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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. LATOURETTE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 23, 1997.

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

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

As we pray to You, O God, to reveal the high purposes of life, we also remind ourselves that You have given to us the responsibility to use our minds and hearts and hands to accomplish those high purposes. You have commanded that we follow the road to peace, so may we use our minds to discover those roads; You have told us to feed the hungry, so may we use our hands to till the soil and plant the crops; You have told us to be compassionate to all people, so may our hearts compel us to help heal the broken and strengthen our communities. We thank You, O God, for giving us the heavenly vision and we pray that we will realize that vision in our daily lives. This is our earnest prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Colorado, Mr. BOB SCHAFFER, come forward and lead the House in the Pledge of Allegiance.

Mr. BOB SCHAFFER of Colorado led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2016. An act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2016) ''An act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes'', requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BURNS, Mrs. HUTCHISON, Mr. FAIRCLOTH, Mr. CRAIG, Mr. STEVENS, Mrs. MURRAY, Mr. REID, Mr. INOUYE, and Mr. BYRD, to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minute speeches from each side.

PRESENTATION OF FREEDOM WORKS AWARD TO THE INDIANAPOLIS LEGAL AID SOCIETY

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

Mr. ARMEY. Mr. Speaker, I am excited today to present the Freedom Works Award to the Indianapolis Legal Aid Society for their fine work in providing legal representation to the poor of central Indiana. I established the Freedom Works Award to celebrate freedom by recognizing individuals and groups who take personal and private initiative instead of promoting reliance on the Government. Today I am honoring the Indianapolis Legal Aid Society which is the largest organization in Indiana devoted solely to the nonideological, nonpartisan provision of legal assistance to people who cannot afford to hire a lawyer.

Mr. Speaker, the Society employs four full-time and three part-time lawyers who, with a small group of volunteer lawyers, personally assisted more than 7,000 clients in 1996. In fact, last year the Society received inquiries from more than 15,000 people seeking legal assistance in such matters as family law, custody disputes, and landlord-tenant rights.

Despite operating on a limited budget and not receiving raises for 4 years, the Society's committed staff continues to assist the poor in central Indiana in a compassionate and efficient manner, providing hope for citizens who have nowhere else to turn. This group reminds us of the thousands of lawyers across the Nation who provide free legal assistance to low-income Americans through their own generosity. In fact, pro bono attorneys contribute over five times the number of hours worked annually by the staff attorneys in the Legal Service Corp's network, and Mr. Speaker, this fine

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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group has achieved this success without receiving a single penny of government funding. Instead they have relied on the generosity of private groups and individuals who are committed to the principle of equal justice under the law for all citizens.

Mr. Speaker, access to the legal system by all our citizens is a cornerstone of American democracy. The Indianapolis Legal Aid Society is setting an example for us by recognizing the need and taking private initiative to address it effectively and efficiently. I am very proud today to honor them for their fine achievements.

INDEPENDENT CONTRACTOR CLAUSE WILL MOVE OUR ECONOMY IN THE WRONG DIRECTION

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

Mr. KUCINICH. Mr. Speaker, Federal Government policy has a major impact in the way that employers treat their workers. It is important that Federal policy encourage workers to take the high-skill, high-wage road. For the good of our Nation, employers need to invest in the training benefits and long-term productivity of their workers.

But, Mr. Speaker, the independent contractor provision would move our economy in the wrong direction. It would encourage employers to abandon their commitment to their workers by moving them off the payroll. It would strip them of their health care and pension benefits. Employers who abandon their workers would obtain a competitive advantage over socially responsible companies. This is very unfair to the companies that respect their workers and invest in their skills and benefits.

That is why business organizations such as the Information Technology Association of America oppose the independent contractor clause. With its 11,000 member companies the ITAA says the independent contractor provision will harm legitimate businesses and result in the growth of businesses with no employee benefits.

Mr. Speaker, that is the wrong direction for America. The independent contractor clause needs to be deleted from the final budget bill.

LIBERALS ARE UNWILLING TO GIVE THE MIDDLE CLASS A BREAK

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

Mr. CHABOT. Mr. Speaker, the liberals are simply unwilling to give the middle class a break. They are playing the class warfare card again. They seem to do it all the time; it is happening again. Thanks to the wonders of something called the family economic income, middle-class families are defined as rich, and then of course the government should have the right to take away half of what one earns because the politicians should be allowed to spend that money instead of us.

Mr. Speaker, I think we ought to let the American people keep the money in their own pockets, decide how they want to spend it, not the politicians up here in Washington, and all of this is in the interest of fairness, so to speak. But if the family economic income argument is not working, then the liberals turn to their other rhetorical shenanigans. They want to turn a tax cut into a program, and get this:

They want to give a check to people who are not paying any income taxes.

This tax cut is supposed to be a cut for people who actually pay taxes. It is supposed to help particularly the middle class.

The American people in this country are overtaxed, particularly the middle class. Let us give them a break, and let us do it now.

REPUBLICAN SHIP OF STATE SPINNING OUT OF CONTROL

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

Mr. GUTIERREZ. Mr. Speaker, I read some alarming news lately about a ship spinning wildly out of control. Power was mysteriously cut but nobody could say who pulled the plug. The ship's commander was suffering from nervous palpitations. Rumors spread that he could not fulfill his duties or that his whole crew might have to abandon ship.

People said, ''They've been up there too long, it's time to bring them down.''

Were these the reports of the Russian spaceship *Mir* floating high above? No, it was the Republican ''ship of state'' right here on Capitol Hill spinning out of control, losing power, a nervous captain at the helm. Like the cosmonauts in outer space, the Republicans are far removed from people here on the ground.

How else can we explain the GOP tax bill, a bill with tax cuts for the wealthiest but nothing, zero, for parents working full time to stay above the poverty level? There is only one explanation for tax cuts that are upside down. They must have been written in the weightless atmosphere of outer space.

In the last Congress, the Republicans had a Contract With America. Today they have lost contact with Earth.

REPUBLICAN TAXPAYER RELIEF ACT FOSTERS THE AMERICAN DREAM

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

Mr. GIBBONS. Mr. Speaker, every parent wants to leave their children better off than they were. But as our Government makes it more and more difficult for people to leave the product of their hard work to their loved ones, this American dream is becoming almost impossible.

As hard-working men and women reach retirement, they are forced to sell their farms or small businesses because they cannot afford the death tax. Our Taxpayer Relief Act fosters the American dream by lowering this tax and other tax burdens on the shoulders of working men and women.

Clearly the best thing we can do for future generations is to help strengthen our economy, and we can do this by giving every homeowner, every inventor, every farmer and small businessman incentives to invest in America's neighborhoods and workplaces.

The Republican Taxpayer Relief Act is good for American families, and I urge my colleagues and the liberal Democrats on the other side to stop the distortions, stop the rhetoric, and start supporting real tax relief for the American people.

TAX FAIRNESS FOR WORKING AMERICANS

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

Ms. VELÁZQUEZ. Mr. Speaker, the Democrats have made it clear that they want to offer tax relief to working families. The President has made it clear that he wants to offer tax relief to working families. The American people have made it clear that they know the Republican tax plan favors the wealthy.

Now the chairman of the Committee on Ways and Means tell us that he will not offer a $500-per-child tax credit to all working families, but he wants huge tax breaks for the wealthy.

Mr. Speaker, the Republicans just do not get it. When they signed the Contract With America, they promised a $500-per-child tax credit to working families. Now they are breaking their promise to millions of working Americans. Police officers, nurses, teachers, firefighters, they pay taxes.

Mr. Speaker, the American people need to know are the Republicans going to make good on the contract they signed or is this just another case of promises made, promises broken?

REPUBLICAN AGENDA IS THE ANSWER TO AMERICANS' YEARNINGS FOR FREEDOM FROM GOVERNMENT

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

Mr. HEFLEY. Mr. Speaker, if we look across the sweep of history, we will notice that the human struggle has been a continuous struggle for greater freedom. From the Magna Carta to the Constitution of the United States, the

struggle for greater freedom has been an unending battle against governments in power who fail to resist the temptation to abuse their power. People struggling against government tyranny is a theme that resonates throughout history and across the globe. Political freedom, economic freedom, and religious freedom; the focus of the struggle changes, but the direction of the goal and the inspiration for the cause have always remained the same.

The human soul desires freedom from government oppression, freedom to control one's destiny, and freedom to worship one's God. The Republican agenda is an answer to those yearnings for more freedom, lower taxes, smaller government, and the right to express our faith in the public square.

This is the direction to more freedom for all Americans.

ALL WORKING FAMILIES DESERVE RELIEF FROM TAXES

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

Mr. SNYDER. Mr. Speaker, yesterday President Clinton expressed his firm commitment to stand for children of all working families, not just the ones covered by the Republican tax bill. It is wrong, Mr. Speaker, to ignore millions of taxpaying working families, including thousands of children in Arkansas. It is not class warfare to point out that payroll taxes deducted every 2 weeks out of checks are taxes, and all working families deserve relief from whatever taxes they pay, payroll or income.

CRACK THE CHAMPAGNE AND CALL ROBIN LEACH

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

Mr. KNOLLENBERG. Mr. Speaker, guess what? My colleagues have heard this before, but if someone makes $54,000, they are now the rich. They just do not know it yet. Or at least that is what the Clinton administration has figured with their calculations on who should get a tax cut. With the stroke of a calculator they have created funny money. They have moved millions of Americans from the middle class to Beverly Hills, from Main Street to Rodeo Drive, from the minivan to the limo.

This new wealth in America includes a lot of people. Who are they?

Some 1.7 million union members are rich; 8.1 million government workers are rolling in dough; 2.4 million teachers better crack the champagne and call Robin Leach.

They are all rich according to the President and they just do not need a tax cut.

We should get serious. We have not had a tax cut in more than 16 years, and now we have a real chance to provide relief to our families. It is time for the left to stop twisting the truth about tax relief.

□ 1015

BASIC FAIRNESS IN THE MINIMUM WAGE

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

Mr. BONIOR. Mr. Speaker, yesterday I introduced a bill to raise the minimum wage to $7.25 an hour by the year 2002. We raised the minimum wage a year ago and a lot of Republicans were dead set against it. They predicted it would ruin the economy. What did it do? It boosted wages for 4 million working families, unemployment dropped, inflation has been low, the economy has been moving, but despite this good news, many of my Republican colleagues will oppose another increase in the minimum wage.

I might say, these are the same folks that want to give a tax break to the wealthiest individuals in this country, the same Republicans whose tax bill gives nearly 60 percent of the tax breaks to people making a quarter of a million dollars a year or more, the same Republicans whose tax bill includes an all-out assault on the minimum wage with language about independent contractors that actually encourages employers to pay some workers less than the minimum wage.

If a person works hard in this country day in and day out, they do a good job, they should get a paycheck that is big enough to support their family. They need a tax break that favors them and not the very wealthiest in this country. We are not talking about buying BMWs here, we are talking about being able to have people to afford to buy a used Chevy. That is basic fairness. That is what this minimum wage bill is about. That is what the Democratic tax bill is about.

HOW TO GET RICH QUICK

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, over the weekend I saw this entertainer, Ed McMahon, on television. He was talking about how many of the viewers may be rich already and not even know it. I thought how similar that claim was to the ones we are hearing from Democrats today, that the American people, the average hardworking families earning between $20,000 a year and $75,000 a year, are somehow rich and may not even know it.

We do not have to watch the mail in order to find out whether we are wealthy. Under the Democrats' manipulation of income, we can just call the Treasury Department now and find out whether we are rich. In fact, it is the dirty little secret of the White House and the Democrat Party: Get rich quick, call the U.S. Treasury now, find out how they have taken your $45,000 income, and now they call you a millionaire on the House floor and suggest that you do not deserve a tax cut.

Call the number of the Treasury Department and find out about their dirty little manipulation of your income; 202–622–0120, 202–622–0120, the Treasury operators are standing by.

TWO CHOICES IN TAX CUT PLANS

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

Ms. STABENOW. Mr. Speaker, I rise today on behalf of the hardworking people in middle Michigan who want very much to receive the benefits of the tax cuts that are being proposed here and discussed in the House of Representatives. We have two choices: We have individuals who now lead the House, who were the ones that proposed in the 1980's tax breaks for the wealthy, hoping that they would trickle down to our middle-class families and each of us who have been working hard every day; or tax breaks that go directly into the pockets of hardworking middle-class people.

The tax cut that I am supporting, that was put forward by the Democrats and the President, is advocating making sure that if a person has a home and they want to sell it, and that is where most of us put our savings, they get a tax break. If they have children, they get a tax break. If they are trying to send their children to college, they get a tax break. If they have a small business and they have worked hard and put all their sweat equity into their business over the years, they get a tax break. If they have a family-owned farm, they get a tax break.

What we do not do is focus the tax breaks on the top 2 percent. I urge we adopt this program.

LOOK AT THE RECORD ON TAX CUT PROPOSALS

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

Mr. ROGAN. Mr. Speaker, those who are following this debate on taxes may have a hard time trying to figure out which party is being candid on their respective tax-cutting claims. My suggestion is that they simply look at the record. When we do, we see our friends on the Democrat side consistently opposing tax cuts.

Their argument is that middle-class tax cuts are giving a tax break to the wealthy. But the record shows that the so-called wealthy they are talking

about are people earning about $50,000 a year. On the other hand, when they talk about giving a tax cut to working families, they really mean giving a tax cut to people who do not pay any Federal income taxes.

The choice is simply this: We can support the Republican proposal that affirms the right of working families who pay taxes to keep more of the money they earn. Or, we can support our friends on the Democrat side, who tell those same families they are wealthy, and want to give tax money to people who do not pay taxes.

LONG-TERM EFFECTS OF REPUBLICAN TAX PROPOSALS

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

Mr. KIND. Mr. Speaker, I, too, want to rise today to express some concern that I have about the tax cut. We have heard a lot of discussion about who is going to benefit from the tax cut. I want to give a different perspective. That is the perspective of my son, Jonathan, who is approaching his first birthday, and what this tax cut is going to mean to him.

The Treasury Department and even the Congressional Research Service, the independent investigatory research arm of this Congress, have both indicated that sure, although the tax cuts might be able to reach a balanced budget within the first 5 years, it is 10 years from now, 15 years from now the backloaded provisions of these tax cuts are due to explode the deficit again, at exactly the time when my son Johnny and many, many children throughout this country are going to enter the work force.

What kind of message are we going to be sending to them in order to score a short-term political gain right now, by offering these huge tax cuts so they are going to explode the deficit early next century, without identifying the corresponding spending reductions to pay for it?

I did not come to Congress to vote for the type of tax measure that is going to jeopardize my son's future and the future of the children in this country.

GOOD NEWS FOR AMERICANS OBSCURED BY PARTISAN RHETORIC

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

Mr. NEUMANN. Mr. Speaker, first I would respond to my colleague, the gentleman from Wisconsin [Mr. KIND], and invite him to join us in the National Debt Repayment Act for the good of the future and his young child, because that would force us not only to balance the budget, but after we reach that, pay off the Federal debt, so his child may inherit a nation debt free, and they would not have to make interest payments.

But I also rise today to call attention to what is happening in Washington. When we listen to these 1-minutes back and forth, it is so partisan that people are forgetting what good is happening here for America and how much it means to our citizens.

We are on the verge of balancing the budget probably by 1999, 2 or 3 years ahead of schedule. Taxes are coming down for the first time in 16 years, the $500-per-child tax credit, capital gains is coming down, the death tax is coming down, college tuition tax credit, all good news for America. Medicare is restored, so our senior citizens can again rest assured Medicare will be there for them in the future.

I hear all this hysterical rhetoric about who is rich and who is not, but I can tell the Members this much, the folks I see on Sunday that are sitting there with three kids and the two parents next to them, one off in college and two kids still home, they understand a tax cut means they get to keep $2,500 more of their own money next year.

TAX RELIEF FOR AMERICA'S WORKING FAMILIES IS COMMON SENSE AND JUSTICE, NOT WELFARE

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

Mr. STRICKLAND. Mr. Speaker, the American people are probably confused. Part of the confusion may come from the fact that we have so many millionaires serving in this House and in the Senate that I think the two bodies oftentimes lose touch with average Americans.

The average family in my district earns $22,000 a year. Under the Republican plan, most of those families would receive nothing from the $500-per-child tax credit. If they earned $60,000 they would receive benefits, but those who earn $20,000 would receive nothing.

Even Gary Bower, head of the Conservative Family Research Council, has criticized the Republican plan for denying tax relief to these working families who make less than $30,000 a year. He has said, ''The family tax credit ought to go to any working family that pays income or payroll taxes.''

When we provide tax relief to America's working families, it is not welfare, it is common sense and justice.

DEMOCRAT HOSTILITY TOWARD TAX RELIEF FOR THE MIDDLE CLASS

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

Mr. PAPPAS. Mr. Speaker, some things change, some things do not. It seems that the liberals fall into the second category. The truth is, the liberal view of tax relief is about as out of date as Barry Manilow.

Let us be clear. I have not thrown away all of my Barry Manilow cassettes, but I must say I do not listen to them much anymore. The problems with the liberal Democratic ideas are much more serious. They are much more serious because how they view taxes is much more than a matter of taste. It is a question of what is fair and what is not.

Tax policy has a critical effect on how many jobs are created, what kind of jobs are created, and of course, how much money we get to take home with us from working in those jobs. We would never know it from listening to the liberal Democrats. In fact, I cannot even recall the last time when they have even mentioned the importance of economic growth for the middle class, or how the tax proposal would affect economic growth.

So they are still singing the same old song about their hostility toward tax relief for the middle class; oops, I am sorry, I mean, in their eyes, the rich.

A SIMPLE DEBATE: MORE GOVERNMENT OR MORE FREEDOM

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

Mr. RYUN. Mr. Speaker, what we are debating today is very simple: Do we believe, on the one hand, in more government, or, on the other hand, in more freedom?

Throughout recorded history, from the Magna Carta to the Constitution of the United States, the struggle has been the same: freedom from government tyranny. Political freedom, economic freedom, religious freedom, the focus of the struggle changes, but the direction and the goal of the inspiration for the cause have always remained the same: The human soul desires freedom from government oppression, freedom for control of one's destiny, and freedom to worship one's God.

The Republican agenda is an answer to that yearning. Mr. Speaker, we will meet one of those yearnings if we pass, when we pass, the Taxpayer Relief Act of 1997. The hard-working people of my district, the Second District of Kansas, are yearning to keep more of what they earn. After 16 years of wasteful government spending, it is high time that we grant them this freedom.

THE REPUBLICAN BUDGET PLAN IS NEITHER BALANCED NOR FAIR

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

Mr. EDWARDS. Mr. Speaker, I believe there should be two goals that drive any budget plan in this Congress. One is balancing the budget in the short-term and in the long-term, and second is fairness.

I believe that anyone that looks at the Republican proposal as of today would conclude that their plan fails on both parts. It unbalances the budget, and it is unfair. In fact, the Republican tax plan should be called the Unbalanced Budget Act, because like the mistakes of 1981, when Congress exploded the deficit with specified tax cuts and unspecified spending cuts, this plan would provide huge tax cuts not balanced by any spending cuts. This would be the Unbalanced budget Act.

On the issue of fairness, I would simply say that trickle-down economics was unfair in the 1980's, and trickle-down economics is unfair in the 1990's. The fact is that the gap between working low-income and middle-class American families and the wealthiest Americans has increased. The Republican tax plan would make that situation even more unfair.

□ 1030

ANNIVERSARY OF THE PASSING OF HON. HAMILTON FISH

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

Mr. GILMAN. Mr. Speaker, today is the first anniversary of the untimely death of one of our outstanding colleagues, Congressman Hamilton Fish.

