chinese provinces the effects of a July 1994 policy conference on Tibet combined with the Strike Hard campaign produced more arrests of suspected independence supporters, a stepped-up campaign to discredit the Dalai Lama as a religious leader, crackdowns in rural areas as well as towns, a major push for ridding monasteries and nunneries of nationalist sympathizers, and the closure of those that were politically active.
>
> Monks who refused to sign pledges denouncing the Dalai Lama or to accept a five-point declaration of opposition to the

proindependence movement, faced expulsion from their monasteries.

In May 1994, a ban on the possession and display of Dalai Lama photographs led to a bloody confrontation at Goneden and to searches of hotels, restaurants, shops, and some private homes. Over 90 monks were arrested; 53 remained in detention as of October despite Chinese official reports that none of the 61 arrested were still being held. At least one person and perhaps two others are known to have died in the melee.

Chinese authorities acknowledge that they are holding Jendune Yee Kneema the child recognized by the Dalai Lama but rejected by Chinese authorities as the reincarnation of the Pansen Lama, under the protection of the government at the request of his parents.

The whereabouts of this missing child should be a major source of concern for every one who cares about religious liberty.

But Tibetan Buddhists are not the only people of faith who face persecution at the hands of the Chinese Government. Under a 1996 state security law, all religious institutions must register with the state. Those who do not so register and choose instead to operate underground face the government's wrath.

Human Rights Watch/Asia reported recently that:

Unofficial Christian and Catholic communities were targeted by the government during 1996. A renewed campaign aimed at forcing all churches to register or face dissolution, resulted in beating and harassment of congregants, closure of churches, and numerous arrests, fines, and sentences. In Shanghai, for example, more than 300 house churches or meeting points were closed down by the security authorities in April alone.

From January through May, teams of officials fanned out through northern Haybay, a Catholic stronghold, to register churches and clergy and to prevent attendance at a major Marian shrine. Public security officers arrested clergy and lay Catholics alike, forced others to remain in their villages, avoid foreigners, refrain from preaching, and report to the police anywhere from one to eight times daily. In some villages, officials confiscated all religious medals. In others, churches and prayer houses were torn down or converted to lay use.

In addition to religious belief and practice, there are other troubling issues of moral conscience. I am referring in particular to the Chinese Government's birth control policies.

Mr. President, the Chinese Government claims that family planning is voluntary in that nation. Yet, according to Amnesty International, birth control has been compulsory since 1979. As a result:

Pregnant women with too many children have been abducted and forced to have abortions and/or undergo sterilization.

Pregnant women have been detained and threatened until they have agreed to have abortions.

Above-quota new-born babies have reportedly been killed by doctors under pressure from officials.

The homes of couples who refuse to obey the child quotas have been demolished.

Relatives of those who cannot pay fines imposed for having had too many children have been held hostage until the money was paid.

And those helping families to have above-quota children have been severely punished.

Just one example, if I may, Mr. President, this one provided by Amnesty International:

An unmarried woman in Haybay Province who had adopted one of her brother's children was detained several times in an attempt to force her brother to pay fines for having too many children. In November 1994 she was held for 7 days with a dozen other men and women. She was reportedly blindfolded, stripped naked, tied, and beaten with an electric baton.

These stories bespeak an often brutal disregard for the rights of conscience, for the sanctity of marriage and family, and for human life itself. They are evil acts, Mr. President, nothing less than government perpetrated evil.

Let me now shift to the military sphere.

Here, Mr. President, we see Chinese Government practices that include military intimidation and the selling of advanced weaponry to rogue states.

For example, on the eve of Taiwan's 1996 elections, China engaged in threatening missile firings unnecessarily close to Taiwanese cities. The Taiwanese were not cowed, they are a brave people. But these provocations, so soon after China's 1995 military exercises and missile launches in direct proximity to Taiwanese territory, have led the Taiwanese people to consider whether they need nuclear weapons to defend their homes.

In addition, the Chinese Government has threatened international stability through its weapons sales to regimes, including Iran and Iraq, that sponsor terrorism and pose a direct threat to American military personnel and interests. Most dangerous has been the Chinese willingness to supply the Iranians with the technology and basic materials for their own chemical weapons program.

Mr. President, these weapons pose a direct threat to American troops as well as stability and peace in the Middle East.

Moreover, the Chinese Government apparently does not limit itself to military means as it tries to influence the policies of other nations.

Allegations of Chinese involvement in our political system are disturbing, particularly considering the various implications that this has for our relations with that country. These allegations may involve both civil and criminal violations of our laws by individuals associated with the Chinese Government.

The press has reported serious allegations that the Government of China attempted to influence last year's Presidential election by diverting illegal campaign contributions to the Democratic National Committee.

FBI investigators have found significant evidence that the Chinese Government targeted 30 legislators, and that it funneled money through businesses it controlled in America to the DNC. If proven, these allegations would signal violations of Federal Election Commission laws regarding foreign campaign contributions by the Chinese Government.

Mr. President, this is a damning list, a list that cries out for action. As the world's sole remaining superpower and, perhaps more important, as the birth place of liberty and individual rights, we have a duty to uphold the principles of liberty wherever possible.

Liberty continues to suffer abuse from the Chinese Government. And we should do something about it.

In response to the serious problems I have raised some have called for an end to China's most-favored-nation trading status with the United States. In fact, the debate has focused almost exclusively on MFN.

I believe that is the wrong approach. I support a 1-year extension of MFN for China.

Why? First, because it is the best policy for American consumers. Those consumers will have a wider choice of affordable goods with MFN than without. To revoke MFN would be to increase tariffs on goods purchased by the American people. It would amount to a tax hike, and I am not in favor of tax hikes, particularly ones imposed on the basis of another government's behavior.

Second, I am convinced that revoking MFN would target the wrong parties for punishment. We should keep in mind, in my view, that it is not the people of China with whom we have a quarrel; it is their government.

Trade and United States investment in China have a positive effect in providing more opportunities for average Chinese citizens.

Even in the short term, we should not underestimate trade and investment's positive impact.

In China,

employees at United States firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children,

writes China policy expert Stephen J. Yates of the Heritage Foundation.

This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged.

Third, Mr. President, I am convinced that terminating MFN would be damaging to the people of Hong Kong, currently involved in a transfer of power from British to Chinese rule.

All of us in Congress are concerned that China may violate the 1994 Sino-British Joint Declaration and squash political and economic freedom once Hong Kong again comes under Chinese rule.

With 35,000 United States citizens and 1,000 United States firms in Hong Kong, America must be certain that China honors its agreement and we must remain watchful over the coming months and years.

However, in formulating United States policy with regard to Hong

Kong we must remember that repealing MFN for China will hit Hong Kong hard, particularly because so much trade goes through there. Goods from Hong Kong would face the same steep tariff as those from other parts of China.

Hong Kong Governor, Chris Patten, has said that rescinding MFN would devastate Hong Kong's economy.

For the people of Hong Kong there is no comfort in the proposition that if China reduces their freedoms the United States will take away their jobs.

The letter from Governor Patten also said:

There is one particular contribution which the United States of America, and Congress in particular, can make to ensure that Hong Kong remains well-equipped to face the future. That is to grant the unconditional renewal of China's MFN trading status, on which the continued strength of Hong Kong's economy depends. * * * This is one issue on which there is complete unanimity in Hong Kong across the community, and across the political spectrum.

It is not good policy to attempt to help Hong Kong by taking an action that is opposed by the people we say we are trying to help.

Mr. President, I have another important reason for supporting a 1-year extension of MFN: American jobs.

Using the Commerce Department's rules of thumb, United States exports to China account for roughly 200,000 American jobs. Should we stop doing business with China, I have no doubt but that other nations will step in to take our place, and to take jobs now occupied by Americans both here and in China. Thus, we would not significantly punish the Chinese Government, but we would visit hardship on our own workers.

Rather than eliminate jobs and stifle growth through increased tariffs, in my view, it would be better to take actions showing our displeasure with the Chinese Government, while encouraging China to become a more free and open society.

I believe that Members of this body can agree on the need for strong American actions responding to human rights abuses in China. That is why I am introducing the China Sanctions and Human Rights Advancement Act.

And I am convinced that Members on both sides of the MFN debate can agree that the sanctions I am proposing today are necessary and justified, and that they will be effective.

The goal of these sanctions will be to show our disapproval of the actions of the Chinese Government, while at the same time encouraging worthwhile economic and cultural exchanges that can lead to positive change in China.

This legislation would focus on: First, who the United States allows into the country from China; second, United States taxpayer funds that subsidize China; third, United States Government votes and assistance in international bodies that provide financial assistance to China; fourth, targeted sanctions of PLA companies; and fifth, measures to promote human rights in China.

Let me be specific. Under my bill, the U.S. Government would take the following actions:

First, it would prohibit issuance of U.S. visas to human rights violators.

The bill would prohibit the granting of United States visas to Chinese Government officials who work in entities involved in the implementation and enforcement of China's law and directives on religious practices.

Specifically, this targets high-ranking officials of the state police, the Religious Affairs Bureau, and China's family planning apparatus. The same would go for all those involved in the massacre of students in Tianenman Square.

Written notice from the President to Congress explaining why the entry of such individuals overrides our concerns about China's human rights abuses would be required for such individuals to enter the United States.

Second, the bill would prohibit direct and indirect United States-taxpayer financed foreign aid for China.

We can no longer ask U.S. taxpayers to subsidize a Communist leadership and government with which we have so many serious disagreements.

Between 1985 and 1995 the United States supported 111 of 183 loans approved by the World Bank Group and 15 of 92 loans that the Asian Development Bank approved. In addition, the United States Government is providing assistance through international family planning institutions that provide money and services to support China's restrictive policies on reproduction.

Under my bill, United States representatives would be required to vote ''no'' on all loans to China at the World Bank, Asian Development Bank, and the International Monetary Fund.

An exception would be made in the case of humanitarian relief in the event of a natural disaster or famine.

In addition, for every dollar a multilateral development bank or international family planning organization gives to China, my bill would subtract out a dollar in United States taxpayer funding to those bodies.

Simply put, America should not be subsidizing current Chinese Government policies. If China continues its current behavior then it can fund programs by reducing the money it spends on building up its military or in propping up state enterprises. We do not want to encourage China to postpone tough decisions on moving to a free-market economy.

Though we are standing on principle, we know from past experience that these measures will be more effective with help from our allies. That is why the bill requires the President to begin consultations with these allies on enacting similar measures and for the President to report to the Congress on the progress of those consultations.

Third, the legislation includes actions targeted at companies associated with the Chinese military.

There is increasing concern in America about Chinese companies backed by the People's Liberation Army.

My bill would require the U.S. Government to publish a list of such companies operating in the United States. That would allow informed consumers and other purchasers to make a choice about whether they wish to do business with such companies.

Most troubling have been the actions of two Chinese companies—Polytechnologies Inc., known as Poly, and Norinco, the China North Industries Group.

On May 22, 1996, officials from the United States Customs Service and Bureau of Alcohol, Tobacco and Firearms arrested seven individuals and seized 2,000 Chinese-made AK–47 machine guns.

On June 4, 1996, a grand jury in the U.S. District Court for the Northern District of California indicted these seven individuals, along with seven others not in the United States, for violating 12 different sections of Federal law, including conspiracy, smuggling, and unlawful importation of defense articles.

Those indicted individuals worked for Poly and Norinco. Leading executives of the firms, as well as Chinese Government officials, were indicted.

The People's Liberation Army owns a majority share of Poly, while Norinco's operations are overseen by the State Council of the People's Republic of China.

Undercover agents were told by a representative of Poly and Norinco that Chinese-made hand-held rocket launchers, tanks, and surface-to-air missiles could also be delivered. And who were to be the ultimate purchasers of the AK–47's and other military hardware? According to Federal agents, California street gangs and other criminal groups.

This type of activity cannot be tolerated by the U.S. Congress. These companies need to be held responsible for their actions.

Under my bill, for a period of 1 year, Poly and Norinco will not be allowed to export to, or maintain a physical presence in, the United States. Senator DEWINE plans to introduce a separate bill that will target these two companies and I applaud him and Representative CHRIS COX for their leadership on this issue.

Mr. President, these tough measures are justified and necessary. But even as we implement them we should not cut off valuable interchange with China. We must always be open to more contact and exchange of ideas with the Chinese people.

That is why the legislation calls for a doubling of current United States funding for student, cultural, and legislative exchange programs between the United States and the People's Republic of China, as well as doubling the funding for Radio Free Asia and programs in China operated through the National Endowment for Democracy.

In addition, adopting a measure advocated by Representatives FRANK WOLF and CHRIS SMITH, the bill requires additional and extensive training for U.S. asylum officers in recognizing religious persecution.

The legislation would require an annual report by the President on whether there has been improvement in China's policy of religious toleration and in its overall human rights record, including during the transition in Hong Kong.

The sanctions would sunset after 1 year. This will allow Congress to evaluate the situation to determine whether and in what form sanctions should be continued.

In my judgment, the combination of these sanctions and a 1-year extension of MFN offers the best approach to change the behavior of the Chinese Government.

Mr. President, these measures will direct punishment where it belongs, with the Chinese Government, not the Chinese people.

By refusing to allow known violators of basic human rights to enter this country we can signal our revulsion at these practices.

By refusing to use taxpayer money to subsidize Chinese activities we can show our disapproval of their military actions and make them choose between prosperity and belligerence.

By banning Chinese companies from this country for attempting to sell weapons to violent street criminals we can show our willingness to defend our streets and our insistence that the Chinese Government cease its intrusive, illegal practices.

In closing, Mr. President, we should not forget the government-led massacre of students in Tianenman Square. It has been less than 10 years since the atrocity, and we should not let it slip from our minds.

Let me read you a dispatch filed from Beijing by New York Times reporter Nicholas Kristoff on June 4, 1989:

> The violence against students and workers in Tianenman Square was most obvious today, because for the most part they were the ones getting killed * * * To be an American on the square this morning was to be the object of fervent hope and inarticulate pleas for help. ''We appeal to your country,'' a university student begged as bullets careened overhead. ''Our Government is mad. We need help from abroad, especially America. There must be something that America can do.''

Through this legislation, America can stand with the Chinese people, and stand by the principles of political, religious, and economic liberty on which our Nation was founded.

Let's not punish American and Chinese families by raising tariffs. Instead, let's punish specific abuses and encourage the further development of the economic and political liberties we cherish.

Mr. President, I ask unanimous consent that a summary of this bill be printed in the RECORD.

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

THE CHINA SANCTIONS AND HUMAN RIGHTS ADVANCEMENT ACT—EXECUTIVE SUMMARY

AMERICAN CONCERNS WITH CHINA

The United States has serious policy disagreements with the People's Republic of China. Such differences in the way China treats its own people and U.S. interests requires appropriate action by the United States Congress. Unfortunately, Administration policy in this area has been lacking. That is why the China Sanctions and Human Rights Advancement Act will enable America to respond in a manner consistent with our values and interests as a nation.

As the world's leading democracy, the United Stats cannot simply look the other way at the Chinese government's record on human rights and religious persecution. ''A fifth of the world's people are ruled by a government that treats fundamental human rights with contempt,'' reports Amnesty International. ''Human rights violations continue on a massive scale.'' What is the best response to Chinese government repression of its citizens, including increased repression of religious believers? The status quo, it appears, is not the answer.

China's willingness to abide by international agreements is already being tested in Hong Kong. The 1994 Sino-British Joint Declaration is an international agreement registered with the United Nations. In it, China promises that the people of Hong Kong will rule Hong Kong with autonomy, except in the areas of defense and foreign affairs. With 35,000 U.S. citizens and 1,000 U.S. firms in Hong Kong America must be certain that China honors its agreement.

China's attempt to intimidate Taiwan and the activities of its military, the People's Liberation Army (PLA), both in the United States and abroad, are of major concern. In addition, the efforts of two Chinese companies, NORINCO and POLY, deserve special rebuke for their involvement in the sale of AK–47 machine guns to California street gangs. Finally, there are numerous press reports of Chinese government efforts to influence the course of U.S. elections through political donations.

THE LARGER PICTURE

Trade, investment, and people-to-people exchanges must be a part of America's relationship with China. Countries the size of China and the United States will always trade with each other, the debate over MFN is the terms of that trade. Yet those who disagree on MFN should be able to unite behind measures that, for example, end subsidies for China, yet seek to promote democratic values and human rights in China. There is no doubt that trade and U.S. investment in China has a positive effect in providing more opportunities for average Chinese citizens. Even in short term, we should not underestimate trade and investment's positive impact. ''Employees at U.S. firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children,'' writes China policy expert Stephen J. Yates. ''This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged.''

SUMMARY OF LEGISLATION

The time has come to take steps that would signal to Chinese leaders that their current behavior is unacceptable to the American people and the American Congress. In crafting the best response to Chinese government policy we must be careful not to punish the innocent with the guilty. Our quarrel is with the Chinese political leadership, not with the Chinese and American peoples.

The Abraham ''China Sanctions and Human Rights Advancement Act'' takes aim at U.S.-China government-to-government programs and contacts. It is time for Congress to end U.S. taxpayer subsidies and other foreign aid to China and to set more appropriate limits on who we allow into this country from the Chinese government.

The legislation focuses on (1) who the United States allows into the country from China; (2) U.S. taxpayer funds that subsidize China; (3) U.S. government votes and assistance in international bodies that provide financial assistance to China; (4) targeted sanctions of PLA companies; and (5) measures to promote human rights in China.

Contents of China sanctions and human rights advancement act

Under the legislation, the U.S. government will take the following actions:

No U.S. visas for human rights violators

Prohibit the granting of U.S. visas to Chinese government officials who work in entities involved in the implementation and enforcement of China's laws and directives on religious practices and coercive family planning. This measure would deny visas to high ranking officials who are employed by the Public Security Bureau (the state police), the Religious Affairs Bureau, and China's family planning apparatus. An exception is made in the case of individuals whose presence in the United States is deemed necessary for an ongoing criminal investigation or judicial proceedings as determined by the Attorney General.

Prohibit the granting of U.S. visas to Chinese government officials found to be materially involved in the ordering or carrying out of the massacre of Chinese students in Tiananmen Square.

The President of the United States must provide written notification to Congress each time a proscribed individual is to enter this country that explains why awarding such visas is in the national interest of the United States and overrides U.S. concerns about China's human rights practices past and present.

The legislation also mandates additional and extensive training for U.S. asylum officers in recognizing religious persecution.

No U.S. taxpayer subsidies for China

Require U.S. representatives to vote ''no'' on all loans to China at the World Bank. Between 1985 and 1995 the United States supported 111 of 183 loans approved by the World Bank Group and 15 of 92 loans that the Asian Development Bank approved. An exception in the legislation is provided for human needs arising from a natural disaster or famine.

Require U.S. representatives to vote ''no'' on all loans to China at the Asian Development Bank.

Require U.S. representatives to vote ''no'' on all loans to China at the International Monetary Fund.

Reduce U.S. contributions to multilateral development banks (World Bank, etc.) by the amount of the loan commitments made to China in the coming year. Stipulate the Secretary of Treasury shall reduce the amount the World Bank can borrow in U.S. capital markets to no more than 82% of what the World Bank borrowed in the United States in the previous year.

Require the Secretary of Treasury to oppose and instruct the U.S. executive director of the World Bank to oppose any change in the World Bank's rules that limit the total share of the bank's lending that can be made in any one country.

Require the President to begin consultations with major U.S. allies and trading partners to encourage them to adopt similar measures contained in this bill and to lobby our allies to vote against loans for China at

multilateral development banks. Within 60 days of a G–7 meeting, the President shall submit a report to Congress on the progress of this effort.

Reduce annually U.S. financial assistance to international bodies and organizations that provide family planning assistance to China by the amount of such annual assistance and services made by such institutions to China in the prior fiscal year. This would include funding provided to U.N. agencies and affiliates.

PLA companies: targeted sanctions and more public information

On an annual basis, the U.S. Government shall publish a list of all companies owned in part or wholly by the People's Liberation Army (PLA) of the P.R.C. who export to, or have an office in, the United States.

For a period of one year, China North Industries Group (NORINCO) and the PLA-owned company China Poly Group (POLY) will not be allowed to export to, nor maintain a physical presence in, the United States. The attempted illegal sale of AK–47 machine guns to street gangs in California warrant these targeted sanctions against these firms.

Promoting Democratic Values in China

The U.S. government shall double the U.S. funding available to existing students, cultural, and legislative exchange programs between the United States and the People's Republic of China.

The U.S. government shall double the authorization of funds available to Radio Free Asia.

The U.S. government shall double the funding available to the National Endowment for Democracy's programs in China.

IN ONE YEAR: AN OPPORTUNITY TO DISCONTINUE, MAINTAIN OR ADD NEW SANCTIONS

The legislation requires an annual report by the President on whether there has been improvement in China's policy of religious toleration and in its overall human rights record, including during the transition in Hong Kong. The sanctions sunset after one year, allowing Congress an opportunity to evaluate the situation and determine whether and in what form sanctions should continue.