As ranking member on the Committee on the Judiciary, Congressman Fish was known as a champion of civil rights and as a Representative of New York's Hudson Valley for 24 years, he was known as a compassionate and effective spokesperson for the interests of his district.

Our crime bill of 1992 included Ham's initiatives to grapple with the challenge of providing safe and secure environments for our young people. It is expected that our Committee on Appropriations will approve continued funding for the institute now named in Ham's memory which seeks solutions for juvenile violence in our Nation's schools.

Congressman Hamilton Fish continued to work with this institute until a week before his passing. It is a fitting and living memorial to a remarkable legislator and to a good friend.

TAX RELIEF

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me really tell you how to spell relief: a tax plan for teachers, police officers, firefighters, nurses, waiters, waitresses, bus drivers, a tax plan for working people. There is something that is very curious about the Republican statistics and analysis of why they want to give 67 percent of their tax plan to the wealthy. They reject the Treasury Department's independent analysis, the Treasury Department that serviced Presidents Bush, Nixon, and President Reagan, which says that categorically the Republican plan has a fairness problem.

America, listen to this debate. It is not frivolous. It is real. If you want a tax plan that addresses a child tax credit for working people who they say do not pay taxes, but yet when you take someone who works every day, they might be working for the janitorial service but they are working every day paying payroll taxes or FICA taxes, you know what we mean. They do not get a child tax credit. Spell relief with a Democratic tax plan for nurses, working people all over America.

TRUTH AND THE TAX PACKAGE

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

Mr. WELDON of Florida. Mr. Speaker, sometimes you have to wonder if those on the other side who are talking about the tax package are misinformed or simply uninformed. Maybe they have not read the bill. Maybe they are so uncomfortable with the idea of tax cuts that they are attacking the bill out of habit more than conviction.

Whatever the case, it seems that the rhetoric I am hearing has no connection to reality. If a person were to call me and say, hello, I make $500,000 a year, how would your tax proposal affect me, I would have to give him bad news. Would he be eligible for $500 per child tax credit? No. Would he be eligible for the education tax credit? No.

That is interesting. I thought that those were the two biggest provisions that were included in this tax package. They are. Not a penny of it goes to high income people. Just from this fact alone, we can see that the charges that this tax cut package goes primarily to the rich are false.

A FAIR TAX PLAN

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

Mr. BARRETT of Wisconsin. Mr. Speaker, if Americans are looking for a fair tax plan, they should be looking to the Democratic tax plan and not the Republican tax plan. The Republican tax plan in the second 5 years explodes the deficit.

We just saw the figures from the Treasury which shows that in the last 5 years, there is a second 5 years, over 50 percent of the benefits go to people who are high income earners in this country. That is not a fair tax plan. What we have to do is deliver a tax plan that is fair to all Americans, that means people who are working as well.

I also want to compliment President Clinton because yesterday he recognized and supported the notion of some sort of means testing for Medicare. I thought that this was a brave, bold move because we have to recognize that it is inevitable that in the years to come we are going to have to make some changes to Medicare. We should not have the hamburger flippers at McDonald's subsidizing those who have done very well. I think that this is a change that is going to come and it is best to be done through the IRS. It is best to be done in a worthwhile fair manner.

TAX CUTS AND EXCUSES

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

Mr. LEWIS of Kentucky. Mr. Speaker, the liberal Democrats, the ones that gave us the largest tax increase in the history of this Nation in 1993, go through more excuses why they are opposed to tax cuts than Victor Newman on ''The Young and the Restless'' goes through wives.

Another striking parallel is that these liberal Democrats change excuses with as little shame as Victor has when he changes wives. One excuse is as good as another, it seems. It kind of makes you wonder if these liberal Democrats can be trusted to honor their agreement to tax cuts. After all, sooner or later they will come up with a new excuse why the middle class should be denied a long overdue tax cut.

The excuse does not even have to be a good one, as long as they can act like they are morally outraged. Sure, we can make up new definitions of who the rich are so that millions of middle-class families can kiss their tax cuts goodbye. Or we can falsely claim that letting people keep more of their own money is some kind of lucky tax giveaway. Or we can complain that people with no taxes to cut are not going to get a tax cut. Excuses, excuses.

AMERICANS WERE PROMISED TAX RELIEF

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

Ms. DELAURO. Mr. Speaker, talk about little shame or no shame, I rise today to remind my Republican colleagues including the last speaker and others this morning of a promise that they made to the American people just a few short years ago; do they remember? The Contract With America, item No. 5 of that contract promised a $500 per child credit to all, all of America's families who work and who pay taxes.

Now my Republican colleagues want to deny the child tax credit to millions of families who earn less than $30,000 a year. These parents are carpenters, dental assistants, rookie police officers, kindergarten teachers, but the Republicans call them welfare recipients.

These are working parents. They are not on welfare. They work hard every

single day and they pay taxes, usually more in payroll taxes than in income taxes, and more in payroll taxes, I would imagine, than the wealthiest one 1 or 2 percent that our Republican colleagues would like to reward.

Democrats believe these are the parents who deserve the tax relief. Remember, my friends, the contract that you signed.

SUPPORT THE REPUBLICAN TAX CUT PROPOSAL

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

Mr. HERGER. Mr. Speaker, 2 million low- and middle-income Americans are waiting to see if this Congress will eliminate their tax burden. That is right, Mr. Speaker. According to the nonpartisan Joint Committee on Taxation, 2 million Americans will no longer pay income taxes at all if the Republican House-passed tax cut proposal becomes law; not 2 million rich Americans, as my Democrat friends from the other side of the aisle would have us believe, but 2 million struggling low- and middle-income Americans who barely make enough to support their families but still are forced to pay income taxes. Our tax cuts help 2 million Americans that most need it by taking them off the income tax rolls completely.

Mr. Speaker, I encourage my colleagues to support the Republican House tax cut proposal that will truly benefit all Americans.

OUR QUEST FOR TAX RELIEF

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

Mr. TIAHRT. Mr. Speaker, I feel like our quest for tax relief is like a few lines from the song by the Lord of La Mancha: To dream the impossible dream, to right the unrightable wrong, to bear with unbearable sorrow.

It has been 16 years since we have had tax relief, and still we hear so many reasons why we have to vote against the tax relief plan.

When you do not want to do something like vote for tax relief, any excuse is a good excuse: too much for the rich, even though the rich are considered a family of four where each parent is making $32,000 a year; not enough income tax relief for those who are considered poor, even though they pay no income tax.

There will be only one tax relief package to vote for, it will be the agreement between the Congress, the President, and the American people. There will be no excuse for voting against tax relief.

Mr. Speaker, let us dream the impossible dream. Let us give tax relief to working Americans.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2003

Mr. EDWARDS. Mr. Speaker, I ask unanimous consent that I be removed as a cosponsor of H.R. 2003.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2003

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2003.

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

There was no objection.

BUDGET ENFORCEMENT ACT OF 1997

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 192 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 192

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2003) to reform the budget process and enforce the bipartisan balanced budget agreement of 1997. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by Representative Barton of Texas or his designee and a Member opposed to the bill; and (2) one motion to recommit.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], my colleague and friend, pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

(Mr. GOSS asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. GOSS. Mr. Speaker, this rule and today's debate reflect the essence of an agreement reached on June 25 as the House moved to pass legislation implementing the historic budget agreement. That agreement was to allow an up or down vote prior to July 24 on H.R. 2003, which had been offered as an amendment to reconciliation by the gentleman from Texas [Mr. BARTON], the gentleman from Minnesota [Mr. MINGE], and some of our other colleagues. This rule fulfills that agreement. Promises made; promises kept.

Today this House will vote on H.R. 2003, a budget process reform proposal advocated by a bipartisan group of Members. This rule is limited just to provide for the agreement and it does not allow amendment. Not only is this customary for legislation that deals with entitlement and tax legislation within the jurisdiction of the Committee on Ways and Means, but it also captures the moment at which the actual agreement was made to bring this forward to allow the House to consider H.R. 2003 as presented on June 25.

The rule provides for 1 hour of debate in the House to be equally divided by the gentleman from Texas [Mr. BARTON] and an opponent. We have discussed in the Committee on Rules that the time will be divided in such a way as to accommodate Members from both sides of the aisle on both sides of the issue and for all of the committees with an interest. Managers will yield floor time appropriately. In addition the rule provides for the customary motion to recommit.

Mr. Speaker, as I have outlined, Members understand that we have gone through an unusual process here to get to this point. All three of the primary committees with jurisdiction over this legislation, that is, the Committee on the Budget, the Committee on Ways and Means, and the Committee on Rules, have agreed to waive their right to weigh in on this proposal in the interest of granting H.R. 2003 its unfettered vote as promised.

For something of this magnitude and complexity, that in itself is rather extraordinary under Republican leadership. In addition, in doing this Members should be aware of a process that has been under way for some time in the Committee on the Budget, the Committee on Rules, in the policy committee and among various groups of individual Members to reach deliberative and consensus solutions on how best to reform our budget process. In other words, we are focusing on this anyway, and we are now taking this extra step because of this arrangement with the gentleman from Texas [Mr. BARTON] and the gentleman from Minnesota [Mr. MINGE].

I think we all agree that there is a very real need for review and reform of the process of our budget. But that effort should be done, in my view, in a deliberate and inclusive way that takes full advantage of the expertise that can be found within our committee system which has served this institution and this country so well over the years. I have always argued that changing the budget process must lead to an improvement in the process, not just a different, equally flawed approach. Change for change's sake is not going to get us anywhere.

As chairman of the Subcommittee on Legislative and Budget Process, I am a little bit familiar with the problems of our current budget framework. Not only is it complicated and hard to understand, but it frankly does not work very well and it does not hold elected officials accountable enough, of course. Moreover, I agree with the proponents of the legislation before us today that

our current budget process does not adequately confront the challenge of imposing discipline on entitlement spending, which is a very tough subject.

In the Committee on Rules we held three hearings in the last Congress on the subject of budget reform. We have been working closely with the Committee on the Budget this year to develop proposals for reform. The gentleman from New York [Mr. SOLOMON] and the gentleman from Ohio [Mr. KASICH] have committed to developing a comprehensive budget process reform package in this Congress. So we are on our way to doing this anyway.

In the short-term I have been very pleased with the cooperative effort we have had with the Committee on the Budget on a bipartisan basis vetting what I will call cleanup provisions in reconciliation to streamline existing procedures. This is an important first step in budget process reform but obviously it is not comprehensive or complete.

The bill before us today has a different parentage. It is not the business as usual approach of the committee system. It is a product of an evolution from Member to Member, and outside group to outside group over several years. It has not been properly vetted through the committee system, and its authors have admitted as much by saying that further changes are needed.

In the Committee on Rules last night we heard discussion of the need for ''technical amendments and revisions in this bill.''

□ 1045

So it is not quite right even yet.

In my view, the problems with this bill go beyond drafting errors into substance. For instance, I do not think we will be improving the transparency and the credibility of our budget process by grafting 15 new very complicated sections onto the already complicated Budget Act.

In addition, I am troubled by the authority this bill cedes to the President to define the parameters of budget enforcement.

I also have concerns that this bill represents a first step down the very dangerous road toward automatic tax increases. That is what I said. Automatic tax increases. I do not think we are ready for that yet. It threatens to undo all the agreements and commitments that have been made to provide genuine tax relief to America's taxpayers.

I cannot support an approach that gives the President the authority to set in motion indefinite delay in the child tax credit that we are working so hard for, or delay of the capital gains tax we are working so hard for, or delay of the estate tax reduction we are working so hard for, or a host of the indexing provisions we are talking about.

Our budget problems are not the result of too little revenue. They are the problem of too much spending and too much government and we all know it. In this regard, this bill operates under a basic flawed assumption.

With respect to entitlements, this bill is also troubling. I served on the Kerrey Commission on entitlement and tax reform, and I learned a great deal in the process. I well understand the problem we have with entitlements. We are on an unsustainable trend and we have to make some tough decisions, but this bill raises almost as many questions as it answers in terms of the process by which the very important decisions about handling entitlement spending would be made. It puts Social Security COLA's at risk of automatic spending cuts.

Now, I cannot imagine anybody who really would stand up for that proposition to say we are going to put Social Security COLA's into an automatic spending cut process. That is not going to hack it with the people that we represent and it should not.

Also, this approach that we are going to consider today provides for the possibility of automatic increases in Medicare premiums. Again, I do not think the constituency we represent, certainly not mine in southwest Florida, is going to jump up and applaud very loudly automatic increases in Medicare premiums.

Mr. Speaker, the proponents of this legislation are sincere in their effort and I congratulate them on it. They are striving to get enforcement teeth into the budget process, and we need it and I agree. It is just a question of how and when, and I do not think their approach today is how or when.

I admire their persistence in getting today's debate. It shows good leadership and good commitment, and I welcome them into our process through the committee process of budget reform, particularly focusing on enforcement with teeth.

I find the product we are working with today seriously flawed. I hope the House will defeat it so we can get back to work in developing the budget process reform that we have been working on.

Mr. Speaker, I submit for the RECORD the following section-by-section summary of H.R. 2003 and several letters concerning this issue:

SECTION-BY-SECTION SUMMARY OF H.R. 2003, THE ''BUDGET ENFORCEMENT ACT OF 1997'' PREPARED BY THE MAJORITY STAFF OF THE COMMITTEE ON RULES, JULY 22, 1997

GENERAL SUMMARY

H.R. 2003 establishes a new set of budget enforcement procedures specifically for the purpose of enforcing the direct spending levels and the deficit and revenue targets assumed in the Bipartisan Balanced Budget Agreement of 1997. This Act would be a free-standing set of procedures, another layer of budget rules and requirements laid over top of the existing Budget Act. The President and Congress would now be required to follow the rules and procedures of three different, yet comprehensive statutes (the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985 and the Budget Enforcement Act of 1997), all designed to dictate the actions of the budget process.

This Act contains two titles. The first outlines how the goals of the budget agreement will be measured and monitored and what the distinct roles of the President and the Congress would be in this monitoring process. The second title provides the methods by which the spending levels and the revenue and deficit targets will be enforced through sequestration and/or a delay of tax reductions.

Section 1: Short Title and Table of Contents

This section grants this Act the title of the ''Budget Enforcement Act of 1997''. This section also lays out the table of contents for the Act's 15 new free standing budget process provisions.

Section 2: Definitions

This section provides the definitions for various budgetary terms as they are to be understood in implementing the provisions of this Act including the following: ''eligible population,'' ''sequester and sequestration,'' ''breach,'' ''baseline,'' ''budgetary resources,'' ''discretionary appropriations,'' ''direct spending,'' ''entitlement authority,'' ''current,'' ''account,'' ''budget year,'' ''current year,'' ''outyear,'' ''OMB,'' ''CBO,'' ''budget outlays and outlays,'' ''budget authority and new budget authority,'' ''appropriation act,'' ''consolidated deficit,'' ''surplus,'' and ''direct spending caps.''

Many of these terms and definitions are similar to those currently used and defined in the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings Act). However, there are some new terms and some old terms with new definitions. For example, the definition of ''sequester and sequestration'' is the same as that used in Gramm-Rudman-Hollings while the definition of what constitutes a ''breach'' is different than that contained in current law. Under current law ''the term 'breach' means, for any fiscal year, the amount (if any) by which new budget authority or outlays for that year (within a category of discretionary appropriations) is above that category's discretionary spending limit for new budget authority or outlays for that year, as the case may be.''[1] Under H.R. 2003 ''the term 'breach' means, for any fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's direct sending cap for that fiscal year.'' For the purposes of this Act a ''breach'' is defined as first only applying to direct spending and secondly as only applying to budget outlays as opposed to budget authority or outlays. Since the Act does not repeal any of the current Budget Act, this bill adds a second definition to what constitutes a ''breach''. Other new terms include ''direct spending caps'' and ''consolidated deficit''. Other older terms with new definitions include ''discretionary appropriations'' and ''baseline''.

Title I—Ensure that the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

Section 101: Timetable

This section establishes a new timetable for completion of the new requirements placed on the President and Congress under this Act. This timetable would be an addition to the current timetable relating to the submission of the President's budget, congressional consideration of a budget resolution and any required reconciliation legislation and any sequestration or budget reports required of OMB or CBO.[2]

* Footnotes at end of article.

Due to the fact that these new procedures would be an addition to the current rules, certain difficulties and complications arise. For example, the Congressional Budget Office would now be required to submit two reports to Congress, one by January 15[3] and another by February 15.[4] There is no explanation as to who the two required reports differ or are similar. They are simply required.

Also, under current law, the President is required to submit his budget proposal by the first Monday in February. H.R. 2003 also requires the President to submit a ''budget update based on new assumptions'' by this same deadline. What this actually requires is unclear. Would this require the President to submit two budget proposals based on two different assumptions? Section 103 of the Act actually establishes a new point of order against Congressional consideration of any budget proposal that is not based on the ''new assumptions'' or that is consistent with the levels of this Act. Furthermore, having two timetables for the budget process, each with different requirements for both the President and Congress, in two different statues, further complicates the budget process.

Section 102: Procedures to Avoid Sequestration or Delay of New Revenue Reductions

Under this section the President is required to submit to Congress a legislative remedy if the required report by November 1 (and as soon as practical after the end of the fiscal year) of the Office of Management and Budget indicates any of the following:

1. deficits in the most recently completed year exceeded or in the budget year are projected to exceed the deficit targets established in this Act; or
2. revenues in the most recently completed year were less than or in the budget year are projected to be less than the revenue targets in this Act; or
3. outlays in the most recently completed fiscal year exceeded or in the budget year are projected to exceed the spending caps established in this Act.

The President's legislative remedy may take any one or a combination of three forms:

1. a reduction in outlays;
2. an increase in revenues, or
3. an increase in the deficit targets or spending caps or a reduction in the revenue targets.

However, the Act is unclear whether the President may propose a remedy that seeks to adjust the caps or targets for only a part of the breach or violation or whether the President must adjust the caps or targets to cover the entire breach. While one subsection of the bill lists it as an option for the President's package that same subsection also contains language preventing the President from using such an option. The President may also submit in writing, that because of economic or programmatic reasons none of the variances from the balanced budget plan should be offset. There is no definition as to what constitutes a programmatic reason for not offsetting the variance.[5]

Upon receipt of this report, with its proposed legislative remedy, Congress is required by November 15 to introduce the President's package as a joint resolution by the Chairmen of the Budget Committees of the House and the Senate. If the chairmen do not introduce the bill, any Member of the House or Senate may introduce the joint resolution after November 15. Also, by November 15, the Budget Committees are required to report the joint resolution with or without amendment. The timeline set out these expedited procedures is inconsistent as both the introduction and committee action must be completed by the same date.

Specifically, the Committee may either recommend the President's proposal or may recommend changes similar to those recommended by the President. However, if the President had recommended to adjust the caps or targets, the Committees could not recommend doing so by any amount greater than that originally recommended by the President. In this way the President solely determines the scope of the actions permissible by Congress.

If the Committees do not report by November 20, the committee is automatically discharged from consideration of the joint resolution reflecting the President's recommendation. (There is no explanation as to why the committee has until November 15 to report the joint resolution when the committee is not automatically discharged from further consideration until November 20.) Furthermore, the Act sets up that, upon this discharge, any Member may move to consider the resolution. There is no notice or time layover requirement stated. (Although, the next subsection says that the joint resolution would be considered pursuant to Section 305 of the Budget Act, which states that it is not in order to consider a resolution and its report—at which this point there would not be one—that has not laid over for five days.[6]) The joint resolution would be considered under the same procedures as that required for consideration of a concurrent resolution on the budget. Special procedures for consideration by the Senate and a conference are established. Most notable is the automatic discharge of the Committee on the Budget of the Senate by December 1 of any joint resolution passed by the House and transmitted to the House after a one day layover. Also, the Senate may initially consider a joint resolution which may propose to offset all or part of any reported breach. However, when the joint resolution reaches the stage of a conference, the conference committee may only report a resolution that proposes to offset the entire breach. The most glaring error of these procedures is that they fail to take into consideration the possibility that Congress may have adjourned sine die prior to this report having even been received by Congress. This may actually necessitate Congress coming into a special session after an election. In non-election years, Congress may actually be forced to stay in session until November 1 when the OMB report is due. These procedures are fatally flawed in many areas.