CONCLUSION

The legislation emphasizes appropriate limits on U.S. and Chinese government-to-government contacts and U.S. taxpayer subsidies, while seeking to promote greater freedom in China. These measures would signal to China's leadership that it cannot simply be business as usual with the U.S. government so long as it mistreats its citizens and tramples on their fundamental right to practice the religion of their choice. It also applies appropriate measures with regard to PLA companies. The United States must stay engaged with China, and trade and investment is a valuable avenue for that engagement, but there is no reason the U.S. government should be subsidizing a government with whom we have so many serious and fundamental disagreements. This approach is designed to signal our displeasure with China's policies, encourage its leaders to improve the treatment of its citizens, and to end U.S. taxpayer subsidies for a repressive regime while expanding basic interaction between the American and Chinese people.

By Mr. KOHL:

S. 812. A bill to establish an independent commission to recommend reforms in the laws relating to elections for Federal office; to the Committee on Rules and Administration.

THE CAMPAIGN FINANCE REFORM COMMISSION ACT OF 1997

Mr. KOHL. Mr. President, I rise today to discuss an important issue before the Senate—campaign finance reform. First, let me state that I am a cosponsor of S. 25, Senators JOHN MCCAIN and RUSS FEINGOLD's Senate Campaign Finance Reform Act of 1997. I cosponsored S. 25 because I feel it is the best legislation moving through the Congress to reform our campaign finance system. My Wisconsin colleague, Senator FEINGOLD and Senator MCCAIN deserve our gratitude and praise for keeping this issue alive. It's been nearly 20 years since Congress enacted meaningful campaign finance reform, and they have come closer than anyone at passing a bipartisan plan.

We are at a crossroads in this debate. America's campaign finance laws have not been significantly altered since the 1970's. Since that time we've seen an explosion in the costs of running campaigns and a growing public perception that special interests are far too influential in the electoral process. The last election cycle saw the problems in our system grow to new proportions, and we are now witnessing two congressional investigations and a Justice Department investigation into alleged illegalities and improprieties. Despite these widely agreed-upon problems, Congress and the President seem incapable of enacting a campaign finance reform bill.

We have seen initiatives by Democratic and Republican Presidents. Democratic and Republican Congresses, even widely hailed bipartisan approaches all fail. One can easily conclude that this issue is so mired in partisan politics, trapped in a quagmire of self-interest and special interest, that Congress will not be able to craft a comprehensive reform bill. S. 25 is the best legislation to be proposed in two decades, and yet, when we voted on the measure in the last Congress, we could not get 60 Senators to support it, and the House of Representatives leadership wouldn't even bring it up for a vote.

Mr. President, I am very concerned that this important piece of legislation may face the same fate this year. I support S. 25, and will continue to strongly support it until we have a clear vote on the measure this year. However, I do not believe it would be in the country's best interest to let another campaign cycle go by without the Congress taking clear action to reform our campaign finance system.

Therefore, I am introducing today the Campaign Finance Reform Commission Act of 1997. Let me be clear from the outset: I would prefer to pass a bill such as S. 25, and I desperately hope that we do. But, in the case that we do not, Congress needs to be ready with legislation that moves us toward a better system.

The Campaign Finance Reform Commission is modeled on the successful Base Realignment and Closure Commissions. The legislation would establish a balanced, bipartisan commission, appointed by Senate leaders, House leaders, and the President to propose comprehensive campaign finance reform. Like the BRAC Commissions, the proposals of the Campaign Finance Reform Commission would be subject to congressional approval or disapproval, but no amendments would be permitted. The Commission would have a limited duration—1 year after its creation. And Congress would have a limited time to consider the Commission's proposals.

Mr. President, there are many who will object to this plan and argue that, through the creation of a commission, the Congress is conceding that it cannot solve this problem on its own. To the contrary, the creation of a Campaign Finance Reform Commission would be a concrete sign to the American public that Congress is serious about reforming our election laws. We have seen the success of the BRAC Commissions in removing political influences from the decision-making process. This same formula could be used for our campaign finance reform laws.

When Congress enacted the first BRAC Commission law, it was argued that a nonpartisan commission was required because the closure of military bases was so politically sensitive, Congress could not be expected to make the tough choices of closing bases. Well, Mr. President, if closing military bases is considered tough, altering the campaign laws that literally determine whether Members could retain their jobs must be just as politically sensitive, if not more so.

Again, I wish to praise the efforts of Senators FEINGOLD, MCCAIN, and the broad coalition of grassroots organizations which have kept the campaign finance issue in front of the American public and the Congress. I hope that they succeed in their efforts with their bill and we can present the American public with a new campaign system before the 1998 election. I offer this bill today only as an alternative to be considered, if, and only if, we cannot pass S. 25 this year.

Mr. President, like all commonsense ideas, the idea of a Campaign Finance Reform Commission did not spring from a text book but came from a simpler setting. Two years ago President Clinton and House Speaker NEWT GINGRICH held an historic conversation at a New Hampshire meeting. The first question came from a retiree, Mr. Frank McConnell, Jr. Mr. McConnell had a simple, commonsense idea—form a commission like the one that closed the military bases to reform our election system, so, in Mr. McConnell's words, ''it would be out of the political scene.'' The time for Mr. McConnell's idea has come.

I am pleased to put Mr. McConnell's idea into legislative form. If S. 25 fails this year, this Commission could give us the reform we all demand. And, it

would give the American public a restored faith that their democratic institutions have responded to their cry for change in our electoral system.

Mr. President, I ask unanimous consent that the entire text of my legislation be printed in the RECORD.

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

S. 812

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 ''Campaign Finance Reform Commission Act of 1997''.

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a Commission to be known as the ''Federal Election Law Reform Commission'' (referred to in this Act as the ''Commission'').

(b) MEMBERSHIP.—

(1) APPOINTMENTS.—The Commission shall be comprised of 8 qualified members, who shall be appointed not later than the date that is 30 days after the date of enactment of this Act as follows:

(A) APPOINTMENTS BY MAJORITY LEADER AND SPEAKER.—The Majority Leader of the Senate and the Speaker of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made;

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made; and

(iii) 1 member who is from the academic community.

(B) APPOINTMENTS BY MINORITY LEADERS.—The Minority Leader of the Senate and the Minority Leader of the House of Representatives shall jointly appoint to the Commission—

(i) 1 member who is a retired Federal judge as of the date on which the appointment is made; and

(ii) 1 member who is a former Member of Congress as of the date on which the appointment is made.

(C) APPOINTMENT BY PRESIDENT.—The President shall appoint to the Commission 1 member who is from the academic community.

(D) APPOINTMENTS BY COMMISSION MEMBERS.—The members appointed under subparagraphs (A), (B), and (C) shall jointly appoint 2 members to the Commission, neither of whom shall have held any elected or appointed public or political party office, including any position with an election campaign for Federal office, during the 10 years preceding the date on which the appointment is made.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—A person shall not be qualified for an appointment under this subsection if the person, during the 10-year period preceding the date on which the appointment is made—

(i) held a position under schedule C of subpart C of part 213 of title 5, Code of Federal Regulations;

(ii) was an employee of the legislative branch of the Federal Government, not including any service as a Member of Congress; or

(iii) was required to register under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) or derived a significant income from influencing, or attempting to influence, members or employees of the executive branch or legislative branch of the Federal Government.

(B) PARTY AFFILIATIONS.—Not more than 4 members of the Commission shall be members of, or associated with, the same political party (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)).

(3) CHAIRPERSON AND VICE CHAIRPERSON.—

(A) DESIGNATION BY COMMISSION MEMBERS.—The members of the Commission shall designate a chairperson and a vice chairperson from among the members of the Commission.

(B) PARTY AFFILIATIONS.—The chairperson shall be a member of, or associated with, a political party other than the political party of the vice chairperson.

(4) FINANCIAL DISCLOSURE.—Not later than 60 days after appointment to the Commission, a member of the Commission shall file with the Secretary of the Senate, the Office of the Clerk of the House of Representatives, and the Federal Election Commission a report containing the information required by section 102 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) PERIOD OF APPOINTMENT; VACANCIES.—

(A) PERIOD OF APPOINTMENT.—A member of the Commission shall be appointed for the life of the Commission.

(B) VACANCY.—Any vacancy in the Commission shall—

(i) not affect the powers of the Commission; and

(ii) be filled in the same manner as the original appointment.

(6) TERMINATION OF COMMISSION.—The Commission shall terminate on the date that is 1 year after the date of enactment of this Act.

(c) POWERS.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act.

(2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly from any Federal department or agency any information that the Commission considers necessary to carry out this Act.

(B) REQUEST OF THE CHAIRPERSON.—On request of the chairperson of the Commission, the head of a Federal department or agency shall furnish the requested information to the Commission.

(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies.

(d) PAY AND TRAVEL EXPENSES.—

(1) MEMBERS.—Each member of the Commission, other than the chairperson, shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) CHAIRPERSON.—The chairperson shall be paid for each day referred to in paragraph (1) at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code.

(e) STAFF.—

(1) EXECUTIVE DIRECTOR.—The chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate an executive director of the Commission, who shall be paid at the rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) OTHER PERSONNEL.—

(A) APPOINTMENT AND PAY.—Subject to subparagraph (B), the executive director may, without regard to the civil service laws (including regulations), appoint and fix the pay of additional personnel as may be necessary to enable the Commission to perform the duties of the Commission.

(B) MAXIMUM RATE OF PAY.—The pay of any individual appointed under this paragraph shall be not more than the maximum annual rate of basic pay prescribed for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(3) DETAIL OF FEDERAL EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and the detail shall be without interruption or loss of civil service status or privilege.

(f) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

SEC. 3. DUTIES OF COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) identify the appropriate goals and values for Federal election campaign finance laws;

(2) evaluate the extent to which the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) has promoted or hindered the attainment of the goals identified under paragraph (1); and

(3) make recommendations to Congress for the achievement of those goals, taking into consideration the impact of the Federal Election Campaign Act of 1971.

(b) CONSIDERATIONS.—In making recommendations under subsection (a)(3), the Commission shall consider with respect to election campaigns for Federal office—

(1) whether campaign spending levels should be limited, and, if so, to what extent;

(2) the role of interest groups and whether that role should be limited or regulated;

(3) the role of other funding sources, including political parties, candidates, and individuals from inside and outside the State in which the contribution is made;

(4) public financing and benefits; and

(5) problems in existing election campaign finance law, such as soft money, bundling, and independent expenditures.

(c) REPORT AND RECOMMENDATIONS.—Not later than the date that is 1 year after the date of enactment of this Act, the Commission shall submit to Congress—

(1) a report on the activities of the Commission; and

(2) a draft of legislation (including technical and conforming provisions) recommended by the Commission to amend the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) and any other law relating to elections for Federal office.

SEC. 4. FAST-TRACK PROCEDURES.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and of the Senate, respectively, and as such it shall be considered as part of the rules of each House, respectively, or of the House to which it specifically applies, and the rules shall supersede other rules only to the extent that they are inconsistent; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(b) DEFINITIONS.—In this section, the term ''Federal election bill'' means only a bill of either House of Congress that is introduced as provided in subsection (c) to carry out the recommendations of the Commission as set forth in the draft legislation submitted under section 5(c)(2).

(c) INTRODUCTION AND REFERRAL.—Not later than 3 days after the Commission submits draft legislation under section 5(c)(2), a Federal election bill shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, shall be introduced (by request) in the Senate by the Majority Leader of the Senate, and shall be referred to the appropriate committee.

(d) AMENDMENTS PROHIBITED.—No amendment to a Federal election bill shall be in order in either the House of Representatives or the Senate, no motion to suspend the application of this subsection shall be in order in either House, and it shall not be in order in either House to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) AUTOMATIC DISCHARGE.—If the committee of either House to which a Federal election bill is referred has not reported the bill by the close of the 30th day after introduction, the committee shall be automatically discharged from further consideration of the bill, and the bill shall be placed on the appropriate calendar.

(2) PROCEDURE WHEN THERE IS PRIOR PASSAGE OF BILL BY OTHER HOUSE.—If, prior to the passage by 1 House of a Federal election bill of that House, that House receives the same Federal election bill from the other House—

(A) the procedure in that House shall be the same as if no Federal election bill had been received from the other House; but

(B) the vote on final passage shall be on the Federal election bill of the other House.

(3) COMPUTATION.—For purposes of paragraph (1), in computing a number of days in either House, there shall be excluded the days on which that House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) MOTION TO PROCEED TO CONSIDER.—

(A) PRIVILEGE.—A motion in the House of Representatives to proceed to the consideration of a Federal election bill shall be highly privileged and not debatable, except that a motion to proceed to consider may be made only on the 2d legislative day after the calendar day on which the Member making the motion announces to the House the Member's intention to do so.

(B) NO AMENDMENT OR MOTION TO RECONSIDER.—An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE.—

(A) TIME.—Consideration of a Federal election bill in the House of Representatives shall be in the House, with debate limited to not more than 10 hours, which shall be divided equally between the proponents and opponents of the bill.

(B) NO INTERVENING MOTION.—The previous question on the Federal election bill shall be considered as ordered to final passage without intervening motion.

(C) MOTION TO RECONSIDER NOT IN ORDER.—It shall not be in order to move to reconsider the vote by which a Federal election bill is agreed to or disagreed to.

(3) APPEALS FROM DECISION OF CHAIR.—All appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a Federal election bill shall be decided without debate.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) MOTION TO PROCEED TO CONSIDERATION.—

(A) PRIVILEGE.—A motion in the Senate to proceed to the consideration of a Federal election bill shall be privileged and not debatable.

(B) NO AMENDMENT OR MOTION TO RECONSIDER.—An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) DEBATE OF BILL.—

(A) TIME.—Debate in the Senate on a Federal election bill, and all debatable motions and appeals in connection with the bill, shall be limited to not more than 10 hours.

(B) DIVISION OF TIME.—The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(3) DEBATE OF MOTION OR APPEAL.—

(A) TIME.—Debate in the Senate on any debatable motion or appeal in connection with a Federal election bill shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the proponent of the motion and the manager of the bill, except that if the manager of the bill is in favor of the motion or appeal, the time in opposition to the motion or appeal, shall be controlled by the Minority Leader or a designee of the Minority Leader.

(B) ALLOTMENT OF ADDITIONAL TIME.—The leaders under subparagraph (A), or either of them, may, from time under their control on the passage of a Federal election bill, allot additional time to a Senator during the consideration of a debatable motion or appeal.

(4) MOTION TO LIMIT DEBATE.—A motion in the Senate to further limit debate is not debatable.

(5) MOTION TO RECOMMIT NOT IN ORDER.—A motion to recommit a Federal election bill is not in order.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out the duties of the Commission under this Act.

By Mr. THURMOND (for himself and Mr. MCCAIN):

S. 813. A bill to amend chapter 91 of title 18, United States Code, to provide criminal penalties for theft and willful vandalism at national cemeteries; to the Committee on Veterans' Affairs.

THE VETERANS' CEMETERY PROTECTION ACT OF 1997

Mr. THURMOND. Mr. President, this coming Monday, May 26, our Nation will observe Memorial Day. For some Americans, Memorial Day is simply the opening of the summer vacation season. However, for millions of patriotic Americans this day is much more. To us, Memorial Day is the day we pay tribute to those who made the ultimate sacrifice in defending this Nation and our freedoms.

Honoring those who died in war is a practice and custom of many cultures and countries. In the United States, tributes to fallen soldiers took place in many locations during the War Between the States. An early observance occurred on May 30, 1865, in Charleston, SC, when a group of school children scattered flowers over trenches in which the remains of several hundred Union soldiers had been interred. Another commemoration occurred in Columbus, MS, on April 25, 1866, when a group of women visited a cemetery to decorate the graves of Confederate soldiers who had fallen in battle at Shiloh. Flowers were placed on the nearby bare and neglected graves of Union soldiers as well. Throughout the North and South, this practice of decorating graves became more widespread.

On May 5, 1868, Gen. John A. Logan issued a general order that designated the 30th day of May, 1868, as a day for decorating the graves of comrades who died in defense of their country. Decoration Day, as it came to be celebrated, was first observed that day at Arlington National Cemetery, which held the remains of 20,000 Union dead and several hundred Confederate dead. By the end of the 19th century, Memorial Day, or Decoration Day ceremonies were being held throughout the Nation. In 1971 Memorial Day was declared a national holiday, and was placed on the last Monday in May.

Mr. President, Memorial Day services will be held throughout the Nation next Monday, in our national cemeteries, where thousands of war dead are buried. A national service will be held at Arlington Cemetery. Local traditions will be included in ceremonies at the Punchbowl Center in Hawaii. Decorations will be placed in the 114 national cemeteries operated by the Department of Veterans Affairs National Cemetery System. A few other national cemeteries are under the jurisdiction of the Department of Defense and the Department of Interior. I encourage my colleagues, and all citizens of this Nation, to visit these cemeteries and pay respect to those who have given their life for their country.

Mr. President, unfortunately not all activities at our national cemeteries have honored the dead. There have been, unfortunately, instances of vandalism and theft at our national cemeteries. Last month, the Punchbowl in Hawaii, the National Memorial Cemetery of the Pacific, was desecrated by vandals. Vandals caused over $20,000 in damage by spray painting racial epithets and obscenities on graves, marble memorials, and other parts of the cemetery. Other cemeteries, private and State, were also damaged that same weekend. Last year, at the Riverside National Cemetery in California, engraved grave markers were stolen from 128 graves. Months before that incident, over 500 markers were stolen from a storage facility.

The time has come to demand a stop to this type of insulting behavior. That is why I am introducing the Veterans' Cemetery Protection Act of 1997. This bill is a companion bill to one introduced in the House, H.R. 1532. This bill imposes criminal penalties for vandalism and theft at national cemeteries operated by the VA, the Department of Defense, and the Department of Interior. Penalties for vandalism and theft, are consistent with similar crimes against other Federal property. In addition, the bill establishes penalties for

attempted vandalism and theft. I am delighted that Senator MCCAIN, a fellow veteran and true national hero, joins me in introducing this bill.

Mr. President, as we pause to remember our fallen comrades, it is appropriate that we protect their final resting places. I invite may colleagues to join Senator MCCAIN and me in supporting this legislation.

Mr. MCCAIN. Mr. President, I rise today to cosponsor the Veterans' Cemetery Protection Act of 1997, sponsored by my colleague and distinguished veteran, Senator STROM THURMOND.

There is nothing more egregious than the desecration of our Nation's veterans' cemeteries. These men and women gave their lives to defend the United States and freedom throughout the world. This act will propose a penalty for theft or destruction of any property of a national cemetery. This is a simple piece of legislation and I hope my colleagues in the Senate will give their full support to this critical measure.

By Mr. BAUCUS (for himself, Mr. GORTON, and Mrs. MURRAY):

S. 815. A bill to amend the Internal Revenue Code of 1986 to provide tax treatment for foreign investment through a United States regulated investment company comparable to the tax treatment for direct foreign investment and investment through a foreign mutual fund; to the Committee on Finance.

THE INVESTMENT COMPETITIVENESS ACT OF 1997

Mr. BAUCUS. Mr President, the U.S. mutual fund industry has become a dominant force in developing, marketing, and managing assets for American investors. Since 1990, assets under management by U.S. mutual funds have grown from $1 trillion to about $3.5 trillion today. Yet, while direct foreign investment in U.S. securities is strong, foreign investment in U.S. mutual funds has remained relatively flat.

Mr President, today I am introducing, along with Senators GORTON and MURRAY, the Investment Competitiveness Act of 1997. This legislation, which I have had the honor of cosponsoring in each of the last three Congresses, would eliminate a major barrier to attracting foreign capital into the United States while improving the competitiveness of the U.S. mutual fund industry.

This legislation would remove a barrier to the sale and distribution of U.S. mutual funds outside the United States. The bill would change the Internal Revenue Code to provide that foreign investors in U.S. mutual funds be accorded the same tax treatment as if they had made their investments directly in U.S. stocks or shares of a foreign mutual fund.

Under current law, most kinds of interest and short-term capital gains received directly by an investor outside the United States or received through a foreign mutual fund are not subject to the 30-percent withholding tax on investment income. However, interest and short-term capital gain income received by a foreign investor through a U.S. mutual fund are subject to the withholding tax. This result occurs because current law characterizes interest income as short-term capital gain distributed by a U.S. mutual fund to a foreign investor as a dividend subject to withholding.

The Investment Competitiveness Act would correct this inequity and put U.S. mutual funds on a competitive footing with foreign funds. The bill would correctly permit interest income and short-term capital gain to retain their character upon distribution.

Current law acts as a prohibitive export tax on foreign investors who choose to invest in U.S. funds. That is why the amount of foreign investment in U.S. mutual funds is small.

Mr President, it is time to dismantle the unfair and unwanted tax barrier to foreign investment in U.S. mutual funds. The American economy will benefit from exporting U.S. mutual funds, creating an additional inflow of investment into U.S. securities markets without a dilution of U.S. control of American business that occurs through direct foreign investment in U.S. companies. Moreover, the legislation will support job creation among ancillary fund service providers located in the United States, rather than in offshore service facilities.

Mr President, I very much appreciate the efforts of Senators GORTON and MURRAY in cosponsoring this legislation and I urge my colleagues to support this bill.

By Mr. CRAIG:

S. 816. A bill to amend title 18, United States Code, to provide a national standard in accordance with which nonresidents of a State may carry certain concealed firearms in the State, and to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

THE PERSONAL SAFETY AND COMMUNITY PROTECTION ACT

Mr. CRAIG. Mr. President, I rise to introduce the Personal Safety and Community Protection Act.