Section 103: Effect on President's Budget Submissions; Point of Order

The President is prohibited by this section from submitting a budget pursuant to Title 31 of the United States Code that is inconsistent with the spending, revenue and deficit levels established by this Act unless it recommends changes to those levels. This section also establishes a new point of order against the consideration of any concurrent resolution on the budget that is inconsistent with the levels established in this Act.

First of all, while the President is able to get around the prohibition placed on the Administration's budget submission by proposing to change the levels, Congress is not granted any exception to the point of order against consideration of a budget resolution that is different. In other words, in order for Congress to consider a budget resolution that calls for changes in the levels, it would have to waive the provisions of this section in order to even consider the President's recommendations. Congress is prohibited from considering the President's recommended changes. Furthermore, the actual legislative vehicle for consideration of changes in caps and/or targets is a reconciliation bill rather than a budget resolution since the latter is not signed into law.

Secondly, while the requirements of the President apply only to the budget submissions for fiscal years 1998 through 2002, the point of order in the House and Senate is indefinite.

Section 104: Deficit and Revenue Targets

This Act places in law the actual dollar levels of the Consolidated Deficit (or Surplus) targets called for in the Bipartisan Budget Agreement for fiscal years 1998 through 2002. It also establishes the consolidated revenue targets assumed in the Agreement for fiscal years 1998 through 2002.

Section 1 of H.R. 2003 defines the ''consolidated deficit target'' to mean ''with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.'' The term ''consolidated revenue target'' is not defined.

Section 105: Direct Spending Caps

This section establishes direct spending caps on the following major entitlements: the Earned Income Tax Credit, Family Support programs, Federal Retirement (Civilian and Military), Medicaid, Medicare, Social Security, Supplemental Security Income, Unemployment Compensation, and Veterans' Benefits. All other entitlements and mandatory spending programs not included in these major categories are to be lumped together under one account. Furthermore, one overall aggregate cap is to be placed over all of these individual direct spending caps.

Within thirty days of the enactment of this Act, the House and Senate Budget Committees are required to file identical reports containing the account numbers and spending levels for each specific category. Also, within thirty days of the enactment of this Act, OMB is required to submit to the President and Congress a report containing account numbers and spending levels for each category. The specific amounts for each category contained in these reports is deemed to have been adopted as part of H.R. 2003.

While the specific category spending limits established under this section are to be used for the purposes of measurement, monitoring and eventually enforcement, certain complications could arise. First, the reports filed by the House and Senate Budget Committees are nothing more than a statement of the priorities of these committees. The levels in the OMB report are the levels that actually are utilized. While the House and the Senate reports are required to be identical, there is nothing requiring the OMB report to be similar to that issued by these committees. The sole responsibility for determining these individual direct spending caps rests with the executive branch. Consequently, OMB will most probably use their account numbers and category spending limits for the reports they must file. Furthermore, the CBO has no role in these determinations.

Section 106: Economic Assumptions

The entire budget process established under this Act is to be monitored under common economic assumptions as set forth in the joint explanatory statement of managers accompanying H.Con.Res. 84, the budget resolution for fiscal year 1998. Any changes to the caps or targets must be computed using these same assumptions. There is no explanation as to who will be the final arbiter between the CBO and the OMB if any disagreements over economic assumptions arise over the next five fiscal years.

Section 107: Revisions to Deficit and Revenue Targets and to the Caps for Entitlements and Other Mandatory Spending

This section establishes procedures for the implementation and consideration and/or

consultation by Congress of any changes to the spending caps or revenue and deficit targets. Upon the submission of the President's budget proposal in February, the OMB is required to include adjustments to the revenue levels for changes in revenue growth and inflation; adjustments to the direct spending caps for changes in concepts and definitions, net outlays, inflation, eligible populations and intra-budgetary payments; and adjustments to deficit targets as necessitated by adjustments in the other levels. These adjustments would be automatic and would not necessarily need Congressional approval. This type of adjustment is somewhat consistent with current law as applied to the discretionary spending limits.[7]

However, the Act establishes various obstacles in the path of adjusting the caps for any other reason. First, to amend the direct spending caps would require a recorded vote in the House and the Senate. It is also deemed to be a ''matter of highest privilege'' for any Member to insist on a recorded vote. This is required even though Congress did not originally have a recorded vote on establishing each direct spending cap in the first place. Also, there is no current understanding as to what a matter of ''highest privilege'' is. Presumably, such a motion as intended by the sponsors would preclude a motion to rise if in the Committee of the Whole or to adjourn if in the House.

Finally, this section places an unprecedented prohibition on the ability of the Rules Committee to waive any of the provisions of this subsection. (However, the Senate can do so by a three-fifth vote). The rules and procedures relating to the congressional budget process are exclusively within the jurisdiction of the Rules Committee and every legislative initiative enacted with respect to the budget process is done within the Constitutional rule-making authority of the House of Representatives. The Rules Committee still could waive the provisions of this section because it would merely have to report a resolution, which waives this section with respect to another resolution that ''violates'' this section. This is the so called two-step rule.

Title II: Enforcement Provisions

Section 201: Reporting Excess Spending

At the end of each fiscal year, OMB is required to compile a statement of actual deficits, revenues and direct spending for the fiscal year just completed. Specifically, the direct spending levels would be identified by the categories contained in section 105.

Based on this statement, OMB is required to issue a report to the President and Congress by December 15 for any year in which there is a breach, by more than 1% of the applicable total revenues or direct spending, of the targets or caps establish under this Act. The report will include the following:

1. each instance in which a direct spending cap has been breached;
2. the difference between the amount of spending under the direct spending caps for the current year and the estimated actual spending for the categories associated with such caps;
3. the amounts by which direct spending would need to be reduced so that the total amount of direct spending, both actual and estimated, for all of the categories would not exceed the amounts available under the direct caps for the applicable fiscal years; and,
4. the amount of excess spending attributable to changes in inflation or eligible populations.

This report is triggered only if the total violation of the revenue targets or spending caps exceeds 1% of the applicable total revenues or direct spending for that year. A lower percentage violation is deemed to be all right.

Section 202: Enforcing Direct Spending Caps

In any year in which direct spending exceeds the applicable direct spending cap—the individual or the aggregate—the breach would be eliminated pursuant to a sequester. This sequester would apply a uniform percentage reduction to all non-exempt accounts within that category in which the breach occurred. Sequestration in accounts for which obligations are indefinite would occur in a manner to ensure that obligations in the fiscal year in which the sequester occurred and succeeding fiscal years, are reduced. Furthermore, any ''budgetary resources'' sequestered from an account are permanently canceled. This sequester mechanism is similar in many respects to that under current law.[8]

Section 203: Sequestration Rules

In applying the sequester mechanism to the direct spending caps, this section establishes certain general rules to apply to all categories and certain special rules to apply to some categories. In general, a sequester is triggered if total direct spending subject to the caps exceeds or is projected to exceed the aggregate cap for the current or immediately preceding fiscal year. Also, a sequester will reduce spending under each separate direct spending cap by the proportion of the amounts each category breached its applicable spending cap.

Special rules are included with respect to the application of a sequester to certain entitlements involving indexed benefit payments, loan programs, insurance programs, and programs with state grant formulas.

Section 203 also provides that if a law is enacted prior to July 1 of a fiscal year that provides direct spending that would result in a breach of any direct spending cap during the current year, a within-session sequester should occur to eliminate the breach. Again this is similar to the within-session sequester under current law with respect to the enforcement of the discretionary spending limits.[9]

Section 204: Enforcing Revenue Targets

In any fiscal year in which actual revenues are less than the applicable revenue target in the preceding fiscal year or projected to be less than the applicable revenue target in the current year, the mechanism in this section takes effect. Based upon the statement of OMB pursuant to section 201(a), OMB shall issue a report to the President and the Congress by December 15 of any year in which revenues were less than the revenue target established under this Act for the preceding fiscal year or are projected to be less than the revenue target established for the current fiscal year if such a violation is more than 1 percent of the applicable total revenue target for such year. This report shall include the following:

1. all existing laws and policies enacted as part of any reconciliation legislation in calendar year 1997 which would cause revenues to decline in the calendar year which begins January 1, compared to those laws and policies in effect as of December 15 (i.e. any tax cuts scheduled to be phased in during the upcoming fiscal year under current law);
2. the amounts by which revenues would be reduced by the provisions of this section compared to policies in effect on December 15; and,
3. whether delaying the implementation of the provisions called for under current law would cause the total revenues in the current fiscal year and actual revenues in the immediately preceding fiscal year to equal or exceed the total of the applicable targets.

If a revenue target was not met in the preceding fiscal year or is not projected to be met in the current fiscal year, this section requires that no provision of the Revenue Reconciliation Act of 1997 establishing or increasing any credit, deduction, exclusion, or eligibility limit or reducing any rate shall take effect. It also requires the suspension of any new adjustments for inflation scheduled to be made to any credit, deduction or exclusion.

In the event a revenue target is not met this section would require that any remaining tax reductions already enacted into law be suspended indefinitely. There is no provision allowing these scheduled tax cuts to be reinstated should a projection be inaccurate or for Congress to substitute further spending reductions for the loss in revenue. If fact, the various procedural obstacles contained in section 102, section 103, and section 107 of this Act virtually assure that the only option available to remedy the target violation will be a suspension of the tax relief. The President is required to remedy the violation unless Congress and the President can write a new law between November 1 and December 15 of the applicable calendar year resolving the issue in another manner. Allowing the process to proceed by itself will result in an automatic tax increase with respect to current law. Furthermore, there is no discretion given to the President to delay some while implementing others. In any affected year all of the scheduled tax relief for that fiscal year must be suspended permanently.

Section 205: Exempt Programs and Activities

This section outlines those programs which would be exempt from the sequestration mechanism established under this Act. As compared to current law,[10] this section removes from the list of exempted programs the following major programs: Social Security and Tier I Railroad Retirement Benefits, Veterans programs, the Earned Income Tax Credit, Child Nutrition, the Food Stamp Program, Medicaid, Supplemental Security Income, and Women, Infants and Children. The Act retains the current law optional exemption of military personnel from the uniform percentage reductions taken under this Act.[11]

It should be noted that these modifications to the list of programs exempt from sequestration only apply to the implementation of the sequester mechanism established under this Act and not to that under current law. Different rules apply to the application of the two sequester mechanisms.

Section 206: Special Rules

Section 206 establishes further special rules for the application of the sequester mechanism to certain programs such as the Child Support Enforcement Program, the Commodity Credit Corporation, the Dairy Program, the Earned Income Tax Credit, Unemployment Compensation, the Federal Employees Health Benefits Fund, the Federal Housing Finance Board, Federal Pay, Medicare, the Postal Service Fund, Power Marketing Administrations and the T.V.A. and to business-like transactions of the Federal government.

However, each of these special rules do not provide exemptions for these programs but rather spell out in advance how a sequester is to be applied in each respective case. For example, under any program that provides a business-like service in exchange for a fee, sequestration would be accomplished through a uniform increase in the fees paid for the service whatever it may be. In the case of Medicare, sequestration would be instituted under complex procedures which would result in, among other things, increases in Part B premiums for beneficiaries.

Furthermore, in each of the cases, this budget process reform bill establishes how programmatic changes would occur in each of these direct spending programs in order to

produce the required levels of savings in the applicable program. In many of these cases, the proposed method of programmatic change actually conflicts with the stated intent of the underlying policy of the Bipartisan Balanced Budget Agreement which this entire Act is supposed to enforce.

Section 207: The Current Law Baseline

By January 15 of each year, OMB and CBO are required to submit to Congress and the President reports which set forth the budget baselines for the budget year and the next nine fiscal years. These budget baselines are to be based on the common economic assumptions set forth in section 106 of this Act.[12] This new budget baseline would apply to the budget projections of revenues, deficits and spending into the budget year and the relevant outyears based on current enacted laws as of the date of the projection. The baseline for discretionary spending items would remain those for the discretionary spending caps in effect under current law at the time.[13] Revisions to the baseline would occur through adjustments for economic assumptions when CBO issues its Economic and Budget Update and when OMB submits its budget update. Further adjustments could occur as needed by August 1 of each year when CBO and OMB submit their midyear reviews.

The dilemma facing this construct of the budget baseline is the assumption that the baseline and any revisions thereto will remain common economic assumptions throughout the period of FY 1998 through 2002. There is no explanation as to what must occur if CBO and OMB cannot agree on common economic assumptions pursuant to section 106 of this Act.

Section 208: Limitations on Emergency Spending

In an attempt to enable Congress to respond more effectively to natural disasters and other emergencies, this section requires that 1 percent of the total budget authority and outlays available to be allocated, be withheld from allocation to the appropriate committees as reserves to pay for disasters and emergencies. These reserved amounts may be made available for allocation to committees only if three things occur:

1. the President has made a request for these funds,
2. the programs to be funded are included in such a request, and
3. ''the projected obligations for unforeseen emergency needs exceed the 10-year rolling average annual expenditures for existing programs included in the Presidential request for the applicable fiscal year.''

This grants the President an enormous advantage over the congressional prerogative to allocate and spend the reserved amounts. Congress cannot allocate these funds without the prior approval of the President. Therefore, it cannot, without violating these provisions, act unilaterally to respond to any emergency prior to a Presidential declaration of one.

This Act also prohibits states or localities from using any disaster reserve funds to offset state or locality matching requirements. Furthermore, it forbids the President from taking administrative action to waive these matching requirements. Waiving these matching requirements via legislation would require a two-thirds vote of both Houses. These prohibitions seem to go beyond the stated intent of this section.

Furthermore, there seems to be different types of disasters and emergencies (including natural disasters and national security emergencies) referred to in various subsections of this section. It is not clear whether the prohibitions on the availability of these funds would be applicable to both. Some subsections appear to allow its use while others do not.

This final section is the only section of H.R. 2003 that actually amends the Congressional Budget Act of 1974. Section 208 would add a new point of order under Title IV of the Budget Act to prevent the consideration in the House and Senate of any bill, joint resolution or amendment thereto or conference report thereon that is designated as an emergency, if it also contains a non-emergency appropriation or direct spending provision.[14] This is similar to the House rule XXI(2)(e) adopted at the beginning of the 104th Congress. The language is almost identical to that contained in the House rule. The effect of amending the Budget Act would apply the provisions of this rule to both the House and the Senate.

FOOTNOTES

[1] Section 250(c)(3) of the Deficit Control Act of 1985.

[2] Section 300 of the Congressional Budget Act of 1974.

[3] Section 101 of H.R. 2003, as introduced by Rep. Barton on June 20, 1997.

[4] Section 300 of the Congressional Budget Act of 1974.

[5] Section 102(a)(3)(C)(iii) of H.R. 2003 as introduced by Rep. Barton on June 20, 1997.

[6] Section 305(a)(1) of the Congressional Budget Act of 1974.

[7] Section 251(b) of the Deficit Control Act of 1985.

[8] Section 251 and Section 254 of the Deficit Control Act of 1985.

[9] Section 251(a)(6) of the Deficit Control Act of 1985.

[10] Section 255 of the Deficit Control Act of 1985.

[11] Section 255(h) of the Deficit Control Act of 1985. Note the correct cite should be designated as subsection (j).

[12] This is summarized in the joint explanatory statement of managers accompanying H. Con. Res. 84, the budget resolution for fiscal year 1998.

[13] Section 601(a)(2) of the Congressional Budget Act of 1974.

[14] Emergency designations are made pursuant to section 251(b)(2)(D) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 208 of the Balanced Budget Enforcement Act of 1997. The bill actually refers to the latter Act as section 207 of the Balanced Budget Assurance Act of 1997. The correct cite is section 208 of the Balanced Budget Enforcement Act of 1997.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, July 18, 1997.

Hon. NEWT GINGRICH,
The Speaker, The Capitol,
Washington, DC.

DEAR MR. SPEAKER: I am writing regarding consideration of H.R. 2003, the ''Budget Enforcement Act of 1997,'' which was introduced on June 20, 1997, by Representative Joe Barton, et. al. The bill, as introduced, was referred to the Committee on Budget, and in addition, to the Committees on Ways and Means and Rules.

Among other things, the bill would separate direct spending caps of the Earned Income Tax Credit, Family Support, Medicare, Social Security, SSI, and Unemployment Compensation programs which are within the jurisdiction of the Committee on Ways and Means. The caps would be enforced through targeted sequestrations of these programs. This could include automatic delays in cost of living adjustments and premium increases. In addition, the bill would provide, if certain revenue targets are not met, for the suspension of the phase-in of any tax reductions provided in the 1997 Taxpayer Relief Act, and suspension of inflation-based adjustments to any credit, deduction, or exclusion enacted as part of the tax bill.

During the recent floor debate on the reconciliation legislation, Representative Barton stated his understanding that the Leadership and the committees of jurisdiction would work in an expeditious fashion to allow H.R. 2003 to receive floor consideration prior to July 24. I now understand that the bill may be scheduled for floor action as early as the week of July 21.

Therefore, in order to expedite consideration of this legislation by the full House, the Committee on Ways and Means will not be marking up H.R. 2003. However, this is only with the understanding that it does not in any way prejudice the Committee's jurisdictional prerogatives in the future with respect to this measure or any similar legislation, and it should not be considered as precedent for consideration of matters of jurisdictional interest to the Committee on Ways and Means in the future.

Thank you for consideration of this matter. With best personal regards.

Sincerely,

BILL ARCHER, *Chairman.*

COMMITTEE ON RULES,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, July 21, 1997.

Hon. NEWT GINGRICH,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: I respectfully ask that the Committee on Rules be discharged from the further consideration of H.R. 2003, the Budget Enforcement Act of 1997.

H.R. 2003 was introduced on June 20, 1997 by Representatives Barton and Minge, and others, and was referred to the Committees on the Budget, Rules, and Ways and Means. During the consideration of a rule for H.R. 2015, the Balanced Budget Act and H.R. 2014, the Taxpayer Relief Act, Representatives Barton and Minge filed an amendment with the Committee on Rules relating to budget enforcement procedures and consisting of the text of H.R. 2003.

In the furtherance of an agreement reached between Representative Barton and the Republican Leadership on June 25, 1997, the Committee on Rules has agreed to waive its original jurisdiction over H.R. 2003 and allow it to be considered by the House of Representatives without committee action. However, I believe the legislation is seriously flawed and I intend to oppose it.

To facilitate the orderly consideration of H.R. 2003 and to uphold the terms of the agreement, it is my intention to report a closed rule for this measure this week.

Sincerely,

GERALD B. SOLOMON, *Chairman.*

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET
Washington, DC, July 22, 1997.

Hon. NEWT GINGRICH,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: I respectfully request that the Committee on the Budget be discharged from the further consideration of H.R. 2003, the Budget Enforcement Act of 1997.

Consistent with an agreement reached between Representative Barton and the Republican Leadership on June 25, 1997, the Committee on the Budget has agreed to waive its original jurisdiction over H.R. 2003 and allow it to be considered by the House without committee action. Nevertheless, this legislation is seriously flawed and I will oppose this bill. Among various other problems, this bill would jeopardize the tax relief we have worked so hard to secure for America's families.

H.R. 2003 was introduced on June 20, 1997 by Representatives Barton, Minge, and others, and was referred to the Committees on the Budget, Rules, and Ways and Means. During the consideration of the rule for H.R. 2015, the Balanced Budget Act, and H.R. 2014, the Taxpayer Relief Act, Representatives Barton and Minge filed an amendment with

the Committee on Rules relating to budget enforcement procedures and consisting of the text of H.R. 2003. It was at this point that the sponsors agreed to drop their proposed amendment to H.R. 2014, and the Committee on the Budget agreed, in return, to waive its jurisdiction.