In recent years, a movement has swept the Nation to enable individuals to carry concealed firearms for their protection. Forty-two of the fifty States have some right-to-carry permit mechanism in place, and they are finding these laws make a significant impact on crime.

The benefits of right-to-carry laws were verified by a landmark study released late last year. Following a comprehensive analysis of annual FBI crime statistics from all the Nation's counties, over 15 years, the authors concluded:

> [a]llowing citizens to carry concealed weapons deters violent crimes and it appears to produce no increase in accidental death or suicides. If those states who did not have right-to-carry concealed gun provisions had adopted them in 1992, approximately 1,800 murders and over 3,000 rapes would have been avoided yearly . . .

The primary author of the study, John R. Lott Jr. of the University of Chicago Law School, has pointed out that the benefits of concealed-carry laws are not limited to those who carry the weapons but extend to their fellow citizens, as well. The drop in crime is not necessarily the result of using firearms in self-defense, but of criminals changing their behavior to avoid coming into direct contact with a person who might have a gun—which in a concealed-carry State could extend to a wide cross-section of the public.

The legislation I am introducing today builds on the experience of the States. It is designed to protect the rights of citizens no matter where they may travel in the United States, and to enhance the protection of our communities.

This bill applies to any person holding a valid concealed firearm carrying permit or license issued by a State, and who is not prohibited from carrying a firearm under Federal law.

In States that issue concealed carry permits, the individual would be able to carry a concealed firearm in accordance with State laws. In States that do not have right-to-carry laws, the bill sets a reasonable, bright-line Federal standard that would permit carrying except in certain designated places, such as police stations; courthouses; public polling places; meetings of State, county, or municipal governing bodies; schools; passenger areas of airports.

The second part of the bill provides an exemption for certain qualified current and former law enforcement officers, who bear valid written identification of their status, from laws prohibiting the carrying of concealed firearms. The bill does not override any existing training requirements or restrictions on gun ownership or use by current or former law enforcement officers. The individuals covered by this section of the bill have proven records of responsible, lawful gun use in defense of their fellow citizens and communities.

Again, Mr. President, this portion of the bill takes a practical, experience-based approach to self defense and community protection.

I'm pleased to note that my bill is a companion to H.R. 339, introduced in the House of Representatives by Congressman CLIFF STEARNS and cosponsored by more than 40 Members from nearly half the States.

I urge all my colleagues to join us in protecting the rights of your constituents and enhancing the protection of your communities by supporting the Personal Safety and Community Protection Act.

I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 816

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

SECTION 1. NATIONAL STANDARD FOR THE CARRYING OF CERTAIN CONCEALED FIREARMS BY NONRESIDENTS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting after section 926A the following:

"§ 926B. National standard for the carrying of certain concealed firearms by nonresidents

''(a) IN GENERAL.—Notwithstanding any provision of the law of any State or political subdivision thereof, a person who is not prohibited by Federal law from possessing, transporting, shipping, or receiving a firearm, and who is carrying a valid license or permit that is issued by a State and that permits the person to carry a concealed firearm (other than a machinegun or destructive device), may carry in another State a concealed firearm (other than a machinegun or destructive device) that has been shipped or transported in interstate or foreign commerce, in accordance with subsection (b).

''(b) CONDITIONS.—

''(1) STATES ISSUING CONCEALED WEAPONS PERMITS.—For purposes of subsection (a), if such other State issues licenses or permits to carry concealed firearms, the person may carry a concealed firearm in the State under the same restrictions that apply to the carrying of a concealed firearm by a person to whom the State has issued such a license or permit.

''(2) OTHER STATES.—For purposes of subsection (a), if such other State does not issue licenses or permits to carry concealed firearms, except to the extent expressly permitted by State law, the person may not, in the State, carry a concealed firearm—

''(A) in a police station;

''(B) in a public detention facility;

''(C) in a courthouse;

''(D) in a public polling place;

''(E) at a meeting of a State, county, or municipal governing body;

''(F) in a school;

''(G) at a professional or school athletic event not related to firearms;

''(H) in a portion of an establishment licensed by the State to dispense alcoholic beverages for consumption on the premises; or

''(I) inside the sterile or passenger area of an airport.''.

(b) CLERICAL AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 926A the following:

''926B. National standard for the carrying of certain concealed firearms by nonresidents.''.

SEC. 2. EXEMPTION OF QUALIFIED CURRENT AND FORMER LAW ENFORCEMENT OFFICERS FROM STATE LAWS PROHIBITING THE CARRYING OF CONCEALED HANDGUNS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting after section 926B (as added by section 1(a) of this Act) the following:

"§ 926C. Carrying of concealed handguns by qualified current and former law enforcement officers

''(a) IN GENERAL.—Notwithstanding any other provision of the law of any State or any political subdivision thereof, an individual who is a qualified law enforcement officer or a qualified former law enforcement officer and who is carrying appropriate written identification of that status may carry a concealed handgun.

''(b) DEFINITIONS.—In this section:

''(1) APPROPRIATE WRITTEN IDENTIFICATION.—The term 'appropriate written identification' means, with respect to an individual, a document which—

''(A) was issued to the individual by the public agency with which the individual serves or served as a law enforcement officer; and

''(B) identifies the holder of the document as a current or former officer, agent, or employee of the agency.

''(2) LAW ENFORCEMENT OFFICER.—The term 'law enforcement officer' means an individual authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of law, and includes corrections, probation, parole, and judicial officers.

''(3) QUALIFIED FORMER LAW ENFORCEMENT OFFICER.—The term 'qualified former law enforcement officer' means an individual who—

''(A) retired from service with a public agency as a law enforcement officer, other than for reasons of mental disability;

''(B) immediately before such retirement, was a qualified law enforcement officer;

''(C) has a nonforfeitable right to benefits under the retirement plan of the agency;

''(D) meets such requirements as have been established by the State in which the individual resides with respect to training in the use of firearms; and

''(E) is not prohibited by Federal law from receiving a firearm.

''(4) QUALIFIED LAW ENFORCEMENT OFFICER.—The term 'qualified law enforcement officer' means an officer, agent, or employee of a public agency who—

''(A) is a law enforcement officer;

''(B) is authorized by the agency to carry a firearm in the course of duty;

''(C) is not the subject of any disciplinary action by the agency; and

''(D) meets such requirements as have been established by the agency with respect to firearms.''.

(b) CLERICAL AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 926B (as added by section 1(b) of this Act) the following:

''926C. Carrying of concealed handguns by qualified current and former law enforcement officers.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 818. A bill to improve the economic conditions and supply of housing in native American communities by creating the Native American Financial Services Organization, and for other purposes; to the Committee on Indian Affairs.

THE NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION ACT OF 1997

Mr. CAMPBELL. Mr. President, today I introduce the Native American Financial Services Organization Act of 1996 [NAFSO]. This bill, based on a similar measure I introduced in the last Congress, seeks to provide new opportunity and hope for native American families by addressing the serious lack of private capital on Indian reservations.

Having access to banking services is more than just a convenience. It means being able to get a loan to fix a leaky roof. It means getting the money to buy computers to start a small business. It means having enough money to send your son or daughter to college. It means buying your own home.

Too often, these dreams never become a reality for Indian families. Many opportunities and services most of America takes for granted are not available in Indian country. Native Americans can't simply walk into a local bank to open a checking account or get a loan for a new house because for the most part, these institutions are nowhere near Indian reservations.

NAFSO is not about new Government programs or bureaucracy. NAFSO is about supporting private banks that will not only provide basic services, but take the time to educate people, to bring them into the mainstream of financial services and give them a chance to build a home or start a business.

NAFSO gives native Americans the same kind of access to banking services that other Americans enjoy. By eliminating provisions dealing with the secondary mortgage market, this version of NAFSO allows the organization to focus where the rubber meets the road. Working in conjunction with the community development financial institutions fund, NAFSO's primary role is to expand the availability of basic banking services through the creation and support of Native American Financial Institutions [NAFI's]. This provides the services that families need the most—checking accounts, mortgages, and other basic banking services.

NAFSO will also play a crucial role in assisting NAFI's by providing them with much-needed technical assistance and developing specialized assistance to overcome barriers to lending on reservations. The organization will also work with the secondary market and other important financial mechanisms to identify barriers to private lending and make recommendations about how banks, Tribes, and government can do more to help this process.

NAFSO does more than support new lending institutions or existing Indian-oriented banks and begins to address the historical barriers to private banking in Indian country. The trust status of reservation land and the inability to transfer title are serious concerns of bankers that need to be overcome and understood. Equally as challenging is the need to overcome stereotypes about Indian families and their social or economic condition. Often, banks decide Indians are not a good credit risk without ever having gone to the reservation.

By providing information and interested in becoming more involved in Indian country, NAFSO can foster a new understanding of the real challenges we face. It can eliminate some of these misconceptions and myths and bring the private market and Indian communities together in ways never thought possible before.

I had hoped that we would be assisted in this process by a report by the community development financial institutions fund at the Department of Treasury on Indian banking issues. Regrettably, work on that report, which was

due almost 9 months ago, has not yet begun. Nevertheless, I feel that we should not delay our work. We need to concentrate now on finding real solutions to the economic, social and cultural challenges facing tribes and native American families.

Mr. President, most people agree that Government cannot be the solution to all of this great Nation's problems. We can fix the Government programs, we can make them more efficient, but now we need to get the private sector involved in the challenges facing Indian country. The road to economic independence for all native American communities is a long one, but this bill is a big step in the right direction.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 818

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Native American Financial Services Organization Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Findings.
Sec. 3. Policy.
Sec. 4. Purposes.
Sec. 5. Definitions.

TITLE I—NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION

Sec. 101. Establishment of the Organization.
Sec. 102. Authorized assistance and service functions.
Sec. 103. Native American lending services grant.
Sec. 104. Audits.
Sec. 105. Annual housing and economic development reports.
Sec. 106. Advisory Council.

TITLE II—CAPITALIZATION OF ORGANIZATION

Sec. 201. Capitalization of the Organization.

TITLE III—REGULATION, EXAMINATION, AND REPORTS

Sec. 301. Regulation, examination, and reports.
Sec. 302. Authority of the Secretary of Housing and Urban Development.

TITLE IV—FORMATION OF NEW CORPORATION

Sec. 401. Formation of new corporation.
Sec. 402. Adoption and approval of merger plan.
Sec. 403. Consummation of merger.
Sec. 404. Transition.
Sec. 405. Effect of merger.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 501. Authorization of appropriations for Native American Financial Institutions.
Sec. 502. Authorization of appropriations for Organization.

SEC. 2. FINDINGS.