Sincerely,

JOHN R. KASICH, *Chairman*.

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

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

Mr. Speaker, when the Committee on Rules met in June to consider a rule for the reconciliation bill, our colleagues, the gentleman from Texas [Mr. BARTON] and the gentleman from Minnesota [Mr. MINGE], appealed to the committee to make in order as an amendment to the reconciliation package the text of their bill, H.R. 2003. At that time the gentleman from New York [Mr. SOLOMON] opposed including H.R. 2003 as an amendment in the rule, but he did assure supporters of H.R. 2003 that the rule would have an opportunity to consider budget process reform legislation during the 105th Congress.

The next day, during the debate on the rule on reconciliation, the gentleman from Texas [Mr. BARTON], announced that he had reached an understanding with the gentleman from New York [Mr. SOLOMON] that H.R. 2003 or an amended version of the bill would be brought to the floor for an up or down vote no later than July 24. It is because of that agreement, Mr. Speaker, that we are here today considering the rule.

I should point out that the gentleman from New York, in acknowledging that agreement, said that the consideration of H.R. 2003 in no way prejudices the ability of those committees with jurisdiction over the budget process to consider other budget reform proposals at a later date.

As the ranking minority member of the Subcommittee on Legislative and Budget Process of the Committee on Rules, I would like to appeal to the Republican majority to take advantage of the committee process if the House is to consider significant changes in the congressional budget process. I would hope that in the future that significant proposals such as H.R. 2003 would be considered under regular order.

That being said, Mr. Speaker, the sponsors of H.R. 2003 were guaranteed a vote on their proposal, and I am happy to see that the commitment is being fulfilled. I do have a reservation about the rule reported from the Committee on Rules, since it is a closed rule providing only for an up or down vote on H.R. 2003 as introduced and not in the improved form that its supporters proposed to bring to the floor.

The gentleman from Texas and the other Members of the group pushing this legislation have had an opportunity to review and make changes to their bill since June, and I think, at the very least, if the House is to consider significant changes to the way our budget process works, the House might at least have the opportunity to consider the best work product possible.

It seems that the Committee on Rules is now embarking on making in order bills and amendments which are not what the authors of their proposals bring to the committee, and I would caution my Republican colleagues that to continue to operate in this manner might prove disruptive to the regular order of the House.

Finally, Mr. Speaker, the rule divides the general debate time between the gentleman from Texas [Mr. BARTON] and an opponent of H.R. 2003. I want to make clear the understanding that the Democratic members of the Committee on Rules have about the division of the time, and if this is not what is intended, I would greatly appreciate my colleague, the gentleman from Florida [Mr. GOSS], clarifying that understanding.

I am given to understand that the gentleman from Texas intends to yield one-half of his time to the gentleman from Minnesota [Mr. MINGE].

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

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

Mr. BARTON of Texas. Mr. Speaker, I have given the gentleman from Minnesota, DAVID MINGE, and the gentleman from Massachusetts, Mr. MOAKLEY, my word that half of the time that I will control, that I will ask unanimous consent to yield it to the gentleman from Minnesota so that he may control that time as he sees fit.

Mr. FROST. Mr. Speaker, reclaiming my time, I appreciate the assurance of the gentleman.

It is also my understanding that the manager of the opposition to the bill will be the gentleman from Ohio, the chairman of the Committee on the Budget [Mr. KASICH], who will yield half of his allotted time to the ranking minority member, the gentleman from South Carolina [Mr. SPRATT].

I think such a division of time is equitable to all sides and I would ask my colleague, the gentleman from Florida [Mr. GOSS], if that division of the debate time regarding the time in opposition is indeed what will happen once we get to general debate?

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

Mr. FROST. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Speaker, my understanding permits me to answer in the affirmative, and that these arrangements have been made and the gentleman from Iowa [Mr. NUSSLE], has also assured me that the potential person who will rise in opposition, that he is prepared to yield 7½ minutes to that side also.

Mr. FROST. Mr. Speaker, once again reclaiming my time, I thank the gentleman for that assurance and for his clarification.

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

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Glens Falls, NY [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

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

Let me say to my good friend from Texas that if it were not for a special agreement that was made with the sponsors of this legislation, we would, without question, be following regular order. And let me say that when this is over, we will go back to regular order and our committees will reclaim our jurisdiction with the help of the gentleman from Texas.

Mr. Speaker, I want to speak to three aspects of the debate: the rule, the budget process reform efforts in the House, and the bill itself.

First, the rule before the House today represents the fulfillment of a commitment of the House Republican leadership. Earlier this year, on June 25, during the consideration of this rule on the two reconciliation bills for fiscal year 1998, a public commitment was made by the Republican leadership to the gentleman from Texas [Mr. BARTON], the gentleman from Delaware [Mr. CASTLE], the gentleman from Tennessee [Mr. WAMP], the gentleman from Minnesota [Mr. MINGE], and others to consider H.R. 2003 on the House floor before July 24. Today is July 23 and we are doing just that.

Furthermore, as part of the agreement, the three committees of jurisdiction over this bill, namely the Committee on the Budget, the Committee on Rules, and the Committee on Ways and Means, agreed to be discharged from further consideration of the bill as introduced on June 20 by Mr. BARTON and others.

Now, in response to those Members who have claimed that the rule did not allow the sponsors of the bill to make further substantive changes to the bill, I would make five observations:

First, the agreement between the Republican leadership, the chairmen of the committees of jurisdiction, and the gentlemen from Texas and Delaware involved the bill as pending before the Committee on Rules as an amendment to the budget reconciliation bill.

Second, the text of that amendment was identical to that introduced on June 20 by the gentleman from Texas [Mr. BARTON].

Three, each of the three committees of jurisdiction; namely, the Committee on the Budget, the Committee on Ways and Means, and the Committee on Rules, all agreed as part of those discussions to be discharged from further consideration of the bill, with the expectation that that version of the bill would be the version considered on this House floor.

Fourth, at the point at which the agreement was made, the only text before the Members was that of H.R. 2003, as introduced; and any additional

changes, whether technical or substantive, are outside the scope of this agreement. Think about that.

Finally, no other Member of the House, whether Republican or Democrat, and no committees of jurisdiction are able to offer amendments or make changes to this bill.

The Committee on Rules' action was fair to all Members of the House and it was consistent with the original agreement, which went outside regular order, which I objected to in the very beginning.

The second important aspect of this debate involves the overall budget process. During the 104th Congress, the Committee on Rules held three original jurisdictional hearings under the leadership of our colleague, the gentleman from Florida [Mr. GOSS] over here on budget process reform. During these hearings we heard testimony from dozens of witnesses on the need for further budget process reform, which we all agree is needed badly.

Also, during the 104th Congress the Committee on the Budget held a hearing on budget process reform. Both committees have been proactive in the drive to determine just how we can best reform the budget process.

It also must be recognized that there are over a dozen different budget process reform bills that have been introduced during this Congress that are now pending before both the Committee on Rules and the Committee on the Budget. Some have many sponsors, some only a few. Many of the ideas that have been proposed I agree with and many I do not agree with.

H.R. 2003, the bill before us today, is not the only option pending before this House. The gentleman from California [Mr. COX] has introduced a comprehensive bill and has been working on this for 11 years now. The gentleman from Indiana [Mr. VISCLOSKY] also has a complex package.

The point is that we have a committee system through which to comprehensively consider this issue and all the bills seeking to reform it, and we do not need piecemeal legislation on this floor superseding the regular committee process. In addition, we already have the two chairmen of the committees of jurisdiction publicly committed to working with Members on both sides of the aisle and with other interested committees, including the Republican Policy Committee, to devise a budget process reform bill that strengthens those parts of the Budget Act that work and reform those parts that do not work.

The committees have, over the last 2 years, compiled research on which they have begun to work with all interested Members in building reform.

Mr. Speaker, finally, while all three chairmen of the committees of jurisdiction applaud the efforts of our good friends who have worked on this bill, the gentleman from Ohio [Mr. KASICH], myself, the gentleman from Texas [Mr. ARCHER], all stated our opposition to this bill, strong opposition.

It is unfortunate that we have to take this position, but H.R. 2003 is a seriously flawed bill. The substantive flaws of this bill can be summed up under three headings, and I think Members back in their offices had better listen because this affects them politically and it affects the operations and the workings of this House.

No. 1, an increase in procedural complexity; No. 2, a diminishment of Congress' role in the budget process; and No. 3, an incentive toward increased taxes. And that will happen over my dead body.

First, H.R. 2003 greatly increases the complexity of the budget process. Without any hearings at all, the bill adds 15 new sections of law to the budget process. The President and Congress would now be required to follow the rules and procedures of three different, yet comprehensive statutes, the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and now the Budget Enforcement Act of 1997, all designed to dictate the budget process.

Not one section of the current budget rules are repealed or reformed in this legislation before us, despite the fact that many of the bill's new provisions actually conflict with or further complicate the understanding of how the whole process works.

Furthermore, the bill creates a series of new points of order designed to address serious concerns, but they may actually hinder the ability of this House to effectively govern this institution. The bill places unconstitutional prohibitions on the ability of the Committee on Rules to craft rules by actually prohibiting the Committee on Rules from ever waiving certain provisions of this act.

□ 1100

In addition, the timetable established in the expedited procedures created to provide for consideration of any needed legislation to remedy a breach of the direct spending caps are unworkable, confusing, and do not meet their stated objectives.

The bill also diminishes the role of Congress in the budget process. And my colleagues ought to listen to this back in their offices: The executive branch's authority in the process is greatly enhanced at the expense of this Congress, by an expansion of the role and authority of Office of Management and Budget and the Congressional Budget Office. Is that what Members want; by a permanent reliance on common economic assumptions, whatever that might be, for the creation of budget baselines; by a delegation to OMB of the responsibility to determine the actual dollar amounts for each direct spending cap; by granting the President the authority to adjust the direct spending caps, but actually prohibiting we, the Congress, from considering his recommendations; and by establishing a requirement that only the President can determine what constitutes an emergency spending item?

Finally, and my colleagues better listen to this, perhaps the most fatal flaw of this bill is its impact on the ability of this representative body to provide tax relief to the American people.

Since Ronald Reagan delivered the historic tax relief package on the floor of this Congress in 1981, the American people have demanded further tax relief from Washington, because they are taxed too much. Sixteen years later, this Congress now stands on the threshold of delivering America's families and businesses a long-awaited second tax relief package. That is what we are doing here this week.

However, this bill will jeopardize the ability of those families to actually receive this tax relief by allowing the implementation of these tax cuts to be permanently suspended if revenue projections do not hold true. Think about that. Under this bill, if revenues fall below estimated levels, then any tax cut that we might enact this week not fully phased in, such as the capital gains tax cut, the child tax credit and estate tax relief provisions, would be suspended indefinitely.

In other words, planned tax cuts already enacted into current law could be withheld, listen to this, if the President and the Office of Management and Budget say that Washington is not receiving what it is projected to receive in tax revenues. There goes the tax cuts out the window. Not only would this mechanism suspend tax relief if the previous year's revenue levels fall short, but it also would revoke, listen to this, it would revoke these tax cuts if the next fiscal year's revenue levels are projected to fall short. In other words, without any action by this Congress, the tax cuts are null and void.

Furthermore, under this bill there are no provisions for the scheduled tax cuts to be reinstated should a budget projection be inaccurate, or for Congress to substitute further spending reductions for the loss in revenues so that we can keep those taxes in place. In fact, the various procedural obstacles contained in this bill virtually assure that the only option available to remedy a revenue target violation will be a suspension of the tax relief. That is what we are going to be voting on here today.

I would like to just close my remarks with a brief story that back in the Middle Ages, in medieval England, a debate raged between the Parliament and the King of England over who possessed the power to tax the people to raise the funds needed to defend the country. Both sides claimed an exclusive right to this power. Out of that 13th century struggle emerged the Cornwall rebellion in my ancestral home of Scotland, which settled the debate. The people were the final judges over taxation, and their opinions could not be ignored. This historical struggle is partly credited as genesis of the concept we now refer to as parliamentary government, which is what we have here today, which in turn the American

colonies transformed into our representative Government.

The debate and bargain over taxes between the king and Parliament and now between the President and Congress lies at the very essence of our political system. No enforcement policy or budget process should take away the ability of the American people to express their opinions on the level of their taxes through their representative Government.

Mr. Speaker, this bill's automatic revocation of enacted tax relief, if Washington spends more than they raise, chips away at the very heart of this representative process. Again, I am disappointed that I have to oppose this legislation.

Finally, let me just say, if any of the sponsors of this bill, and that includes the gentleman from Texas [Mr. BARTON], the gentleman from Delaware [Mr. CASTLE], and the gentleman from Tennessee [Mr. WAMP] that are Republicans, or the gentleman from Minnesota [Mr. MINGE] or the gentleman from Texas [Mr. STENHOLM] or the gentlewoman from California [Mrs. TAUSCHER] decide to vote against this rule, for whatever reason, then I would argue that we all ought to vote against this rule. But if they are going to come here and vote for the rule, then I am going to urge support for that rule to bring the agreement we made with these sponsors to bring this bill to the floor so that we can have an up-or-down vote, and then I would urge the defeat of the bill.

I appreciate the gentleman yielding me the time.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, this morning we are debating both the rule and, shortly, legislation that deals with the process that this institution feels would be the correct process for this Nation to follow in attempting to ensure that we actually keep our commitment to balance the budget.

Many may say ''process'' and yawn. ''What is its significance?'' ''Where does it take us?'' The fact of the matter is that if we attempt to actually follow through and balance the budget as we have promised, we must make sure that we have discipline to do that; and if we are to have the discipline to do that, we must have a process to impose that discipline. That is what this bill is about.

The debate that we are having at this moment centers around what is the best way to ensure that this process will be workable. One of the tragedies of the rule that has been presented for the consideration of the legislation is that we have been denied the opportunity to improve the legislation, to improve that process.

To be sure, the gentleman from Texas [Mr. BARTON], my cosponsor, and I are pleased that the legislation is up for consideration. But we would like to have it be the best legislation. We have worked to improve that legislation. We appeared before the Committee on Rules last night with a substitute bill. It is a common occurrence that the proponents of legislation, the chairs of committees, say at the point of consideration in the Committee on Rules that this proposal ought to be adjusted, it ought to be improved. And as a routine matter of courtesy, the Committee on Rules allows the chairman of the committee, the proponent of the legislation, to improve that bill.

We were denied that opportunity. I submit we were denied that opportunity because the leadership in this institution wanted to see the weakest possible bill before the body for a vote, hoping that this bill could be defeated.

What we need to do, I submit, is all of us stand tall and say to the leadership in this institution and of the Committee on Rules, we demand fair treatment for legislation when it comes to the floor. We will not accept second-class treatment of legislation.

If we do not have the opportunity to vote on the best possible bill, then, unfortunately, we have to count on the conference committee or the Senate to improve the product. And altogether too often, that is what happens in this institution, as well.

I urge my colleagues to join with me in supporting this legislation today to bring it to a successful conclusion.

Mr. GOSS. Mr. Speaker, may I have a status report on the time, please?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Florida [Mr. GOSS] has 10 minutes remaining. The gentleman from Texas [Mr. FROST] has 22½ minutes remaining.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. BARTON], the distinguished sponsor of the bill.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman from Florida [Mr. GOSS], the distinguished subcommittee chairman of the Committee on Rules for yielding me the time.

Mr. Speaker, I rise in support of the rule to bring H.R. 2003 to the House floor as one of the chief sponsors, along with the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. WAMP]. I think it is long overdue that we attempt to enforce the budget agreement that we are currently negotiating with the President and with the Senate of the United States of America.

If we go back to 1975 or 1972, my colleagues will see that most of the spending in the Federal budget at that time was discretionary spending. We could control it so that the Congress could work its will. In the budget year that we are in now, we can see that that has been reversed. Fifty-two percent of the budget is entitlement spending. It is uncontrollable. And if we combine that with the red part of the pie chart, which is interest on the debt, two-thirds of the total Federal budget is off budget, it is uncontrollable. That is a problem. We need to do something about it.

The budget agreement that is before us, in general, by the year 2002, which is the last year of the budget agreement, 58 percent of the budget agreement is going to be entitlements. Another 14 or 15 percent is going to be interest on the debt. That is, three-fourths of the total Federal budget is uncontrollable.

My colleagues, if we do not do something to really enforce this agreement, we are not going to have a balanced budget in the year 2002. If we look at the components of entitlement spending, these are the top 11. The Federal budget, in their annual rate of growth by program over the last several years, we can see that the Medicaid Program has been growing at 16 percent a year. That is unsustainable over time.

The budget agreement that is currently in negotiations with the President reins in the overall rate of growth in entitlement spending to approximately 7 percent on an annual basis. But there are higher rates of growth for Medicare and Medicaid and lower rates of growth for some of the others.

What we have done, in a bipartisan fashion, with the gentleman from Minnesota [Mr. MINGE], the gentleman from Texas [Mr. STENHOLM], the gentleman from Tennessee [Mr. TANNER], and others on the Democratic side is come up with a simple concept: If we are going to enforce the budget agreement, we have got to enforce everything. What makes up an agreement? Spending and revenues.

So we take on the revenue side and say that $85 billion tax cut package over 5 years is on the table. On the spending side, we say all spending, including entitlement spending, is on the table. This chart right here shows entitlement spending, first year of the budget agreement, $900 billion; tax cuts about $5 billion. Over the life of the agreement, $85 billion in tax cuts, $5 trillion in entitlement spending. That is 50-to-1 spending versus revenue.

How does our enforcement mechanism work? If any target is broached on the revenue side, the President and the Congress can vote to change the package so that the targets are met. The President and the Congress can vote to waive the cap, saying we are not going to force that part of the agreement this year. But if the Congress and the President consciously decide to do nothing, the deficit does not go up. The deficit does not go up. If the Congress and the President decide to do nothing, there is an automatic enforcement that reins in the tax cuts that have not yet been put into place until the revenues are met.

The same thing happens on the spending side. Every program has a

cap. Every program that spends $20 billion or more has its own cap. If a program is within its budget, nothing happens. If the program goes over the budget, the President and the Congress can fix that program, they can decide to waive the cap on that program. But if they do nothing, a procedure called sequestration goes into effect that brings that program back under the cap.

My colleagues, we need to pass this amendment. Vote for the rule. Vote for the bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Speaker, I come to the floor in opposition to a rule that is a tremendous disappointment to those of us who are serious about budget enforcement. This rule does not provide the type of debate that an issue of this importance deserves. We want the legislative process to work to produce the best possible bill. This rule does not let the legislative process work. We wanted the committee process to work.

We were greatly disappointed when the committees of jurisdiction failed to consider this bill. It is disingenuous for committees to now criticize the process that has brought this bill to the floor and argue that the committee process has been thwarted because they chose not to consider the bill. We have listened to the criticisms that have been raised by the Committee on Ways and Means and the Committee on the Budget and Members on both sides of the bill, both sides of the aisle, as well as the administration, an outside organization.

□ 1115

The bill's sponsors have agreed to several technical changes and other improvements to the bill in response to those concerns that were raised. This rule does not allow us to make those improvements. We wanted this bill to be considered under an open rule so that Members who had additional concerns or criticisms could offer constructive improvements to the bill. We wanted Members who have different ideas on budget process reform to have an opportunity to raise those ideas. This rule prevents the House from working its will on this issue.

Mr. Speaker, I was very disturbed by the threat from the chairman of the Committee on Rules a moment ago to people like me if we have the audacity to oppose this rule, he might just take this bill down and not in fact consider it. It should not be any surprise, ladies and gentlemen. That is what this House has been doing for the last week. Now we have got a threat of a gag rule on the agricultural appropriation bill later today. Why? Not because the ag appropriation bill is any problem, but because this same committee that has been gagging the House from allowing Members to have their ideas voted in a responsible way have refused to allow that to happen.

The gentleman from Texas [Mr. FROST] stated a moment ago that if rules like this one continue, the House might find itself disrupted from its regular order of business. I suggest that we are going to have that to happen. It would be extremely unfair for Members to support a rule that prevents us from making improvements to the bill and then criticize this bill for technical improvements, bringing up Social Security as was heard a moment ago. The gentleman who made that knows there is no possible way Social Security is going to be affected by this bill. But he raises that in order to raise the temperature around here. And Congress being taken out of the process? They have not even read the bill. Listen to what the gentleman from Texas [Mr. BARTON] said a moment ago. Look at the bill before criticizing it. All Members who care about the integrity of the legislative process and believe that we should strive to pass the best possible legislation should vote against this rule.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong opposition to this rule. Last night I testified before the Committee on Rules on behalf of an amendment I would like to offer to H.R. 2003, the Budget Enforcement Act of 1997. The Committee on Rules did not choose to make in order my amendment, and our Nation's veterans and their families may suffer as a result. If entitlement program costs are underestimated or if revenue collections fail to meet projected targets, enactment of the Budget Enforcement Act could be no less than catastrophic for many of our Nation's veterans and their dependents. That is why I am asking Members to vote against the proposed rule. By voting no on the rule, Members have the chance to say yes to our Nation's veterans and their families. My amendment exempts veterans benefits and programs from potentially devastating effects of this legislation if cost savings and revenue projections are miscalculated. If enacted without amendment, the Budget Enforcement Act would continue the Congress on a troubling path of neglect toward our Nation's veterans. Adoption of my amendment would be one important way to show that we in Congress are not willing to abandon the obligations we have to the men and women who have faithfully served our country. I urge my colleagues to vote no on the rule and vote yes for our Nation's veterans.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I rise in strong opposition to the rule, also. Like the gentleman from Texas [Mr. STENHOLM], I believe that this rule prevents real debate on the real issues. The gentleman from Illinois [Mr. EVANS] who just spoke offered an amendment last night that would protect the benefits earned by America's veterans from permanent reduction. Remarkably, this amendment was defeated on a party line vote by the Committee on Rules last night. As written, H.R. 2003 would decimate the benefit programs our grateful Nation has provided for America's heroes, our veterans. It does not protect them. It does not protect service-disabled veterans. It does not protect those who suffered in the Persian Gulf War and who are now sick as a result of that service. I urge my colleagues to defeat the rule so that we can all have the opportunity to vote on the important amendment of the gentleman from Illinois [Mr. EVANS] and tell our veterans that we support them.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. I thank the gentleman very much for yielding me this time.

Mr. Speaker, I rise today to ask for opposition to this rule. I rise in particular as someone who supported the initial budget agreement in a bipartisan manner to emphasize that we can work on the effort of deficit reduction and treating people fairly together. But I would call this rule the hatchet job on the most vulnerable rule. The hatchet job on the most vulnerable. For without any notice whatsoever, this rule would kick in an absolute cut, an automatic cut on those needing Social Security, Medicare, Medicaid, veterans benefits.

I applaud the work of the gentleman from Texas [Mr. STENHOLM] and others who worked to ensure that we might have a protected budget agreement. But this is not the agreement. This is not even the discussion. This is simply a rule that says those who cannot speak for themselves, those who are outside the circle of power, we will make sure that if there is any problem with this budget down the road, we will make sure that we take from those most vulnerable. It ensures that we will take from those who need food stamps, from those who are on SSI. Particularly Medicaid when we are trying now to establish health care for our children, we would cut Medicaid that treats the most vulnerable in this community, those who are most poor and our children.

Mr. Speaker, this is not a fair enforcement rule. This is an enforcement act that takes the enforcement part of it to the very extreme. I would ask my colleagues to recognize, let us not do a hatchet job on those in particular who have given to this Nation, our senior citizens who have worked hard all of their lives and our veterans who have given very much their service to this Nation to protect our freedoms. I

would argue that it is important now to stand up for those who count, those who have already taken a measure of hit from this budget who have come to the table and wanted a fair budget. This is a bad rule. I ask everyone to vote against it.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, there are a number of rules that people say apply here in Washington that we do not think a lot of down in Texas. The first of these is that in Washington apparently a promise is never a guarantee. We have the promise of a balanced budget, but those who have taken the grandstand the greatest portion of the time to talk about how wonderful this balanced budget agreement is, they are unwilling to give us the guarantee of a balanced budget, and that is why this piece of legislation is necessary.

A second rule said to apply here in Washington is that the fact that it did not work the first time does not mean we will not try it again. This is not the first time we have had the promise of a balanced budget. It has happened over and over again. We keep trying the same old thing without having a real guarantee, an enforcement mechanism to be sure we in fact get a balanced budget. There is one gimmick after another in this proposed agreement, as proposed by both sides. If we are to achieve a true balanced budget, it will take an enforcement mechanism like this.

I would suggest that there is a third rule that applies here in Washington, that we are seeing worked out here on the floor today. It is that treachery knows no limits. We saw during this balanced budget agreement a Member stand here on the floor, one Republican promising to another that if we would all just vote for this balanced budget agreement that they would in a matter of weeks have an enforcement mechanism here on the floor. They have honored their agreement in word, but certainly not in spirit, because they have come before us today and they have presented a proposal in a way that they are sure it will be defeated. If they had any confidence in the notion that we will really get a balanced budget by 2002, indeed we could really have it next year. If we would effectively enforce this agreement, they would be here cheering us on and working to develop this agreement.

Mr. Speaker, I am not for this bill in the form that it is here this morning. I am not sure I am for it as it is proposed to be changed. But I know we have to have an enforcement mechanism, and this is the only way to get it.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Mrs. TAUSCHER].

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

Mrs. TAUSCHER. Mr. Speaker, I rise today to support this rule because I frankly have no other choice. As a strong advocate of a balanced budget and a supporter of the balanced budget agreement agreed to by Congress and the President, I am very pleased that we are on the path toward eliminating the deficit. But without strong enforcement language in the reconciliation bills, there is no guarantee that the goal will be met.

When the House considered the budget reconciliation spending and revenue bills, a bipartisan group of Members, including myself, attempted to offer enforcement language as an amendment. The House leadership back in June refused to make our amendment in order and instead promised that our amendment would be brought to the floor as a freestanding bill. What were we thinking about a month ago when we allowed that promise to be given with no guarantee that we would ever see this bill on the floor?

In the intervening 3 weeks, we have responded to some of the criticisms of the bill and made changes to improve it. The Committee on Rules, however, last night decided not to allow us to bring forward that amended bill and has reported a rule that forbids any amendments. This is in direct violation of an agreement by the gentleman from New York [Mr. SOLOMON] chairman of the Committee on Rules, reported in the CONGRESSIONAL RECORD of June 25 to make in order an amended version of our bill by no later than July 24.

Mr. Speaker, this is one more example of the duplicitous manner in which the House leadership treats its Members. I am forced to vote for this rule, and I encourage my colleagues to do the same, because it is the only way we can consider budget enforcement legislation. But this is not the way the House business should be done.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, I, too, would like to echo what the gentlewoman from California [Mrs. TAUSCHER] said about this. This is unfortunate. It is sad. We are here and elected by our constituencies to come and try to do the best job we can regardless of party affiliation.

Three weeks ago we were told that if certain things happened in relation to a rule vote at that time, we would be allowed the opportunity to offer a budget enforcement mechanism before July 24. It was pointed out, and there may be some disagreement, but regardless of that, this is the vehicle that translates the idea of financial integrity in this country and in the Nation's books being balanced from an idea to reality for all of these young children that are here today and around the country. And for the Committee on Rules to not allow that to happen last night is just simply sad. I have been here 9 years and I will be the first to vote and did vote against my leadership when they abused the Committee on Rules and did not allow things to come forward for the will of the House to work itself. I would ask the Republican rank and file to do the same today, because without regard of who said what and when, this is a better piece of legislation that we were denied the opportunity to vote on today.

Mr. Speaker, I have been here 9 years. If there was ever a day that Members ought to put their country ahead of their political party, the time is now on this budget enforcement bill. I just hope that the rank and file Members of both sides of the aisle will do that today.

Mr. GOSS. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, I am very disappointed that we are not going to engage in real, hard debate having aggressive committee consideration of this kind of bill. I have introduced a budget reform bill for the last 4 years. I would like that debate on a budget reform bill include consideration of provisions I think are important. I have also introduced a different budget enforcement bill, H.R. 2037, that was made part of the budget reconciliation language. The bill before us needs more consideration and debate than simply the brief 1 hour debate on the floor. I am disappointed that the rule does not have the options for amendments and debate. I am disappointed that this bill is before us today without being considered by committee or at the very least, requiring a two-third majority like any other suspension bill that has not gone through the committee process.

□ 1130

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I take the well to protest the unfair rule before us. Legislation is a work in progress. We all know that. No one gets it perfect the first time. And so there is give and take as we listen to concerns and move to change the bill to address those concerns.

Mr. Speaker, that is precisely what has been taking place with this enforcement act.

Now I do not think the act is there yet. I think there are still some changes that need to be made, and I am going to oppose it. But for this rule to bar from consideration the improvements that have been negotiated over the last several days I just think is unconscionable.

Why in the world would they give this House only the flawed first version to consider? It is, I think, really a diabolical, empty gesture to say, ''Okay, you've got your vote, now leave us alone,'' when indeed they owed them much more than that. They owed them a straight-up vote on the best budget enforcement package that the sponsors care to offer, and it is a pity the rule did not allow that.

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

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

I rise today in strong opposition to the rule today, and as a new Member of Congress, we soon realize that a good piece of legislation is not drafted, is not submitted and drafted with just one crack at it. This has been an ongoing process. There have been concerns raised about the Budget Enforcement Act, considerations that have been taken and drafted into the recent piece of legislation. But we are not going to have an opportunity to present the best piece of policy, the best piece of legislation that we can offer to the American people, because of the way that the rule has been set up.

Now I am not familiar with the politics of the Committee on Rules, but I am learning some lessons awfully fast here, and it is disappointing that our best piece of legislation to enforce a budget agreement is not going to be given a fair consideration or hearing or debate on the House floor today, and that is unfortunate.

But I do not understand what is going on here. What is the message we are seeing? What is everyone so concerned about in regard to the Budget Enforcement Act? All this says is that if the targets are not reached, if they are not able to practice fiscal responsibility year after year after year, then it is time to go back and change some policies.

That is all that we are asking here.

Is it any wonder that over 80 percent of the American people in a recent poll have no confidence at all that this institution is capable of balancing the books?

I mean sure, if my colleagues worship at the idol of tax cuts and tax relief or if they worship at the idol of more spending and unrestrained spending growths, then, yes, oppose the Balanced Budget Enforcement Act. But that does not make any sense.

I have a son who is almost 1 year old, and I want to be able to go home every day after work, look him in the eyes and tell him that I am working in his best interests, that I am working in the best interests of all the children in this country and future generations, and that if we do pull up short, if the economy does slow down, we do not have the projected revenue growth or the corresponding spending reductions to meet our balanced budget guidelines, that we as an institution have a capability of addressing it again; but if we do not, that there is a hammer held over our heads, this Budget Enforcement Act, which will do the job that we should have the courage to do on our own.

Mr. GOSS. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, the previous speaker wants to know what the problem is. Let me tell him what the problem is, my colleagues. We pass tax cuts here in this body today, and then next week, next month, next year this Congress fails to bite the bullet, they fail to vote for the cuts on the bills that come on this floor every day, and this happens time and time again, and the Tax Code cuts go out the window.

That is the problem, my colleagues. The American people are overtaxed. We are going to cut their taxes. That is why we need to defeat this bill today. Think about that, my colleagues.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BOYD].

Mr. BOYD. Mr. Speaker, I want to tell my colleagues that this is not about whether the tax cuts will be enforced or not. All this means, this relates to the tax side. It just means that one will meet those projections, revenue projections, that are in place.

Mr. Speaker, as my colleagues know, we learn a lot about a body after we are in it after a short period of time, and there are 71 other freshman Members along with myself in this body, and we learn something about how that body operates.

Now we read every day about the problems the leadership is having in this body, and it is no wonder after what has happened here the last couple of days in reference to this Budget Enforcement Act.

There has been a brilliant strategy move pull by the leadership of this House in getting people who support a budget enforcement and have been working on that for months and months and month, even years, together now are up here speaking for, some for the rule and some against the rule. It is a brilliant strategy move, and it is going to mean that this piece of legislation will go down.

But I must tell my colleagues, just think about that when they read about the problems that exist in the leadership of this House, and there will be more as a result of this particular piece of legislation. The people who support this legislation have been tricked just like the people of the United States of America have been tricked in the previous balanced budget agreements in 1981, 1985, and 1990 when they were told there was going to be a balanced budget, and we did not have one.

Do my colleagues know why? Because we did not have enforcement in place. So, my colleagues, we will get enforcement at some period of time, but I think we have a little ways to go, and the American people have to understand a little bit more about what is happening here in this U.S. House of Representatives.

Mr. GOSS. Mr. Speaker, I am delighted to hear that we have a brilliant strategy over here.

I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CASTLE], my friend, who has been a sponsor and has a strong commitment to this particular piece of legislation.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding this time to me, and I do not have any brilliant strategy to come forward with, but I feel very strongly about this piece of legislation, and I, too, would have liked to have seen it amended, and I too am concerned that the rules process did not allow that to happen. I have heard the explanations.

But having said that, I regretfully support the rule, regretfully because I think there could have been changes to improve this legislation, and that is what we should have done in the best interests of the American people. But we did not do that.

However having said that, I think we also need to move forward with the legislation; and to not support it I think would be a great mistake.

Why should we move forward with this legislation?

I heard some of the reservations, and I have tremendous support for the Hall of Fame Members of this Congress who have united in opposition to this; but we, the foot soldiers, I think, need to be heard on this as well. And in my judgment, this piece of legislation is a vital cog to the balancing of the budget of the United States in the future. We are going to pass a 5-year balanced budget plan this year, but we are not going to have enforcement mechanisms.

And everybody can cite back over 20 years when we have done something similar to that in Congress and we have not been able to balance the budget out in the different years that come up in the 5-year period, and I am afraid it is going to happen again this year.

There is a great deal of flexibility in this plan. It is not afraid to address any parts of the budget, be they discretionary or entitlements or the tax cuts. But it basically says that somehow the revenue picture changes or spending number changes, we are going to go back and look at it.

And that is all the Congress is requested to do; we have to look at it, and we should do that. That is an absolute responsibility.

How can we vote for a balanced budget amendment, how can we vote for a balanced budget but not be willing to enforce it? And that is what Alan Greenspan essentially agrees, it is what Tim Penny and Bill Frenzel have written today in the Washington Post, it is what almost all budget economic experts across this country have stated, and this is not something that a few of us can come up with in a back room. This was something that was put together by experts who believe in this as well.

Support this outstanding legislation.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from Texas [Mr. FROST] for yielding this time to me.

Mr. Speaker, there is some brilliant strategy at work here. This legislation which I strongly support has managed to perform the miracle of bringing all different kinds of people together. People who love to see the Government

spend more money oppose this legislation because it would stop the spending from going on. People who love to pay for tax cuts by borrowing money and increasing the deficit oppose this legislation because they hold the tax cuts sacrosanct. Those who worship the committee process do not like this legislation because it did not pass through their portals. I with some sorrow predict that we will not get many votes for this legislation when it comes to the floor because all the interests are offended by it.

People who like this legislation are those that are in the huge majority of taxpaying Americans who really want to see us do what we purport to be doing here, which is to adopt a balanced budget plan and make it work year in and year out, whether the revenues fall or drop, whether the entitlements rise or fall.

This is an idea which will in all likelihood not succeed today, but we will succeed in bringing it back to the floor and succeed in enacting it in the future.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. TURNER].

Mr. TURNER. Mr. Speaker, I rise today in opposition to the rule because I am greatly disturbed that the most important element of the balanced budget, the budget enforcement provisions, have been compromised by failure of the Committee on Rules to allow full amendments that were brought before the committee.

As my colleagues know, we passed a budget resolution here in this Congress a few weeks ago. The problem is a budget resolution is a whole lot like a New Years resolution. It is easy to make but hard to keep. This Congress has been in a long courtship with the balanced budget. We finally got to the point where we adopted a budget resolution, we have made great steps toward achieving the goal of a balanced budget, and yet we are not able to assure the American people that the courtship that we have had and the marriage that will take place when we pass the reconciliation bill is to carry out this budget agreement. We cannot assure the American people that this marriage will last.

I think that we have made a terrible mistake not dealing with the budget enforcement provisions in a serious manner in the Committee on Rules, and for that reason I will oppose the rule.

Mr. GOSS. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Iowa [Mr. NUSSLE].

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

First of all, I do not question anybody. There has been some question about motivation for why people have done what they have done here today, and I do not question the motivation of any Member up here who has spoken in favor or against this particular piece of legislation. In fact, if my colleagues just look around the Chamber at the people who have spoken here today, these are the Hall of Famers. I would say to my friend from Delaware, these are the Hall of Famers in balancing the budget and making sure that we enforce it, and I would start with that.

We have enforcement mechanisms within this budget, within the budget process currently. Are they perfect? No. We all agree that we want to improve the current budget process.

Now the question that we are posed with here today is, is this the time and is this the bill? This is not the time because we are currently in the middle of the negotiations. We are currently in the middle of the process to get to a balanced budget. We do not change the rules in the middle of the game. As much as I would love to at different times during legislation, we do not make that kind of judgment right now during the heat of the battle. We have tried that in the past. Those mechanisms have never worked.

This is also not the bill, and in fact it is interesting to hear all of these folks come forward and say, ''Boy, I love this bill. It isn't quite perfect, and I'd love to see this amendment or that amendment,'' or ''Hey, I know, I've got an idea. Hey, I know, let's put this amendment in. Let's put this mechanism in. Hey, I know.''

We should not legislate by ''Hey, I know.''

Mr. FROST. Mr. Speaker, we have no further speakers at this time, and I yield back the balance of my time.

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

I think we are going to have a multiple choice test for Members after the conclusion of this debate to see if anybody understands what actually has been discussed.

□ 1145

As the gentlewoman from Texas alleged, this is a rule that cuts something. This rule does not cut anything. Rules do not cut anything. Anybody who believes that has not quite read the rule.

Mr. Speaker, we have had a lot of comment about somehow or other this was a perfect product back on June 25 when it was offered, but somehow or other it is not a perfect product now, and somehow or other the Committee on Rules has failed to do its job on that. We need more deliberations, the gentleman from Texas [Mr. STENHOLM] says. Others say no, we need to pass this right away.

The point is we have a committee system here that works. We have had commitments to proceed with a budget reform process and budget enforcement. That is going to happen. We today are looking at an up-or-down vote that was promised in a deal with the leadership on a 25 of June package to have that vote before July 24. Promises made, promises kept. That is what is going on here today.

Some have said the Committee on Rules did not do its job, did not consider waivers or exceptions last night. That is a little disingenuous. We heard the gentleman from Illinois [Mr. EVANS] speak today about a request for exemptions for one class of people. If we opened this up to exemptions to the enforcement of budget, everybody will come forward with an exemption, and we will have a hollow process of enforcement. We all know that. That is why we promised an up-or-down vote.

This is an up-or-down vote on the package of June 25, put together by the gentleman from Texas [Mr. BARTON] and the gentleman from Minnesota [Mr. MINGE]. That is what we promised. That is what is on the floor.