Congress finds that—

(1) clause 3 of section 8 of article I of the United States Constitution recognizes the special relationship between the United States and Indian tribes;

(2) Congress has carried the responsibility of the United States for the protection and preservation of Indian tribes and the resources of Indian tribes through the endorsement of treaties, and the enactment of other laws, including laws that provide for the exercise of administrative authorities;

(3) despite the availability of abundant natural resources on Indian lands and a rich cultural legacy that accords great value to self-determination, self-reliance, and independence, American Indians, Alaska Natives, and Native Hawaiians suffer rates of unemployment, poverty, poor health, substandard housing, and associated social ills to a greater degree than any other group in the United States;

(4) the economic success and material well-being of American Indian, Alaska Native, and Native Hawaiian communities depends on the combined efforts of the Federal Government, tribal governments, the private sector, and individuals;

(5) the lack of employment opportunities and affordable homes in the communities referred to in paragraph (4) is grounded in the almost complete absence of available private capital and private capital institutions to serve those communities;

(6) the lack of capital referred to in paragraph (5) has resulted in a multigenerational dependence on Federal assistance that is—

(A) insufficient to address the magnitude of needs; and

(B) unreliable in availability;

(7) a review of the history of the United States bears out the fact that solutions to social and economic problems that have been crafted by the Federal Government without the active involvement of local communities and the private sector fail at unacceptably high rates; and

(8) the twin goals of economic self-sufficiency and political self-determination for American Indians, Alaska Natives, and Native Hawaiians can best be served by making available to address the challenges faced by those groups—

(A) the resources of the private market;

(B) adequate capital; and

(C) technical expertise.

SEC. 3. POLICY.

(a) IN GENERAL.—Based upon the findings and recommendations of the Commission on American Indian, Alaska Native and Native Hawaiian Housing established by the Department of Housing and Urban Development Reform Act of 1989, Congress has determined that—

(1) housing shortages and deplorable living conditions are at crisis proportions in Native American communities throughout the United States; and

(2) the lack of private capital to finance housing and economic development for Native Americans and Native American communities seriously exacerbates these housing shortages and poor living conditions.

(b) POLICY OF THE UNITED STATES TO ADDRESS NATIVE AMERICAN HOUSING SHORTAGE.—It is the policy of the United States to improve the economic conditions and supply of housing in Native American communities throughout the United States by creating the Native American Financial Services Organization to address the housing shortages and poor living conditions described in subsection (a).

SEC. 4. PURPOSES.

The purposes of this Act are—

(1) to help serve the mortgage and other lending needs of Native Americans by assisting in the establishment and organization of Native American Financial Institutions, developing and providing financial expertise and technical assistance to Native American Financial Institutions, including assistance concerning overcoming—

(A) barriers to lending with respect to Native American lands; and

(B) the past and present impact of discrimination;

(2) to promote access to mortgage credit in Native American communities in the United States by increasing the liquidity of financing for housing and improving the distribution of investment capital available for such financing, primarily through Native American Financial Institutions; and

(3) to promote the infusion of public capital into Native American communities throughout the United States and to direct sources of public and private capital into housing and economic development for Native American individuals and families, primarily through Native American Financial Institutions.

SEC. 5. DEFINITIONS.

In this Act:

(1) ALASKA NATIVE.—The term ''Alaska Native'' has the meaning given the term ''Native'' by section 3(b) of the Alaska Native Claims Settlement Act.

(2) BOARD.—The term ''Board'' means the Board of Directors of the Organization established under section 101(a)(2).

(3) CHAIRPERSON.—The term ''Chairperson'' means the chairperson of the Board.

(4) COUNCIL.—The term ''Council'' means the Advisory Council established under section 106.

(5) DESIGNATED MERGER DATE.—The term ''designated merger date'' means the specific calendar date and time of day designated by the Board under section 402(b).

(6) DEPARTMENT OF HAWAIIAN HOME LANDS.—The term ''Department of Hawaiian Home Lands'' means the agency that is responsible for the administration of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108 et seq.).

(7) FUND.—The term ''Fund'' means the Community Development Financial Institutions Fund established under section 104 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703).

(8) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act that is recognized as eligible for the special programs and services provided by the Federal Government to Indians because of their status as Indians.

(9) MERGER PLAN.—The term ''merger plan'' means the plan of merger adopted by the Board under section 402(a).

(10) NATIVE AMERICAN.—The term ''Native American'' means any member of an Indian tribe or a Native Hawaiian.

(11) NATIVE AMERICAN FINANCIAL INSTITUTION.—The term ''Native American Financial Institution'' means a person (other than an individual) that—

(A) qualifies as a community development financial institution under section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702);

(B) satisfies the requirements established by subtitle A of title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) and the Fund for applicants for assistance from the Fund;

(C) demonstrates a special interest and expertise in serving the primary economic development and mortgage lending needs of the Native American community; and

(D) demonstrates that the person has the endorsement of the Native American community that the person intends to serve.

(12) NATIVE AMERICAN LENDER.—The term ''Native American lender'' means a Native American governing body, Native American housing authority, or other Native American Financial Institution that acts as a primary mortgage or economic development lender in a Native American community.

(13) NATIVE HAWAIIAN.—The term ''Native Hawaiian'' has the meaning given that term in section 201 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

(14) NEW CORPORATION.—The term ''new corporation'' means the corporation formed in accordance with title IV.

(15) ORGANIZATION.—The term ''Organization'' means the Native American Financial Services Organization established under section 101.

(16) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(17) TRANSITION PERIOD.—The term ''transition period'' means the period beginning on the date on which the merger plan is approved by the Secretary and ending on the designated merger date.

TITLE I—NATIVE AMERICAN FINANCIAL SERVICES ORGANIZATION

SEC. 101. ESTABLISHMENT OF THE ORGANIZATION.

(a) CREATION; BOARD OF DIRECTORS; POLICIES; PRINCIPAL OFFICE; MEMBERSHIP; VACANCIES.—

(1) CREATION.—

(A) IN GENERAL.—There is established and chartered a corporation to be known as the Native American Financial Services Organization.

(B) PERIOD OF TIME.—The Organization shall be a congressionally chartered body corporate until the earlier of—

(i) the designated merger date; or

(ii) the date on which the charter is surrendered by the Organization.

(C) CHANGES TO CHARTER.—The right to revise, amend, or modify the Organization charter is specifically and exclusively reserved to Congress.

(2) BOARD OF DIRECTORS; PRINCIPAL OFFICE.—

(A) BOARD.—The powers of the Organization shall be vested in a Board of Directors. The Board shall determine the policies that govern the operations and management of the Organization.

(B) PRINCIPAL OFFICE; RESIDENCY.—The principal office of the Organization shall be in the District of Columbia. For purposes of venue, the Organization shall be considered to be a resident of the District of Columbia.

(3) MEMBERSHIP.—

(A) IN GENERAL.—

(i) NINE MEMBERS.—Except as provided in clause (ii), the Board shall consist of 9 members, 3 of whom shall be appointed by the President and 6 of whom shall be elected by the class A stockholders, in accordance with the bylaws of the Organization.

(ii) THIRTEEN MEMBERS.—If class B stock is issued under section 201(b), the Board shall consist of 13 members, 9 of whom shall be appointed and elected in accordance with clause (i) and 4 of whom shall be elected by the class B stockholders, in accordance with the bylaws of the Organization.

(B) TERMS.—Each member of the Board shall be elected or appointed for a 4-year term, except that the members of the initial Board shall be elected or appointed for the following terms:

(i) Of the 3 members appointed by the President—

(I) 1 member shall be appointed for a 2-year term;

(II) 1 member shall be appointed for a 3-year term; and

(III) 1 member shall be appointed for a 4-year term;

as designated by the President at the time of the appointments.

(ii) Of the 6 members elected by the class A stockholders—

(I) 2 members shall each be elected for a 2-year term;

(II) 2 members shall each be elected for a 3-year term; and

(III) 2 members shall each be elected for a 4-year term.

(iii) If class B stock is issued and 4 additional members are elected by the class B stockholders—

(I) 1 member shall be elected for a 2-year term;

(II) 1 member shall be elected for a 3-year term; and

(III) 2 members shall each be elected for a 4-year term.

(C) QUALIFICATIONS.—Each member appointed by the President shall have expertise in 1 or more of the following areas:

(i) Native American housing and economic development programs.

(ii) Financing in Native American communities.

(iii) Native American governing bodies and court systems.

(iv) Restricted and trust land issues, economic development, and small consumer loans.

(D) MEMBERS OF INDIAN TRIBES.—Not less than 2 of the members appointed by the President shall each be an member of an Indian tribe who is enrolled in accordance with the applicable requirements of that Indian tribe.

(E) CHAIRPERSON.—The Board shall select a Chairperson from among its members, except that the initial Chairperson shall be selected from among the members of the initial Board who have been appointed or elected to serve for a 4-year term.

(F) VACANCIES.—

(i) APPOINTED MEMBERS.—Any vacancy in the appointed membership of the Board shall be filled by appointment by the President, but only for the unexpired portion of the term.

(ii) ELECTED MEMBERS.—Any vacancy in the elected membership of the Board shall be filled by appointment by the Board, but only for the unexpired portion of the term.

(G) TRANSITIONS.—Any member of the Board may continue to serve after the expiration of the term for which the member was appointed or elected until a qualified successor has been appointed or elected.

(b) POWERS OF THE ORGANIZATION.—The Organization—

(1) shall adopt bylaws, consistent with this Act, regulating, among other things, the manner in which—

(A) the business of the Organization shall be conducted;

(B) the elected members of the Board shall be elected;

(C) the stock of the Organization shall be issued, held, and disposed of;

(D) the property of the Organization shall be disposed of; and

(E) the powers and privileges granted to the Organization by this Act and other law shall be exercised;

(2) may make and perform contracts, agreements, and commitments, including entering into a cooperative agreement with the Secretary;

(3) may prescribe and impose fees and charges for services provided by the Organization;

(4) may, if such settlement, adjustment, compromise, release, or waiver is not adverse to the interests of the United States—

(A) settle, adjust, and compromise; and

(B) with or without consideration or benefit to the Organization, release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the Organization;

(5) may sue and be sued, complain and defend, in any tribal, Federal, State, or other court;

(6) may acquire, take, hold, and own, and to deal with and dispose of any property;

(7) may determine the necessary expenditures of the Organization and the manner in which such expenditures shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation and benefits of officers, employees, attorneys, and agents as the Board determines reasonable and not inconsistent with this section;

(8) may incorporate a new corporation under State, District of Columbia, or tribal law, as provided in section 401;

(9) may adopt a plan of merger, as provided in section 402;

(10) may consummate the merger of the Organization into the new corporation, as provided in section 403; and

(11) may have succession until the designated merger date or any earlier date on which the Organization surrenders its Federal charter.

(c) INVESTMENT OF FUNDS; DESIGNATION AS DEPOSITARY, CUSTODIAN, OR AGENT.—

(1) INVESTMENT OF FUNDS.—Funds of the Organization that are not required to meet current operating expenses shall be invested in obligations of, or obligations guaranteed by, the United States or any agency thereof, or in obligations, participations, or other instruments that are lawful investments for fiduciary, trust, or public funds.

(2) DESIGNATION AS DEPOSITARY, CUSTODIAN, OR AGENT.—Any Federal Reserve bank or Federal home loan bank, or any bank as to which at the time of its designation by the Organization there is outstanding a designation by the Secretary of the Treasury as a general or other depositary of public money, may—

(A) be designated by the Organization as a depositary or custodian or as a fiscal or other agent of the Organization; and

(B) act as such depositary, custodian, or agent.

(d) ACTIONS BY AND AGAINST THE ORGANIZATION.—Notwithstanding section 1349 of title 28, United States Code, or any other provision of law—

(1) the Organization shall be deemed to be an agency covered under sections 1345 and 1442 of title 28, United States Code;

(2) any civil action to which the Organization is a party shall be deemed to arise under the laws of the United States, and the appropriate district court of the United States shall have original jurisdiction over any such action, without regard to amount or value; and

(3) in any case in which all remedies have been exhausted in accordance with the applicable ordinances of an Indian tribe, in any civil or other action, case, or controversy in a tribal court, court of a State, or in any court other than a district court of the United States, to which the Organization is a party, may at any time before the commencement of the trial be removed by the Organization, without the giving of any bond or security and by following any procedure for removal of causes in effect at the time of the removal—

(A) to the district court of the United States for the district and division in which the action is pending; or

(B) if there is no such district court, to the district court of the United States for the District of Columbia.

SEC. 102. AUTHORIZED ASSISTANCE AND SERVICE FUNCTIONS.

The Organization may—

(1) assist in the planning establishment and organization of Native American Financial Institutions;

(2) develop and provide financial expertise and technical assistance to Native American Financial Institutions, including methods of underwriting, securing, servicing, packaging, and selling mortgage and small commercial and consumer loans;

(3) develop and provide specialized technical assistance on overcoming barriers to primary mortgage lending on Native American lands, including issues related to trust lands, discrimination, high operating costs, and inapplicability of standard underwriting criteria;

(4) provide mortgage underwriting assistance (but not in originating loans) under contract to Native American Financial Institutions;

(5) work with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and other participants in the secondary market for home mortgage instruments in identifying and eliminating barriers to the purchase of Native American mortgage loans originated by Native American Financial Institutions and other lenders in Native American communities;

(6) obtain capital investments in the Organization from Indian tribes, Native American organizations, and other entities;

(7) act as an information clearinghouse by providing information on financial practices to Native American Financial Institutions;

(8) monitor and report to Congress on the performance of Native American Financial Institutions in meeting the economic development and housing credit needs of Native Americans; and

(9) provide any of the services described in this section directly, or under a contract authorizing another national or regional Native American financial services provider to assist the Organization in carrying out the purposes of this Act.

SEC. 103. NATIVE AMERICAN LENDING SERVICES GRANT.

(a) INITIAL GRANT PAYMENT.—If the Secretary and the Organization enter into a cooperative agreement for the Organization to provide technical assistance and other services to Native American Financial Institutions, such agreement shall, to the extent that funds are available as provided in section 502, provide that the initial grant payment, anticipated to be $5,000,000, shall be made when all members of the initial Board have been appointed under section 101.

(b) PAYMENT OF GRANT BALANCE.—The payment of the grant balance of $5,000,000 shall be made to the Organization not later than 1 year after the date on which the initial grant payment is made under subsection (a).

SEC. 104. AUDITS.

(a) INDEPENDENT AUDITS.—

(1) IN GENERAL.—The Organization shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(2) DETERMINATIONS.—In conducting an audit under this subsection, the independent public accountant shall determine and report on whether the financial statements of the Organization—

(A) are presented fairly in accordance with generally accepted accounting principles; and

(B) to the extent determined necessary by the Secretary, comply with any disclosure requirements imposed under section 301.

(b) GAO AUDITS.—

(1) IN GENERAL.—Beginning after the first 2 years of the operation of the Organization, unless an earlier date is required by any other statute, grant, or agreement, the programs, activities, receipts, expenditures, and financial transactions of the Organization shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.

(2) ACCESS.—To carry out this subsection, the representatives of the General Accounting Office shall—

(A) have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Organization and necessary to facilitate the audit;

(B) be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians; and

(C) have access, upon request to the Organization or any auditor for an audit of the Organization under subsection (a), to any books, accounts, financial records, reports, files, or other papers, or property belonging to or in use by the Organization and used in any such audit and to any papers, records, files, and reports of the auditor used in such an audit.

(3) REPORTS.—The Comptroller General of the United States shall submit to Congress a report on each audit conducted under this subsection.

(4) REIMBURSEMENT.—The Organization shall reimburse the General Accounting Office for the full cost of any audit conducted under this subsection.

SEC. 105. ANNUAL HOUSING AND ECONOMIC DEVELOPMENT REPORTS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Organization shall collect, maintain, and provide to the Secretary, in a form determined by the Secretary, such data as the Secretary determines to be appropriate with respect to the activities of the Organization relating to economic development.

SEC. 106. ADVISORY COUNCIL.

(a) ESTABLISHMENT.—The Board shall establish an Advisory Council in accordance with this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of 13 members, who shall be appointed by the Board, including 1 representative from each of the 12 districts established by the Bureau of Indian Affairs and 1 representative from the State of Hawaii.

(2) QUALIFICATIONS.—Not less than 6 of the members of the Council shall have financial expertise, and not less than 9 members of the Council shall be Native Americans.

(3) TERMS.—Each member of the Council shall be appointed for a 4-year term, except that the initial Council shall be appointed, as designated by the Board at the time of appointment, as follows:

(A) Four members shall each be appointed for a 2-year term.

(B) Four members shall each be appointed for a 3-year term.

(C) Five members shall each be appointed for a 4-year term.

(c) DUTIES.—The Council shall advise the Board on all policy matters of the Organization. Through the regional representation of its members, the Council shall provide information to the Board from all sectors of the Native American community.

TITLE II—CAPITALIZATION OF ORGANIZATION

SEC. 201. CAPITALIZATION OF THE ORGANIZATION.

(a) CLASS A STOCK.—The class A stock of the Organization shall—

(1) be issued only to Indian tribes and the Department of Hawaiian Home Lands;

(2) be allocated—

(A) with respect to Indian tribes, on the basis of Indian tribe population, as determined by the Secretary in consultation with the Secretary of the Interior, in such manner as to issue 1 share for each member of an Indian tribe; and

(B) with respect to the Department of Hawaiian Home Lands, on the basis of the number of current leases at the time of allocation;

(3) have such par value and other characteristics as the Organization shall provide;

(4) be issued in such manner as voting rights may only be vested upon purchase of those rights from the Organization by an Indian tribe or the Department of Hawaiian Home Lands, each share being entitled to 1 vote; and

(5) be nontransferable.

(b) CLASS B STOCK.—

(1) IN GENERAL.—The Organization may issue class B stock evidencing capital contributions in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Organization.

(2) CHARACTERISTICS.—Any class B stock issued under paragraph (1) shall—

(A) be available for purchase by investors;

(B) be entitled to such dividends as may be declared by the Board in accordance with subsection (c);

(C) have such par value and other characteristics as the Organization shall provide;

(D) be vested with voting rights, each share being entitled to 1 vote; and

(E) be transferable only on the books of the Organization.

(c) CHARGES AND FEES; EARNINGS.—

(1) CHARGES AND FEES.—The Organization may impose charges or fees, which may be regarded as elements of pricing, with the objectives that—

(A) all costs and expenses of the operations of the Organization should be within the income of the Organization derived from such operations; and

(B) such operations would be fully self-supporting.

(2) EARNINGS.—All earnings from the operations of the Organization shall be annually transferred to the general surplus account of the Organization. At any time, funds in the general surplus account may, in the discretion of the Board, be transferred to the reserves of the Organization.

(d) CAPITAL DISTRIBUTIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Organization may make such capital distributions (as such term is defined in section 1303 of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) as may be declared by the Board. All capital distributions shall be charged against the general surplus account of the Organization.

(2) RESTRICTION.—The Organization may not make any capital distribution that would decrease the total capital (as such term is defined in section 1303 of the Federal Housing Enterprise Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) of the Organization to an amount less than the capital level for the Organization established under section 301, without prior written approval of the distribution by the Secretary.

TITLE III—REGULATION, EXAMINATION, AND REPORTS

SEC. 301. REGULATION, EXAMINATION, AND REPORTS.

(a) IN GENERAL.—The Organization shall be subject to the regulatory authority of the Department of Housing and Urban Development with respect to all matters relating to the financial safety and soundness of the Organization.

(b) DUTY OF SECRETARY.—The Secretary shall ensure that the Organization is adequately capitalized and operating safely as a congressionally chartered body corporate.

(c) REPORTS TO SECRETARY.—

(1) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Organization shall submit to the Secretary a report describing the financial condition and operations of the Organization. The report shall be in such form, contain such information, and be submitted on such date as the Secretary shall require.

(2) CONTENTS OF REPORTS.—Each report submitted under this subsection shall contain a declaration by the president, vice president, treasurer, or any other officer of the Organization designated by the Board to make such declaration, that the report is true and correct to the best of the knowledge and belief of that officer.

SEC. 302. AUTHORITY OF THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

The Secretary shall—

(1) have general regulatory power over the Organization; and

(2) issue such rules and regulations applicable to the Organization as the Secretary determines to be necessary or appropriate to ensure that the purposes specified in section 4 are accomplished.

TITLE IV—FORMATION OF NEW CORPORATION

SEC. 401. FORMATION OF NEW CORPORATION.

(a) IN GENERAL.—In order to continue the accomplishment of the purposes specified in section 3 beyond the terms of the charter of the Organization, the Board shall, not later than 10 years after the date of enactment of this Act, cause the formation of a new corporation under the laws of any tribe, any State, or the District of Columbia.

(b) POWERS OF NEW CORPORATION NOT PRESCRIBED.—Except as provided in this section, the new corporation may have any corporate powers and attributes permitted under the laws of the jurisdiction of its incorporation which the Board shall determine, in its business judgment, to be appropriate.

(c) USE OF NAFSO NAME PROHIBITED.—The new corporation may not use in any manner the name ''Native American Financial Services Organization'' or ''NAFSO'' or any variation thereof.

SEC. 402. ADOPTION AND APPROVAL OF MERGER PLAN.