Mr. Speaker, I move the previous question on resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. CASTLE. Mr. Speaker, pursuant to the rule, I call up the bill (H.R. 2003) to reform the budget process and enforce the bipartisan balanced budget agreement of 1997, and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. LATOURETTE). Is the gentleman from Delaware [Mr. CASTLE] the designee of the gentleman from Texas [Mr. BARTON]?

Mr. CASTLE. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The text of H.R. 2003 is as follows:

H.R. 2003

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Budet Enforcement Act of 1997''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

TITLE I—ENSURE THAT THE BIPARTISAN BALANCED BUDGET AGREEMENT OF 1997 ACHIEVES ITS GOAL

Sec. 101. Timetable.
Sec. 102. Procedures to avoid sequestration or delay of new revenue reductions.
Sec. 103. Effect on Presidents' budget submissions; point of order.
Sec. 104. Deficit and revenue targets.
Sec. 105. Direct spending caps.
Sec. 106. Economic assumptions.
Sec. 107. Revisions to the caps for entitlements and other spending and to the revenue and deficit targets in this Act.

TITLE II—ENFORCEMENT PROVISIONS

Sec. 201. Reporting excess spending.
Sec. 202. Enforcing direct spending caps.
Sec. 203. Sequestration rules.
Sec. 204. Revenue enforcement.
Sec. 205. Exempt programs and activities.
Sec. 206. Special rules.
Sec. 207. The current law baseline.
Sec. 208. Limitations on emergency spending.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) ELIGIBLE POPULATION.—The term ''eligible population'' shall mean those individuals to whom the United States is obligated to make a payment under the provisions of a law creating entitlement authority. Such term shall not include States, localities, corporations or other nonliving entities.

(2) SEQUESTER AND SEQUESTRATION.—The terms ''sequester'' and ''sequestration'' refer to or mean the cancellation of budgetary resources provided by discretionary appropriations or direct spending law.

(3) BREACH.—The term ''breach'' means, for any fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's direct spending cap for that year.

(4) BASELINE.—The term ''baseline'' means the projection (described in section 207) of current levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

(5) BUDGETARY RESOURCES.—The term ''budgetary resources'' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.

(6) DISCRETIONARY APPROPRIATIONS.—The term ''discretionary appropriations'' means budgetary resources (except to fund direct spending programs) provided in appropriation Acts. If an appropriation Act alters the level of direct spending or offsetting collections, that effect shall be treated as direct spending. Classifications of new accounts or activities and changes in classifications shall be made in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate and with CBO and OMB.

(7) DIRECT SPENDING.—The term ''direct spending'' means—

(A) budget authority provided by law other than appropriation Acts, including entitlement authority;

(B) entitlement authority; and

(C) the food stamp program.

If a law other than an appropriation Act alters the level of discretionary appropriations or offsetting collections, that effect shall be treated as direct spending.

(8) ENTITLEMENT AUTHORITY.—The term ''entitlement authority'' means authority (whether temporary or permanent) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

(9) CURRENT.—The term ''current'' means, with respect to OMB estimates included with a budget submission under section 1105(a) of title 31 U.S.C., the estimates consistent with the economic and technical assumptions underlying that budget.

(10) ACCOUNT.—The term ''account'' means an item for which there is a designated budget account designation number in the President's budget.

(11) BUDGET YEAR.—The term ''budget year'' means the fiscal year of the Government that starts on the next October 1.

(12) CURRENT YEAR.—The term ''current year'' means, with respect to a budget year, the fiscal year that immediately precedes that budget year.

(13) OUTYEAR.—The term ''outyear'' means, with respect to a budget year, any of the fiscal years that follow the budget year.

(14) OMB.—The term ''OMB'' means the Director of the Office of Management and Budget.

(15) CBO.—The term ''CBO'' means the Director of the Congressional Budget Office.

(16) BUDGET OUTLAYS AND OUTLAYS.—The terms ''budget outlays'' and ''outlays'' mean, with respect to any fiscal year, expenditures of funds under budget authority during such year.

(17) BUDGET AUTHORITY AND NEW BUDGET AUTHORITY.—The terms ''budget authority'' and ''new budget authority'' have the meanings given to them in section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(18) APPROPRIATION ACT.—The term ''appropriation Act'' means an Act referred to in section 105 of title 1 of the United States Code.

(19) CONSOLIDATED DEFICIT.—The term ''consolidated deficit'' means, with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.

(20) SURPLUS.—The term ''surplus'' means, with respect to a fiscal year, the amount by which total receipts exceed total outlays during that year.

(21) DIRECT SPENDING CAPS.—The term ''direct spending caps'' means the nominal dollar limits for entitlements and other mandatory spending pursuant to section 105 (as modified by any revisions provided for in this Act).

TITLE I—ENSURE THAT THE BIPARTISAN BALANCED BUDGET AGREEMENT OF 1997 ACHIEVES ITS GOAL

SEC. 101. TIMETABLE.

On or before:	Action to be completed:
January 15	CBO economic and budget update.
First Monday in February.	President's budget update based on new assumptions.
August 1	CBO and OMB updates.
August 15	Preview report.
Not later than November 1 (and as soon as practical after the end of the fiscal).	OMB and CBO Analyses of Deficits, Revenues and Spending Levels and Projections for the Upcoming Year.
November 1–December 15	Congressional action to avoid sequestration.
December 15	OMB issues final (look back) report for prior year and preview for current year.
December 15	Presidential sequester order or order delaying new/additional revenues reductions scheduled to take effect pursuant to reconciliation legislation enacted in calendar year 1997.

SEC. 102. PROCEDURES TO AVOID SEQUESTRATION OR DELAY OF NEW REVENUE REDUCTIONS.

(a) SPECIAL MESSAGE.—If the OMB Analysis of Actual Spending Levels and Projections for the Upcoming Year indicates that—

(1) deficits in the most recently completed fiscal year exceeded, or the deficits in the budget year are projected to exceed, the deficit targets in section 104;

(2) revenues in the most recently completed fiscal year were less than, or revenues in the current year are projected to be less than, the revenue targets in section 104; or

(3) outlays in the most recently completed fiscal year exceeded, or outlays in the current year are projected to exceed, the caps in section 104;

the President shall submit to Congress with the OMB Analysis of Actual Spending Levels and Projections for the Upcoming Year a special message that includes proposed legislative changes to—

(A) offset the net deficit or outlay excess;

(B) offset any revenue shortfall; or

(C) revise the deficit or revenue targets or the outlay caps contained in this Act;

through any combination of—

(i) reductions in outlays;

(ii) increases in revenues; or

(iii) increases in the deficit targets or expenditure caps, or reductions in the revenue targets, if the President submits a written determination that, because of economic or programmatic reasons, none of the variances from the balanced budget plan should be offset.

(b) INTRODUCTION OF THE PRESIDENT'S PACKAGE.—Not later than November 15, the message from the President required pursuant to subsection (a) shall be introduced as a joint resolution in the House of Representatives or the Senate by the chairman of its Committee on the Budget. If the chairman fails to do so, after November 15, the joint resolution may be introduced by any Member of that House of Congress and shall be referred to the Committee on the Budget of that House.

(c) HOUSE BUDGET COMMITTEE ACTION.—The Committee on the Budget of the House of Representatives shall, by November 15, report a joint resolution containing—

(1) the recommendations in the President's message, or different policies and proposed legislative changes than those contained in the message of the President, to ameliorate or eliminate any excess deficits or expenditures or any revenue shortfalls, or

(2) any changes to the deficit or revenue targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(d) PROCEDURE IF THE COMMITTEES ON THE BUDGET OF THE HOUSE OF REPRESENTATIVES OR SENATE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF COMMITTEES ON THE BUDGET OF THE HOUSE.—If the Committee on the Budget of the House of Representatives fails, by November 20, to report a resolution meeting the requirements of subsection (c), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a), and the joint resolution shall be placed on the appropriate calendar.

(2) CONSIDERATION OF DISCHARGE RESOLUTION IN THE HOUSE.—If the Committee has been discharged under paragraph (1) above, any Member may move that the House of Representatives consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(e) CONSIDERATION OF JOINT RESOLUTION IN THE HOUSE.—Consideration of resolution reported pursuant to subsection (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(f) TRANSMITTAL TO SENATE.—If a joint resolution passes the House of Representatives pursuant to subsection (e), the Clerk of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the day on which the resolution is passed. The resolution shall be referred to the Senate Committee on the Budget.

(g) REQUIREMENTS FOR SPECIAL JOINT RESOLUTION IN THE SENATE.—The Committee on the Budget of the Senate shall report not later than December 1—

(1) a joint resolution reflecting the message of the President; or

(2) the joint resolution passed by the House of Representatives, with or without amendment; or

(3) a joint resolution containing different policies and proposed legislative changes

than those contained in either the message of the President or the resolution passed by the House of Representatives, to eliminate all or part of any excess deficits or expenditures or any revenue shortfalls, or

(4) any changes to the deficit or revenue targets, or to the expenditure caps, contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(h) PROCEDURE IF THE SENATE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF SENATE BUDGET COMMITTEE.—In the event that the Committee on the Budget of the Senate fails, by December 1, to report a resolution meeting the requirements of subsection (g), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a) and of the resolution passed by the House of Representatives, and both joint resolutions shall be placed on the appropriate calendar.

(2) CONSIDERATION OF DISCHARGE RESOLUTION IN THE SENATE.—(A) If the Committee has been discharged under paragraph (1), any member may move that the Senate consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(B) Consideration of resolutions reported pursuant to subsections (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(C) If the joint resolution reported by the Committees on the Budget pursuant to subsection (c) or (g) or a joint resolution discharged in the House of Representatives or the Senate pursuant to subsection (d)(1) or (h)(1) would eliminate less than—

(i) the entire amount by which actual or projected deficits exceed, or revenues fall short of, the targets in this Act; or

(ii) the entire amount by which actual or projected outlays exceed the caps contained in this Act;

then the Committee on the Budget of the Senate shall report a joint resolution, raising the deficit targets or outlay caps, or reducing the revenue targets for any year in which actual or projected spending, revenues or deficits would not conform to the deficit and revenue targets or expenditure caps in this Act.

(k) CONFERENCE REPORTS SHALL FULLY ADDRESS DEFICIT EXCESS.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution to eliminate all or part of any excess deficits or outlays or to eliminate all or part of any revenue shortfall compared to the deficit and revenue targets and the expenditure caps contained in this Act, unless—

(1) the joint resolution offsets the entire amount of any overage or shortfall; or

(2) the House of Representatives and Senate both pass the joint resolution reported pursuant to subsection (j)(2).

The vote on any resolution reported pursuant to subsection (j)(2) shall be solely on the subject of changing the deficit or revenue targets or the expenditure limits in this Act.

SEC. 103. EFFECT ON PRESIDENTS' BUDGET SUBMISSIONS; POINT OF ORDER.

(a) BUDGET SUBMISSION.—Any budget submitted by the President pursuant to section 1105(a) of title 31, United States Code, for each of fiscal years 1998 through 2007 shall be consistent with the spending, revenue, and deficit levels established in sections 104 and 105 or it shall recommend changes to those levels.

(b) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget unless it is consistent with the spending, revenue, and deficit levels established in sections 104 and 105.

SEC. 104. DEFICIT AND REVENUE TARGETS.

(a) CONSOLIDATED DEFICIT (OR SURPLUS) TARGETS.—For purposes of sections 102 and 107, the consolidated deficit targets shall be—

(1) for fiscal year 1998, $90,500,000,000;

(2) for fiscal year 1999, $89,700,000,000;

(3) for fiscal year 2000, $83,000,000,000;

(4) for fiscal year 2001, $53,300,000,000; and

(5) for fiscal year 2002, there shall be a surplus of not less than $1,400,000,000.

(b) CONSOLIDATED REVENUE TARGETS.—For purposes of sections 102, 107, 201, and 204, the consolidated revenue targets shall be—

(1) for fiscal year 1998, $1,601,800,000,000;

(2) for fiscal year 1999, $1,664,200,000,000;

(3) for fiscal year 2000, $1,728,100,000,000;

(4) for fiscal year 2001, $1,805,100,000,000; and

(5) for fiscal year 2002, $1,890,400,000,000.

SEC. 105. DIRECT SPENDING CAPS.

(a) IN GENERAL.—Effective upon submission of the report by OMB pursuant to subsection (c), direct spending caps shall apply to all entitlement authority except for undistributed offsetting receipts and net interest outlays. For purposes of enforcing direct spending caps under this Act, each separate program shown in the table set forth in subsection (d) shall be deemed to be a category.

(b) BUDGET COMMITTEE REPORTS.—Within 30 days after enactment of this Act, the Budget Committees of the House of Representatives and the Senate shall file with their respective Houses identical reports containing account numbers and spending levels for each specific category.

(c) REPORT BY OMB.—Within 30 days after enactment of this Act, OMB shall submit to the President and each House of Congress a report containing account numbers and spending limits for each specific category.

(d) CONTENTS OF REPORTS.—All direct spending accounts not included in these reports under separate categories shall be included under the heading ''Other Entitlements and Mandatory Spending''. These reports may include adjustments among the caps set forth in this Act as required below, however the aggregate amount available under the ''Total Entitlements and Other Mandatory Spending'' cap shall be identical in each such report and in this Act and shall be deemed to have been adopted as part of this Act. Each such report shall include the actual amounts of the caps for each year of fiscal years 1998 through 2002 consistent with the concurrent resolution on the budget for FY 1998 for each of the following categories:

Earned Income Tax Credit,

Family Support,

Federal retirement:

Civilian/other,

Military,

Medicaid,

Medicare,

Social security,

Supplemental security income,

Unemployment compensation,

Veterans' benefits,

Medicare,

Other entitlements and mandatory spending, and

Aggregate entitlements and other mandatory spending.

(e) ADDITIONAL SPENDING LIMITS.—Legislation enacted subsequent to this Act may include additional caps to limit spending for specific programs, activities, or accounts with these categories. Those additional caps (if any) shall be enforced in the same manner as the limits set forth in such joint explanatory statement.

SEC. 106. ECONOMIC ASSUMPTIONS.

Subject to periodic reestimation based on changed economic conditions or changes in eligible population, determinations of the direct spending caps under section 105, any breaches of such caps, and actions necessary to remedy such breaches shall be based upon the economic assumptions set forth in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 1998 (House Concurrent Resolution 84, 105th Congress).

SEC. 107. REVISIONS TO DEFICIT AND REVENUE TARGETS AND TO THE CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.

(a) AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND TO CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.—When the President submits the budget under section 1105(a) of title 31, United States Code, for any year, OMB shall calculate (in the order set forth below), and the budget and reports shall include, adjustments to the deficit and revenue targets, and to the direct spending caps (and those limits as cumulatively adjusted) for the current year, the budget year, and each outyear, to reflect the following:

(1) CHANGES TO REVENUE TARGETS.—

(A) CHANGES IN GROWTH.—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, growth adjustment factors shall equal the ratio between the level of year-over-year growth measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 105.

(B) CHANGES IN INFLATION.—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, inflation adjustment factors shall equal the ratio between the level of year-over-year growth measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 105.

(2) ADJUSTMENTS TO DIRECT SPENDING CAPS.—

(A) CHANGES IN CONCEPTS AND DEFINITIONS.—The adjustments produced by changes in concepts and definitions shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes. Such changes in concepts and definitions may only be made in consultation with the Committees on Appropriations, the Budget, and Government Reform and Oversight and Governmental Affairs of the House of Representatives and the Senate.

(B) CHANGES IN NET OUTLAYS.—Changes in net outlays for all programs and activities exempt from sequestration under section 204.

(C) CHANGES IN INFLATION.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, inflation adjustment factors shall equal the ratio between the level of year-over-year inflation measured for the fiscal year most recently completed and the applicable estimated level for that years as described in section 105 (relating to economic assumptions). For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps (for changes in economic conditions including inflation, nor for changes in numbers of eligible beneficiaries) unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act

providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 105 based on those projections.

(D) CHANGES IN ELIGIBLE POPULATIONS.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, the basis for adjustments under this section shall be the same as the projections underlying Table A–4, CBO Baseline Projections of Mandatory Spending, Including Deposit Insurance (by fiscal year, in billions of dollars), published in An Analysis of the President's Budgetary Proposals for Fiscal Year 1998, March 1997, page 53. For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps for changes in numbers of eligible beneficiaries unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 105 based on those projections.

(E) INTRA-BUDGETARY PAYMENTS.—From discretionary accounts to mandatory accounts. The baseline and the discretionary spending caps shall be adjusted to reflect those changes.

(c) CHANGES TO DEFICIT TARGETS.—The deficit targets in section 104 shall be adjusted to reflect changes to the revenue targets or changes to the caps for entitlements and other mandatory spending pursuant to subsection (a).

(d) PERMISSIBLE REVISIONS TO DEFICIT AND REVENUE TARGETS AND DIRECT SPENDING CAPS.—Deficit and revenue targets and direct spending caps as enacted pursuant to sections 104 and 105 may be revised as follows: Except as required pursuant to section 105(a), direct spending caps may only be amended by recorded vote. It shall be a matter of highest privilege in the House of Representatives and the Senate for a Member of the House of Representatives or the Senate to insist on a recorded vote solely on the question of amending such caps. It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution waiving the provisions of this subsection. This subsection may be waived in the Senate only by an affirmative vote of three-fifths of the Members duly chosen and sworn.

TITLE II—ENFORCEMENT PROVISIONS

SEC. 201. REPORTING EXCESS SPENDING.

(a) ANALYSIS OF ACTUAL DEFICIT, REVENUE, AND SPENDING LEVELS.—As soon as practicable after any fiscal year, OMB shall compile a statement of actual deficits, revenues, and direct spending for that year. The statement shall identify such spending by categories contained in section 105.

(b) ESTIMATE OF NECESSARY SPENDING REDUCTION.—Based on the statement provided under subsection (a), the OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected deficits, revenues, or spending in the current or immediately preceding fiscal years in violation of the revenue targets or direct spending caps in section 104 or 105, by more than one percent of the applicable total revenues or direct spending for such year. The report shall include:

(1) All instances in which actual direct spending has exceeded the applicable direct spending cap.

(2) The difference between the amount of spending available under the direct spending caps for the current year and estimated actual spending for the categories associated with such caps.

(3) The amounts by which direct spending shall be reduced in the current fiscal year so that total actual and estimated direct spending for all cap categories for the current and immediately preceding fiscal years shall not exceed the amounts available under the direct spending caps for such fiscal years.

(4) The amount of excess spending attributable solely to changes in inflation or eligible populations.

SEC. 202. ENFORCING DIRECT SPENDING CAPS.

(a) PURPOSE.—This title provides enforcement of the direct spending caps on categories of spending established pursuant to section 105. This section shall apply for any fiscal year in which direct spending exceeds the applicable direct spending cap.

(b) GENERAL RULES.—

(1) ELIMINATING A BREACH.—Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the baseline level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to eliminate a breach within that category.

(2) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects and activities within a budget account.

(3) INDEFINITE AUTHORITY.—Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

(4) CANCELLATION OF BUDGETARY RESOURCES.—Budgetary resources sequestered from any account other than an trust, special or revolving fund shall revert to the Treasury and be permanently canceled.

(5) IMPLEMENTING REGULATIONS.—Notwithstanding any other provision of law, administrative rules or similar actions implementing any sequestration shall take effect within 30 days after that sequestration.

SEC. 203. SEQUESTRATION RULES.

(a) GENERAL RULES.—For programs subject to direct spending caps:

(1) TRIGGERING OF SEQUESTRATION.—Sequestration is triggered if total direct spending subject to the caps exceeds or is projected to exceed the aggregate cap for direct spending for the current or immediately preceding fiscal year.

(2) CALCULATION OF REDUCTIONS.—Sequestration shall reduce spending under each separate direct spending cap in proportion to the amounts each category of direct spending exceeded the applicable cap.