(a) IN GENERAL.—Not later than 10 years after the date of enactment of this Act and after consultation with the Indian tribes that are stockholders of class A stock referred to in section 201(a), the Board shall prepare, adopt, and submit to the Secretary for approval, a plan for merging the Organization into the new corporation.

(b) DESIGNATED MERGER DATE.—

(1) IN GENERAL.—The Board shall establish the designated merger date in the merger plan as a specific calendar date on which, and time of day at which, the merger of the Organization into the new corporation shall take effect.

(2) CHANGES.—The Board may change the designated merger date in the merger plan by adopting an amended plan of merger.

(3) RESTRICTION.—Except as provided in paragraph (4), the designated merger date in the merger plan or any amended merger plan shall not be later than 11 years after the date of enactment of this Act.

(4) EXCEPTION.—Subject to the restriction contained in paragraph (5), the Board may adopt an amended plan of merger that designates a date later than 11 years after the date of enactment of this Act if the Board submits to the Secretary a report—

(A) stating that an orderly merger of the Organization into the new corporation is not feasible before the latest date designated by the Board;

(B) explaining why an orderly merger of the Organization into the new corporation is not feasible before the latest date designated by the Board;

(C) describing the steps that have been taken to consummate an orderly merger of the Organization into the new corporation not later than 11 years after the date of enactment of this Act; and

(D) describing the steps that will be taken to consummate an orderly and timely merger of the Organization into the new corporation.

(5) LIMITATION.—The date designated by the Board in an amended merger plan shall not be later than 12 years after the date of enactment of this Act.

(6) CONSUMMATION OF MERGER.—The consummation of an orderly and timely merger of the Organization into the new corporation shall not occur later than 13 years after the date of enactment of this Act.

(c) GOVERNMENTAL APPROVALS OF MERGER PLAN REQUIRED.—The merger plan or any amended merger plan shall take effect on the date on which the plan is approved by the Secretary.

(d) REVISION OF DISAPPROVED MERGER PLAN REQUIRED.—If the Secretary disapproves the merger plan or any amended merger plan—

(1) the Secretary shall—

(A) notify the Organization of such disapproval; and

(B) indicate the reasons for the disapproval; and

(2) not later than 30 days after the date of notification of disapproval under paragraph (1), the Organization shall submit to the Secretary for approval, an amended merger plan responsive to the reasons for the disapproval indicated in that notification.

(e) NO STOCKHOLDER APPROVAL OF MERGER PLAN REQUIRED.—The approval or consent of the stockholders of the Organization shall not be required to accomplish the merger of the Organization into the new corporation.

SEC. 403. CONSUMMATION OF MERGER.

The Board shall ensure that the merger of the Organization into the new corporation is accomplished in accordance with—

(1) a merger plan approved by the Secretary under section 402; and

(2) all applicable laws of the jurisdiction in which the new corporation is incorporated.

SEC. 404. TRANSITION.

Except as provided in this section, the Organization shall, during the transition period, continue to have all of the rights, privileges, duties, and obligations, and shall be subject to all of the limitations and restrictions, set forth in this Act.

SEC. 405. EFFECT OF MERGER.

(a) TRANSFER OF ASSETS AND LIABILITIES.—On the designated merger date, all property, real, personal, and mixed, all debts due on any account, and any other interest, of or belonging to or due to the Organization, shall be transferred to and vested in the new corporation without further act or deed, and title to any property, whether real, personal, or mixed, shall not in any way be impaired by reason of the merger.

(b) TERMINATION OF THE ORGANIZATION AND ITS FEDERAL CHARTER.—On the designated merger date—

(1) the surviving corporation of the merger shall be the new corporation;

(2) the Federal charter of the Organization shall terminate; and

(3) the separate existence of the Organization shall terminate.

(c) REFERENCES TO THE ORGANIZATION IN LAW.—After the designated merger date, any reference to the Organization in any law or regulation shall be deemed to refer to the new corporation.

(d) SAVINGS CLAUSE.—

(1) PROCEEDINGS.—The merger of the Organization into the new corporation shall not abate any proceeding commenced by or against the Organization before the designated merger date, except that the new corporation shall be substituted for the Organization as a party to any such proceeding as of the designated merger date.

(2) CONTRACTS AND AGREEMENTS.—All contracts and agreements to which the Organization is a party and which are in effect on the day before the designated merger date shall continue in effect according to their terms, except that the new corporation shall be substituted for the Organization as a party to those contracts and agreements as of the designated merger date.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 501. AUTHORIZATION OF APPROPRIATIONS FOR NATIVE AMERICAN FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Fund, without fiscal year limitation, $20,000,000 to provide financial assistance to Native American Financial Institutions.

(b) NOT MATCHING FUNDS.—To the extent that a Native American Financial Institution receives a portion of an appropriation made under subsection (a), such funds shall not be considered to be matching funds required of the Native American Financial Institution under section 108(e) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4707(e)).

SEC. 502. AUTHORIZATION OF APPROPRIATIONS FOR ORGANIZATION.

The Secretary may, subject to the availability of appropriations, provide not more than $10,000,000 for the funding of a cooperative agreement to be entered into by the Secretary and the Organization for technical assistance and other services to be provided by the Organization to Native American Financial Institutions.

ADDITIONAL COSPONSORS

S. 102

At the request of Mr. BREAUX, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 102, a bill to amend title XVIII of the Social Security Act to improve medicare treatment and education for beneficiaries with diabetes by providing coverage of diabetes outpatient self-management training services and uniform coverage of blood-testing strips for individuals with diabetes.

S. 387

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 387, a bill to amend the Internal Revenue Code of 1986 to provide equity to exports of software.

S. 394

At the request of Mr. HATCH, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 394, a bill to partially restore compensation levels to their past equivalent in terms of real income and establish the procedure for adjusting future compensation of justices and judges of the United States.

S. 415

At the request of Mr. BAUCUS, the name of the Senator from Iowa [Mr.

HARKIN] was added as a cosponsor of S. 415, a bill to amend the medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

S. 428

At the request of Mr. KOHL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 428, a bill to amend chapter 44 of title 18, United States Code, to improve the safety of handguns.

S. 567

At the request of Mr. SMITH, the name of the Senator from Arkansas [Mr. HUTCHINSON] was added as a cosponsor of S. 567, a bill to permit revocation by members of the clergy of their exemption from Social Security coverage.

S. 623

At the request of Mr. INOUYE, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 623, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philipines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 711

At the request of Mr. BREAUX, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 711, a bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits.

S. 716

At the request of Mr. CRAIG, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 716, a bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes.

S. 732

At the request of Mr. FAIRCLOTH, the names of the Senator from Arizona [Mr. KYL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Utah [Mr. HATCH], the Senator from Tennessee [Mr. THOMPSON], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Alaska [Mr. STEVENS], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 732, a bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903.

S. 755

At the request of Mr. CAMPBELL, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 755, a bill to amend title 10, United States Code, to restore the provisions of chapter 76 of that title (relating to missing persons] as in effect before the amendments made by the National Defense Authorization Act for fiscal year 1997 and to make other improvements to that chapter.

S. 797

At the request of Mr. CHAFEE, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 797, a bill to amend the John F. Kennedy Center Act to authorize the design and construction of additions to the parking garage and certain site improvements, and for other purposes.

SENATE JOINT RESOLUTION 6

At the request of Mrs. FEINSTEIN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Joint Resolution 6, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

SENATE RESOLUTION 57

At the request of Mr. DORGAN, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of Senate Resolution 57, a resolution to support the commemoration of the bicentennial of the Lewis and Clark Expedition.

SENATE RESOLUTION 82

At the request of Mr. BENNETT, the names of the Senator from Florida [Mr. GRAHAM], the Senator from Tennessee [Mr. THOMPSON], the Senator from Ohio [Mr. DEWINE], the Senator from Arkansas [Mr. HUTCHINSON], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 82, a resolution expressing the sense of the Senate to urge the Clinton administration to enforce the provisions of the Iran-Iraq Arms Non-Proliferation Act of 1992 with respect to the acquisition by Iran of C–802 cruise missiles.

AMENDMENT NO. 314

At the request of Mr. WELLSTONE the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of amendment No. 314 proposed to Senate Concurrent Resolution 27, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002.

AMENDMENT NO. 316

At the request of Mr. ABRAHAM the names of the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Colorado [Mr. ALLARD], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of amendment No. 316 proposed to Senate Concurrent Resolution 27, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1998, 1999, 2000, 2001, and 2002.

SENATE CONCURRENT RESOLUTION 29—RELATIVE TO ESTONIA, LATVIA, AND LITHUANIA

Mr. GORTON submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 29

Whereas the Baltic countries of Estonia, Latvia, and Lithuania are undergoing a historic process of democratic and free market transformation after emerging from decades of brutal Soviet occupation;

Whereas each of the Baltic countries has conducted peaceful transfers of political power since 1991;

Whereas the governments of the Baltic countries have been exemplary in their respect for human rights and civil liberties and have made great strides toward establishing the rule of law;

Whereas the governments of the Baltic countries have made consistent progress toward establishing civilian control of their military forces and, through active participation in the Partnership for Peace and the peace support operations of the North Atlantic Treaty Organization (in this resolution referred to as ''NATO''), have clearly demonstrated their ability and willingness to operate with the forces of NATO nations and under NATO standards;

Whereas each of the Baltic countries has made progress toward implementing a free market system which has and will continue to foster the economic advancement of the people of the Baltic region;

Whereas the Baltic region has often been a battleground for the competing territorial designs of nearby imperial powers which, along with other factors, has contributed to a history of insecurity and instability in the region;

Whereas NATO has been a force for stability, freedom, and peace in Europe since 1949;

Whereas NATO has indicated it will begin to invite new members in 1997; and

Whereas Estonia, Latvia, and Lithuania, exercising their inherent right as participating states in the Organization for Security and Cooperation in Europe, have voluntarily applied for membership in NATO: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) Estonia, Latvia, and Lithuania are to be commended for their progress toward political and economic liberty and meeting the guidelines for prospective NATO members set out in chapter 5 of the September 1995 Study on NATO Enlargement;

(2) Estonia, Latvia, and Lithuania would make an outstanding contribution to NATO if they become members;

(3) eventual extension of full NATO membership to Estonia, Latvia, and Lithuania would make a singular and lasting contribution toward stability, freedom, and peace in the Baltic region;

(4) upon satisfying the criteria for NATO membership, Estonia, Latvia, and Lithuania should be invited to become full members of NATO at the earliest possible date; and

(5) Estonia, Latvia, and Lithuania should be invited to attend the NATO summit in Madrid on July 8 and 9, 1997.

Mr. GORTON. Mr. President, Estonia, Latvia, and Lithuania lie on the northwestern border of Russia. These three tiny Baltic nations have historically served as a crossroads as bargaining chips between great powers. As a result, they have been invaded and dominated by foreign countries throughout