(3) UNIFORM PERCENTAGES.—In calculating the uniform percentage applicable to the sequestration of all spending programs or activities within each category, or the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities, the sequestrable base for direct spending programs and activities is the total level of outlays for the fiscal year for those programs or activities in the current law baseline.

(4) PERMANENT SEQUESTRATION OF DIRECT SPENDING.—Obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first direct spending sequestration, any later sequestration shall reduce direct spending by an amount in addition to, rather than in lieu of, the reduction in direct spending in place under the existing sequestration or sequestrations.

(5) SPECIAL RULE.—For any direct spending program in which—

(A) outlays pay for entitlement benefits;

(B) a current-year sequestration takes effect after the 1st day of the budget year;

(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget; and

(D) the uniform percentage otherwise applicable to the budget-year sequestration of a program or activity is increased due to the delay;

then the uniform percentage shall revert to the uniform percentage calculated under paragraph (3) when the budget year is completed.

(6) INDEXED BENEFIT PAYMENTS.—If, under any entitlement program—

(A) benefit payments are made to persons or governments more frequently than once a year; and

(B) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in a price index (commonly called ''cost of living adjustments'');

sequestration shall first be applied to the cost of living adjustment before reductions are made to the base benefit. For the first fiscal year to which a sequestration applies, the benefit payment reductions in such programs accomplished by the order shall take effect starting with the payment made at the beginning of January following a final sequester. For the purposes of this subsection, veterans' compensation shall be considered a program that meets the conditions of the preceding sentence.

(7) LOAN PROGRAMS.—For all loans made, extended, or otherwise modified on or after any sequestration under loan programs subject to direct spending caps—

(A) the sequestrable base shall be total fees associated with all loans made extended or otherwise modified on or after the date of sequestration; and

(B) the fees paid by borrowers shall be increased by a uniform percentage sufficient to produce the dollar savings in such loan programs for the fiscal year or years of the sequestrations required by this section.

Notwithstanding any other provision of law, in any year in which a sequestration is in effect, all subsequent fees shall be increased by the uniform percentage and all proceeds from such fees shall be paid into the general fund of the Treasury.

(8) INSURANCE PROGRAMS.—Any sequestration of a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance fund, insurance activities of the Overseas Private Insurance Corporation, and Veterans' Life insurance programs) shall be accomplished by increasing premiums on contracts entered into extended or otherwise modified, after the date a sequestration order takes effect by the uniform sequestration percentage. Notwithstanding any other provision of law, for any year in which a sequestration affecting such programs is in effect, subsequent premiums shall be increased by the uniform percentage and all proceeds from the premium increase shall be paid from the insurance fund or account to the general fund of the Treasury.

(9) STATE GRANT FORMULAS.—For all State grant programs subject to direct spending caps—

(A) the total amount of funds available for all States shall be reduced by the amount required to be sequestered; and

(B) if States are projected to receive increased funding in the budget year compared to the immediately preceding fiscal year, sequestration shall first be applied to the estimated increases before reductions are made compared to actual payments to States in the previous year—

(i) the reductions shall be applied first to the total estimated increases for all States; then

(ii) the uniform reduction shall be made from each State's grant; and

(iii) the uniform reduction shall apply to the base funding levels available to states in the immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(10) SPECIAL RULE FOR CERTAIN PROGRAMS.—Except matters exempted under section 204 and programs subject to special rules set forth under section 205 and notwithstanding any other provisions of law, any sequestration required under this Act shall reduce benefit levels by an amount sufficient to eliminate all excess spending identified in the report issued pursuant to section 201, while maintaining the same uniform percentage reduction in the monetary value of benefits subject to reduction under this subsection.

(b) WITHIN-SESSION SEQUESTER.—If a bill or resolution providing direct spending for the current year is enacted before July 1 of that fiscal year and causes a breach within any direct spending cap for that fiscal year, 15 days later there shall be a sequestration to eliminate that breach within that cap.

SEC. 204. ENFORCING REVENUE TARGETS.

(a) PURPOSE.—This section enforces the revenue targets established pursuant to section 104. This section shall apply for any year in which actual revenues were less than the applicable revenue target in the preceding fiscal year or are projected to be less than the applicable revenue target in the current year.

(b) ESTIMATE OF NECESSITY TO SUSPEND NEW REVENUE REDUCTIONS.—Based on the statement provided under section 201(a), OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected revenues in the current or immediately preceding fiscal years lower than the applicable revenue target in section 104, as adjusted pursuant to section 106, by more than 1 percent of the applicable total revenue target for such year. The report shall include—

(1) all existing laws and policies enacted as part of any reconciliation legislation in calendar 1997 which would cause revenues to decline in the calendar year which begins January 1, compared to laws and policies in effect on December 15;

(2) the amounts by which revenues would be reduced by implementation of the provisions of law described in paragraph (1) compared to provisions of law in effect on December 15; and

(3) whether delaying implementation of the provisions of law described in paragraph (1) would cause the total for revenues in the projected revenues in the current fiscal year and actual revenues in the immediately preceding fiscal year to equal or exceed the total of the targets for the applicable years.

(c) GENERAL RULES.—

(1) DELAYED PHASE-IN OF NEW TAX CUTS.—No provision of the Revenue Reconciliation Act of 1997—

(A) establishing or increasing any credit, deduction, exclusion or eligibility limit; or

(B) reducing any rate

shall first take effect in the calendar year following a year in which actual revenues were less than the applicable revenue target or revenues in the current year are projected to be less than the applicable target.

(2) SUSPENSION OF INDEXATION.—No new adjustment for inflation shall be made to any credit, deduction, or exclusion enacted as part of the Revenue Reconciliation Act of 1997 if revenues in the preceding year were below the applicable revenue target or revenues in the current year are projected to be less than the applicable target.

(d) SPECIAL RULES.—(1) All provisions of law included in the report pursuant to subsection (b)(1) shall be suspended until such time as the total of projected revenues in the current fiscal year and actual revenues in the immediately preceding fiscal year is equal to or greater than the relevant revenue targets in section 104; and

(2) If subsection (c) would cause the total of projected revenues in the current year and actual revenues in the preceding fiscal year to exceed the relevant revenue targets in section 104, new policies to reduce revenues shall be modified sufficiently to raise revenues to the level of the targets for the relevant years.

SEC. 205. EXEMPT PROGRAMS AND ACTIVITIES.

The following budget accounts, activities within accounts, or income shall be exempt from sequestration—

(1) net interest;

(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

(3) offsetting receipts and collections;

(4) all payments from one Federal direct spending budget account to another Federal budget account;

(5) all intragovernmental funds including those from which funding is derived primarily from other Government accounts;

(6) expenses to the extent they result from private donations, bequests, or voluntary contributions to the Government;

(7) nonbudgetary activities, including but not limited to—

(A) credit liquidating and financing accounts;

(B) the Pension Benefit Guarantee Corporation Trust Funds;

(C) the Thrift Savings Fund;

(D) the Federal Reserve System; and

(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

(8) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

(9) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

Claims, defense;

Claims, judgments and relief act (20–1895–0–1–806);

Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

Compensation of the President (11–0001–0–1–802);

Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

Eastern Indian land claims settlement fund (14–2202–0–1–806);

Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153):

Payments to copyright owners (03–5175–0–2–376);

Salaries of Article III judges (not including cost of living adjustments);

Soldier's and Airman's Home, payment of claims (84–8930–0–7–705);

Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

(10) the following noncredit special, revolving, or trust-revolving funds—

Exchange Stabilization Fund (20–4444–0–3–155); and

Foreign Military Sales trust fund (11–82232–0–7–155).

(j) OPTIONAL EXEMPTION OF MILITARY PERSONNEL.—

(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction that would otherwise apply.

(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the initial snapshot date for the budget year.

SEC. 206. SPECIAL RULES.

(a) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in payments under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under the program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

(b) COMMODITY CREDIT CORPORATION.—

(1) EFFECTIVE DATE.—For the Commodity Credit Corporation, the date on which a sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect with the start of the sign-up period for that crop that begins after the sequestration order is issued. Payments for each contract in such a crop shall be reduced under the same terms and conditions.

(2) DAIRY PROGRAM.—

(A) As the sole means of achieving any reduction in outlays under the milk price-support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk in the United States and marketed by producers for commercial use.

(B) That price reduction (measured in cents per hundred-weight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued, and shall not exceed the aggregate amount of the reduction in outlays under the milk price-support program, that otherwise would have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.

(3) EFFECT OF DELAY.—For purposes of subsection (b)(1), the sequestrable base for Commodity Credit Corporation is the current-year level of gross outlays resulting from new budget authority that is subject to reduction under paragraphs (1) and (2).

(4) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, or limit or reduce in any way any appropriation that provides the Corporation with funds to cover its realized losses.

(c) EARNED INCOME TAX CREDIT.—

(1) The sequestrable base for earned income tax credit program is the dollar value of all current year benefits to the entire eligible population.

(2) In the event sequestration is triggered to reduce earned income tax credits, all earned income tax credits shall be reduced, whether or not such credits otherwise would result in cash payments to beneficiaries, by a uniform percentage sufficient to produce the dollar savings required by the sequestration.

(d) REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.—

(1) A State may reduce each weekly benefit payment made under the regular and extended unemployment benefit programs for any week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Federal payment to the State is to be reduced for such week as a result of such order.

(2) A reduction by a State in accordance with paragraph (1) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1986.

(e) FEDERAL EMPLOYEES HEALTH BENEFITS FUND.— For the Federal Employees Health Benefits Fund, a sequestration order shall take effect with the next open season. The sequestration shall be accomplished by annual payments from that Fund to the General Fund of the Treasury. Those annual payments shall be financed solely by charging higher premiums. The sequestrable base for the Fund is the current-year level of gross outlays resulting from claims paid after the sequestration order takes effect.

(f) FEDERAL HOUSING FINANCE BOARD.— Any sequestration of the Federal Housing Board shall be accomplished by annual payments (by the end of each fiscal year) from that Board to the general fund of the Treasury, in amounts equal to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

(g) FEDERAL PAY.—

(1) IN GENERAL.— New budget authority to pay Federal personnel from direct spending accounts shall be reduced by the uniform percentage calculated under section 203(c)(3), as applicable, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system (as increased by any amount payable under section 5304 of title 5, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1109 of title 37, United States Code, or any other provision of law.

(2) DEFINITIONS.—For purposes of this subsection—

(A) the term ''statutory pay system'' shall have the meaning given that term in section 5302(1) of title 5, United States Code;

(B) the term ''elements of military pay'' means—

(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code;

(ii) allowances provided members of the uniformed services under sections 403(a) and 405 of such title; and

(iii) cadet pay and midshipman pay under section 203(c) of such title; and

(C) the term ''uniformed services'' shall have the same meaning given that term in section 101(3) of title 37, United States Code.

(h) MEDICARE.—

(1) TIMING OF APPLICATION OF REDUCTIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if a reduction is made in payment amounts pursuant to sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.— In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

(2) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

(3) PART B PREMIUMS.—In computing the amount and method of sequestration from part B of title XVIII of the Social Security Act—

(A) the amount of sequestration shall be calculated by multiplying the total amount by which Medicare spending exceeds the appropriate spending cap by a percentage that reflects the ratio of total spending under Part B to total Medicare spending; and

(B) sequestration in the Part B program shall be accomplished by increasing premiums to beneficiaries.

(4) NO EFFECT ON COMPUTATION OF AAPCC.— In computing the adjusted average per capita cost for purposes of section 1876(a)(4) of the Social Security Act, the Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this part.

(i) POSTAL SERVICE FUND.— Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States and shall have the duty to make those payments during the first fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times

(2) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appropriation for revenue forgone that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and shall follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to the plan within 30 days, the plan submitted by the Postmaster General shall go into effect. Any plan may be later revised by the submission of a new plan to the Postal Rate Commission, which may approve or modify it.

(j) POWER MARKETING ADMINISTRATIONS AND T.V.A.— Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Authority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each payment by a fund shall be—

(1) the direct spending uniform sequestration percentage, times

(2) the estimated gross obligations of the fund in that year other than those obligations financed from discretionary appropriations for that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the pre-sequester amount of power (but those reductions shall not include reductions in the amount of power supplied by the fund), by reductions in capital expenditures, by increases in tax rates, or by any combination, but may not be financed by a lower fund surplus, a higher fund deficit, additional borrowing, delay in repayment of principal on outstanding debt and shall follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified in this subsection in order to make the annual payments to the Treasury.

(k) BUSINESS-LIKE TRANSACTIONS.—Notwithstanding any other provision of law, for programs which provide a business-like service in exchange for a fee, sequestration shall be accomplished through a uniform increase in fees (sufficient to produce the dollar savings in such programs for the fiscal year of the sequestration required by section 201(a)(2), all subsequent fees shall be increased by the same percentage, and all proceeds from such fees shall be paid into the general fund of the Treasury, in any year for which a sequester affecting such programs are in effect.

SEC. 207. THE CURRENT LAW BASELINE.

(a) SUBMISSION OF REPORTS.—CBO and OMB shall submit to the President and the Congress reports setting forth the budget baselines for the budget year and the next nine fiscal years. The CBO report shall be submitted on or before January 15. The OMB report shall accompany the President's budget.

(b) DETERMINATION OF THE BUDGET BASELINE.—(1) The budget baseline shall be based on the common economic assumptions set forth in section 106, adjusted to reflect revisions pursuant to subsection (c).

(2) The budget baseline shall consist of a projection of current year levels of budget authority, outlays, revenues and the surplus or deficit into the budget year and the relevant outyears based on current enacted laws as of the date of the projection.

(3) For discretionary spending items, the baseline shall be the spending caps in effect pursuant to section 601(a)(2) of the Congressional Budget Act of 1974. For years for which there are no caps, the baseline for discretionary spending shall be the same as the last year for which there were statutory caps.

(4) For all other expenditures and for revenues, the baseline shall be adjusted by comparing unemployment, inflation, interest rates, growth and other economic indicators-and changes ineligible population-for the most recent period for which actual data are available, compared to the assumptions contained in section 106.

(c) REVISIONS TO THE BASELINE.—The baseline shall be adjusted for up-to-date economic assumptions when CBO submits its Economic and Budget Update and when OMB submits its budget update, and by August 1 each year, when CBO and OBM submit their midyear reviews.

SEC. 208. LIMITATIONS ON EMERGENCY SPENDING.

(a) IN GENERAL.—(1) Within the discretionary caps for each fiscal year contained in this Act, an amount shall be withheld from allocation to the appropriate committees of the House of Representatives and of the Senate and reserved for natural disasters and other emergency purposes.

(2) Such amount for each such fiscal year shall not be less than 1 percent of total budget authority and outlays available within those caps for that fiscal year.

(3) The amounts reserved pursuant to this subsection shall be made available for allocation to such committees only if—

(A) the President has made a request for such disaster funds;

(B) the programs to be funded are included in such request; and

(C) the projected obligations for unforeseen emergency needs exceed the 10-year rolling average annual expenditures for existing programs included in the Presidential request for the applicable fiscal year.

(4) Notwithstanding any other provision of law—

(A) States and localities shall be required to maintain effort and ensure that Federal assistance payments do not replace, subvert or otherwise have the effect of reducing regularly budgeted State and local expenditures for law enforcement, refighting, road construction and maintenance, building construction and maintenance or any other category of regular government expenditure (to ensure that Federal disaster payments are made only for incremental costs directly attributable to unforeseen disasters, and do not replace or reduce regular State and local expenditures for the same purposes);

(B) the President may not take administrative action to waive any requirement for States or localities to make minimum matching payments as a condition or receiving Federal disaster assistance and prohibit the President from taking administrative action to waive all or part of any repayment of Federal loans for the State or local matching share required as a condition of receiving Federal disaster assistance, and this clause shall apply to all matching share requirements and loans to meet matching share requirements under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and any other Acts pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(C) a two-thirds vote in each House of Congress shall be required for each emergency to reduce or waive the State matching requirement of to forgive all or part of loans for the State matching share as required under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(b) EFFECT BUDGET RESOLUTIONS.—(1) All concurrent resolutions on the budget (including revisions) shall specify the amount of new budget authority and outlays within the discretionary spending cap that shall be withheld from allocation to the committees and reserved for natural disasters, and a procedure for releasing such funds for allocation to the appropriate committee. The amount withheld shall be equal to 1 percent of the total discretionary spending cap for fiscal year covered by the resolution, unless additional amounts are specified.

(2) The procedure for allocation of the amounts pursuant to paragraph (1) shall ensure that the funds are released for allocation only pursuant to the conditions contained in subsection (a)(3)(A) through (C).

(c) RESTRICTION ON USE OF FUNDS.—Notwithstanding any other provision of law, the amount reserved pursuant to subsection (a) shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(d) NEW POINT OF ORDER.—(1) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''POINT OF ORDER REGARDING EMERGENCIES

''SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 207 of the Balanced Budget Assurance Act of 1997 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.''.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

''Sec. 408. Point of order regarding emergencies.''.

The SPEAKER pro tempore. Pursuant to House Resolution 192, the gentleman from Delaware [Mr. CASTLE] and a Member opposed each will control 30 minutes.

Is there a Member opposed to the bill?

Mr. NUSSLE. Mr. Speaker, I am opposed to the bill, and request the time in opposition.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. NUSSLE] will be recognized for 30 minutes.

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that 15 minutes of the time in opposition be shared with the distinguished gentleman from South Carolina [Mr. SPRATT].

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

There was no objection.

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that 15 minutes of the time in support of the legislation be yielded to the gentleman from Minnesota [Mr. MINGE].

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Delaware [Mr. CASTLE].

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

Mr. Speaker, we have had some discussion of this legislation already in the rule discussion, and we will have additional discussion here. But there are those of us in this Congress, and I hope it is a large majority of the Congress, who feel very strongly that if we are indeed ever going to balance the budget of the United States of America, we have to do more than just pass something which is going to balance the budget in 5 years. Remember, there will be two elections to Congress in the interim period, as well as an election of the President of the United States during that time. There will have been changes, economic variables that will come into play. It is very possible we will never get to a balanced budget.

We believe strongly that we should have a budget enforcement mechanism. We have worked extremely hard in order to put together a piece of legislation which would do that. I should say this is not something that was drafted by those of us who will speak to it today. This was worked on and drafted by budget experts across the United States of America. It has been reviewed by a lot of people.

It simply has several provisions in it which we will be expanding on, but it says that we have to look forward and look back each year to ascertain where we are with respect to the different aspects of the budget itself, the different components that make up our budget in mandatory and discretionary spending, as well as in the tax cuts which are going into place. And if indeed they fall out of line and do not add up to the numbers, as in the budget reconciliation which we will have this year, then we, the Congress, can either do nothing, in which case there will be self-enacting mechanisms to bring it back into line, or we can step forward and act.

I think the stepping forward and acting is a more likely consequence of this, and it is a reason that those who might say this could impact future tax cuts or Social Security in my judgment just completely overlook the fact that Congress is not going to allow that to happen. The bottom line is that this would be, I think, the ultimate way it would be worked out. We would come back as a Congress and look at it.

We simply have to do this. We have to have a method. We have to have a mechanism. It is like buying a car. We need a guarantee or warranty on that

car. It is what we expect in this day and age. What is going to happen to the engine and the tires and the body of the car, down the line? We feel the same way about the budget.

This is bipartisan. It has been worked on by Members who care a great deal about it. In my judgment, anyone who believes in a balanced budget in this body, of the 435 Members of us, those of us who voted for those balanced budgets in the past, those who voted for constitutional guarantees of a balanced budget, should be supportive of this legislation.

So it is for all of these reasons that I would encourage each and every one of us to follow this argument carefully, to not go for the scare tactics that may be put forward, and to make sure we cast an affirmative vote when it is all said and done.

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

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. SMITH], a member of the Committee on the Budget.

Mr. SMITH of Michigan. Mr. Speaker, I think part of the problem is that we have not debated this bill. There are a lot of good things in this budget enforcement proposal before us. However, we do have enforcement within the reconciliation bill that is going to be put before this body in the next few weeks.

My bill, H.R. 2037, included the enforcement provision that is going to be in reconciliation. It says, put caps and limits on discretionary spending, have sequesters, maintain the pay-go provisions for entitlement and tax changes.

So the question before us is; are we prepared to pass this kind of legislation implementing dramatic budget reform and the budget process without undergoing more through examination and consideration of the Committee on the Budget? Legislation such as this, should also be considered by the Committee on Ways and Means and other committees, to bring a studied bill before this body rather then a mostly unread and unconsidered bill with no chance of amendments.

I introduced for the last 4 years budget reform legislation. I am convinced that some of those items that are not in this bill should be considered by this House when we finally pass a budget bill that is going to dramatically change the way this Congress does budget business.

Mr. MINGE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DOYLE].

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

Mr. DOYLE. Mr. Speaker, I rise in support of the Budget Enforcement Act of 1997. If history is any kind of lesson, it is obvious that the strong targeted enforcement mechanisms provided by this bill are needed to ensure the budget is balanced by 2002.

Some 229 Members of this House cosponsored the balanced budget amendment. I cannot understand why any of these Members would not support H.R. 2003. However, we are now hearing from Members who cosponsored the BBA, voted for the budget agreement and voted for both reconciliation bills, that the most serious problem with the Budget Enforcement Act is the fact that it may postpone tax cuts for their supporters.

In a sense, they are right. If we enact this bill, tax cuts will indeed be delayed if the country is short of the money needed to balance the budget. But once we are on track, cuts can be enacted. I see nothing wrong with this approach. If we can afford certain tax cuts, let them go through. If we cannot, then we are just going to have to wait. In fact, if Members think it is more important to eliminate the deficit than it is to give away tax breaks that we cannot afford, this should be an easy vote.

Let me close by saying I am disappointed that the Committee on Rules has decided to play politics with this issue, rather than debate it on its merits. The sponsors of this bill have discovered some needed changes. However, the Committee on Rules would not allow these corrections to be added to the bill, and it is my understanding they may be included in a motion to recommit. Consequently, anyone who is serious about deficit reduction should support the motion to recommit.

In addition, even if this motion is not agreed to, I believe it is still crucial we enact this bill. The underlying principles are too important to ignore, and modification can always be made in conference. I urge my colleagues to vote for responsibility. Support the motion to recommit and support the underlying bill.

Mr. Speaker, I rise in support of the Budget Enforcement Act of 1997. If history is any kind of lesson, it is obvious that the strong, targeted enforcement mechanisms provided by this bill are needed to ensure the budget is balanced in 2002.

During the 1980's and early 1990's, public officials said time and time again that the budget would be balanced in a number of years. But, time and time again, the Government lacked the discipline to follow through on these promises.

Attempts were made to hold lawmakers to their word. No one should forget the noble failures of Gramm-Rudman. Unfortunately, these well-intentioned efforts contained a number of loopholes and shortcomings which allowed past Congresses and administrations to tear through the paper ceilings they established. Clearly, something stronger is needed.

A balanced budget amendment would be a strong device, but it is obviously not available at this time. While we did not even have the opportunity to vote on a balanced budget amendment this year, we do have the chance to enact the next best thing—the bipartisan Budget Enforcement Act.

Some 229 Members of this House cosponsored the balanced budget amendment, and I cannot understand why any of these Members would not support H.R. 2003. However, we are now hearing from Members who cosponsored the BBA, voted for the budget agreement, and voted for both reconciliation bills that the most serious problem with the Budget Enforcement Act is that fact that it may postpone tax cuts for their supporters. In a sense, they are right. If we enact this bill, tax cuts will, indeed, be delayed if the country is short of the money needed to balance the budget. But, once we are on tract, cuts can be enacted. I see nothing wrong with this approach. If we can afford certain tax cuts, let them go through. If not, we may just have to wait. In fact, if you think it is more important to eliminate the deficit than it is to give away tax breaks we cannot afford, this should be an easy vote.

I know there are those concerned that H.R. 2003 will lead to reductions in important programs. I would like to ease these concerns by pointing out that this bill does not demand cuts. Instead, it demands that we adhere to our objectives. Congress and the President will be provided with ample time to avert automatic corrections. Similarly, reductions will not be triggered by extra spending that results from inflation or some increased demand for services. To avoid cuts, Congress and the President will have to put more careful consideration into crafting budgets. We will have to work within responsible guidelines, adopt a more long-term outlook, and employ highly accurate economic forecasts. Mr. Speaker, we should have been working this way all along.

Now, thanks to a thriving economy and a handful of tough votes, a balanced budget is within our grasp. This time we cannot allow it to slip away. If all parties involved can show more discipline and tenacity than they have in the past, we will achieve this elusive goal. The bipartisan Budget Enforcement Act will provide the incentives to ensure that we do.

Let me close by saying I am disappointed that the Rules Committee has decided to play politics with this issue, rather than debate it on its merits. The sponsors of this bill have discovered some needed technical changes. However, because the Rules Committee would not allow these corrections to be added to the bill, they have been included in the motion to recommit. Consequently, anyone who is serious about deficit reduction should support the motion to recommit. In addition, even if this motion is not agreed to, I believe it is still crucial that we enact this bill. The underlying principles are too important to ignore, and modifications can always be made in conference. I urge my colleagues to vote for responsibility—support the motion to recommit and support the underlying bill.

Mr. SPRATT. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, this debate is not about ends, it is about means, because I emphatically share the same ends as the sponsor of this bill, which is to balance the budget and balance it for good by no later than 2002.

I will be the first to admit that their bill springs from a valid concern. It is concern that the budget we may soon pass could fall short of its goal. That concerns us because it has happened before. It happened with Gramm-Rudman-Hollings in 1986, for which I voted, and it happened with the budget summit in 1990. In each case the spending cuts we passed did not cut spending in

fact by as much as we figured. As a result, the deficit did not drop as much as we hoped.

This bill is to ensure that that will not happen again. That is a valid concern, but for one very basic fact: We have a solution. It is in place and it is working. When we adopted the Deficit Reduction Act back in 1993, we carried forth the discretionary spending caps and the pay-as-you-go rules that were first adopted in the Budget Enforcement Act of 1990. In a word, they work. Since 1993, discretionary spending has been held at or below the statutory caps and new entitlement spending has been checked by the pay-as-you-go rule.

In addition, we included in that Deficit Reduction Act back in 1993 an enforcement procedure which I recall well because it was my amendment. That procedure was dropped from the bill in the other body because of the Byrd rule, but the President imposed it by Executive order and the House has adopted it as a rule of procedure.

Basically, this rule says that whenever entitlement spending exceeds a given year's baseline, the President with his budget has to report that variance to the Congress, and also recommend to the Congress how the overrun should be rectified. Congress has to take a record vote on the President's recommended action or our alternative before we can take the first step in the budget process. We can vote to do nothing, but we have to vote. We cannot duck the problem. That is a rule of the House. That is an Executive order of the Government.

This procedure has never been invoked because it has never been needed. That is the irony of our situation today. This bill deals with a problem that has not presented itself for the last 5 years, because unlike Gramm-Rudman in 1986 and the budget summit in 1990, the deficit since 1993 has followed the downward, declining path that was plotted in the 1993 budget. In fact, it is running well below that path and headed to a deficit this year of less than $40 billion. So all of this concern about the need for enforcement because we may not attain our balanced budget flies in the face of the facts of the last 5 years.

What is more, what this bill offers is a solution or solutions that are unwieldy and extremely cumbersome and extremely complex. Let me give a few of the problems that I have with the complex processes that this bill would impose.

First of all, it does not address what in my opinion is the largest problem. The largest problem of risk, looking down the next 5 to 10 years, if we adopt the budget bill and the tax reconciliation bill that we have under consideration, is exploding outyear revenues.

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While this bill comes down hard on spending, it says, as to tax cuts, we will defer or postpone only those that have not been implemented for 1 year. There is a disparity of treatment here that means that we will come down a lot harder on spending than on tax cuts, and it leaves an imbalance in this bill.

I will return to this subject again as the debate goes on and deal with other practical problems that I have with this bill. It is well-intentioned but we do not need it at this particular time.

The SPEAKER pro tempore [Mr. BONILLA]. Does the gentleman from Texas [Mr. BARTON] seek to control the time originally designated to the gentleman from Delaware [Mr. CASTLE]?

Mr. BARTON of Texas. Yes, Mr. Speaker, I do.

The SPEAKER pro tempore. The gentleman from Texas [Mr. BARTON] is recognized to yield time.

Mr. BARTON of Texas. Mr. Speaker, could I inquire as to how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Texas [Mr. BARTON] has 12 minutes remaining.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I thank my good friend from Texas, Mr. BARTON, and the gentleman from Delaware, Mr. CASTLE, as well for their fine work to get this bill on the floor today for a vote.

For my colleagues I have to say that this bill is much along the lines of the Castle-Upton-Martini approach that was adopted in the last Congress and was supported in fact by the chairman of the Committee on the Budget as well as the chairman of the Committee on Ways and Means. I am proud to be labeled as the deficit hawk because I know that deficits are harmful to our economic growth and our future prosperity. All of us in this body are heartened by the recent news that the deficit in fact is coming down. Who would have guessed the deficit this year could have been as low perhaps as $50 billion?

I once worked at the Office of Management and Budget. I watched a Congress that back in the 1980's promised to cut taxes and cut spending. They only did one: cut taxes, did not cut spending. We saw the deficit balloon by trillions of dollars, of which we are paying almost some $300 billion in interest just this year.

Our country has always been based on checks and balances. That is what this bill does. If we do not hit the deficit target, we will not see the tax cuts come into play. We need this. We need this measure as some version of an accountability so that we can reach a balanced budget. We will not see our deficits increasing the debt. I would urge all of my colleagues to vote for this.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Kentucky [Mrs. NORTHUP].

Mrs. NORTHUP. Mr. Speaker, I would like to speak against the Budget Enforcement Act. I really have great appreciation for what the authors are trying to achieve. I believe it is important that we focus on achieving those goals. However, I do not think this is the way to go about it.

I want to emphasize the importance of creative solutions. I believe in 1994 that there was a revolution. It was not just a revolution of who served. It was not just a revolution about where we were trying to go. It was a revolution of we are going to start to think out of the box. We are going to stop doing things that we have always done and get what we have always gotten.

So Congress and the people that were involved in public policy began to think of new ways to fashion new solutions. It is very important that we deal with each one of our spending challenges and each one of our challenges that we face and look for creative solutions. Think about 20 years ago when so many of us were concerned in this country that we would never be internationally competitive. We wondered if our ability to trade competitively, as we saw other countries buying up American industries, would ever return. It was the creative solutions of business, it was the ability to find new ways of doing things, a new way to handle inventory, a new way to downsize businesses that gave us back our competitive edge and made us so internationally competitive. That is true with government.

As we look at Medicaid, as we look at Medicare, as we look at Social Security, I am absolutely convinced that we can make those programs strong. We can make them solvent. We can keep them from absorbing all of our children's income in creative ways instead of putting this government on automatic pilot and letting it happen for us in ways that we do not believe are the best.

Mr. MINGE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

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

Mr. Speaker, I rise in strong support of the bipartisan Budget Enforcement Act, and I want to thank my colleagues, the gentleman from Texas [Mr. BARTON] and the gentleman from Minnesota [Mr. MINGE] for their hard work in bringing this bill to a vote today.

The lessons of the previous budget plans are that agreeing to balance the budget is not going to provide a solution. For example, in 1982 the budget resolution called for a balanced budget by 1984. We did not. In 1985, under Gramm–Rudman I, we were told we were going to balance the budget by 1991; we did not. In 1987, under Gramm–Rudman II, we were told that the budget would be balanced by 1993; and it was not. During the 1990 budget agreement, we were told that finally the budget would be balanced. It was not.

There was a common thread in all of these agreements. There were no enforcement provisions included.

Critics today have said that the proposal before us is not perfect. I would respond that neither is the budget agreement we are attempting to enforce. We should not let the perfect be the enemy of the good we want to do today.

Critics have charged that our enforcement provisions are unpalatable. I could not agree more. I remind our colleagues that this is an enforcement bill. It should not feel good if we do not keep our agreement with the American people.

Critics charge that the legislation is too soft on the revenue side. Guilty. But look at the letter that the Republican leadership has sent out. I am convinced that what started out as a budget agreement to balance the budget this year is simply a facade to hide a tax cut. Please support this imperfect legislation. It is an imperfect world but we want to do good today. We do want to enforce an agreement to balance the budget by the year 2002. I congratulate my colleagues, the gentleman from Minnesota [Mr. MINGE] and the gentleman from Texas [Mr. BARTON] and all of the Members who have participated in a bipartisan fashion in this endeavor.

Mr. Speaker, I rise in strong support of the Bipartisan Budget Enforcement Act, and I want to thank my colleagues, JOE BARTON and DAVID MINGE, for their hard work in bringing this bill to a vote today.

There is hardly a Member of this institution who does not believe that balancing the Federal budget is important to the future of this country. For 35 years, the U.S. Government has failed to balance its budget, running deficits of up to $290 billion per year. Since 1980, runaway deficit spending has caused the national debt to more than quintuple in size. The debt is now more than $5.3 trillion, or about 70 percent of the country's gross domestic product [GDP]. Compare this figure to 1979, when the national debt stood at $829 billion, or 33 percent of GDP.

The size and scope of the current Federal debt have a terrible negative impact on the lives of working American families. By consuming nearly 15 percent of all Federal spending, interest on the debt acts to crowd out funding for programs that could be used to invest in our country's infrastructure, hire more police officers, and sustain a healthy economy. The debt also contributes to higher interest rates for everyday expenses, such as home mortgages and car loans. In the end, balancing the budget will reduce interest rates, spur economic growth, and put more money in the pockets of American families.

The failure of past efforts to balance the Federal budget shows how important it is to enforce balanced budget plans like the one Congress and the President agreed to in June.

The lessons of previous budget plans prove that agreeing to balance the budget does not guarantee that the budget will actually be balanced. No fewer than four times over the past 15 years, Congress has approved agreements that were supposed to get us to a balanced budget, but failed to actually do so.

For example, in 1982, the budget resolution called for a balanced budget in 1984. Yet, the budget was not balanced by that date. In 1985, under Gramm-Rudman I, we were told that the budget would be balanced in 1991. It was not.

In 1987, under Gramm-Rudman II, we were told that the budget would be balanced in 1993, but it was not. During the 1990 budget agreement, we were told that, finally, the budget would be balanced in 1994. Again, it was not.

The common thread in each of these failed attempts to balance the budget was the lack of a meaningful enforcement mechanism.

Over the years, many of us have come to realize that the only way to achieve a balanced budget is to pass legislation that would add meaningful enforcement procedures to the budget process. That is why for the past two Congresses, I, along with Congressman STENHOLM and Congressman MINGE, have introduced the Balanced Budget Enforcement Act. Originally sponsored by then-chairman of the Budget Committee Leon Panetta and, after that, our former colleague from Minnesota, Tim Penny, this legislation was one of the first comprehensive efforts to address the issue of budget enforcement.

The Budget Enforcement Act before us today is the next logical step in the fight to enact meaningful enforcement legislation.

Forged by a bipartisan group of Members from across the ideological spectrum, this legislation takes a commonsense approach to enforcing the budget process. It acknowledges that our best hope of actually balancing the budget is to put every section of the budget on the table—accountable for actually balancing the budget by the year 2002.

Put in simple terms, this bill puts in place critical enforcement procedures by establishing caps on the mandatory spending and a floor on revenue at the levels set by this year's budget resolution. If spending goes above the targets, or the tax cuts explode beyond what is projected, comprehensive enforcement procedures will be triggered to make sure that the budget remains on track to balance and the deficit stays under control.

I would like to warn Members against complacency. Though the economy is doing well now and the deficit has been reduced over the past several years, there is no guarantee that these rosy economic times will continue. One of the major failings of past balanced budget agreements is that they failed to anticipate downturns in the economy, and were thrown off track by these changes. Passing this enforcement legislation is the best way to ensure that the balanced budget stays on track, even in the event of an economic downturn.

In many ways, the vote on this bill will be a measure of the Congress's willingness to make the tough decisions needed to balance the budget—this vote is a test of our resolve.

Critics have said that its not perfect. I would respond that neither is the budget agreement we are attempting to enforce, and we should not let the perfect by the enemy of the good we can do today.

Critics charge that our enforcement provisions are unpalatable. I couldn't agree more. I remind my colleagues that this is an ''enforcement'' bill. It's not supposed to feel good if you fail to keep your promise.

Critics charge that the legislation is too soft on the revenue side. Well, given the letter that the Republican leadership has sent out in opposition to this bill, it's clear to me that they are using the balanced budget agreement as a facade for a tax cut and this was the strongest provision we were going to be allowed in a bipartisan measure.

We have tried many times to reach a balanced budget, but failed in each case because the Congress lacked the political will to follow through on its promises. Passage of this legislation will ensure that the Congress does not walk away from the promise it has made to the American people to balance the budget by 2002. It will restore the faith of the American people that the Congress has the will to balance the budget, and show that we are not afraid of making the difficult choices needed to get us there.

Mr. Speaker, I urge my colleagues to vote in favor of the Bipartisan Budget Enforcement Act.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. SABO], distinguished former chairman of the Committee on the Budget.

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

Mr. SABO. Mr. Speaker, I thank the ranking member for yielding me the time.

Sometimes I think we keep fighting old fights. We are fighting the problems of Gramm–Rudman. That is long passed. The reality is that the budget enforcement mechanisms of 1990, extended to 1993 and extended this year, work. Discretionary spending caps, with some flexibility for emergencies, worked. The pay-as-you-go provisions that are current law as they relate to new entitlements have worked.

What cannot work under our current law unfortunately and is not solved by the Minge-Barton bill are the structures of tax cuts that explode beyond the 5-year limit. Those games are being played with backloaded IRA's and capital gains that explode in the outyears. Current provisions cannot prevent it. Unfortunately the current proposal before us solves none of that problem.

The only way we can deal with that problem, where we have backloaded tax cuts that explode in the future, is to say no to those kinds of proposals when they come before the House. The proposed bill does not solve that problem because it is a 5-year bill. And if we extend it beyond 5 years, we then have new baselines from which we are operating.

I urge defeat of this bill. Do not undo a system that is working with ration and reason today.

Mr. BARTON of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. WAMP], the father of Weston Wamp, one of the chief sponsors of our legislation.

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

I quit using the word revolution because it implies bloodshed, maybe even chaos. Started using the word correction where all of us, Democrats, Republicans, Independents could follow through on our word, just be consistent, clean this place up together.

I do not want to start on a negative here but, if we lose this bill and lose this vote, it will be basically for three reasons: First, it is a true bipartisan effort. Unfortunately, that is not the way things are done in this city. Actually, we have got Members from all over the place here. We have got Liberals, Conservatives, Democrats, Republicans, we cannot tell who is controlling the time from which side of the aisle because it is a true bipartisan effort and some folks do not like that.

Second, fear is an easy mechanism to use. We are going to hear all kinds of fears. I have heard caps. I have heard delays. I have heard even the word cuts used here today in Social Security, Medicare, that the tax cuts would be delayed or postponed. That is all a what-if scenario.

Theoretically, if Congress and the administration absolutely do nothing, heck, if we did not come back here between now and October 1, the Government would shut down again, but the Congress is not going to let that happen. We should not let this decision be driven by fear of what if. We are responsible Members. We will do what is right for the American folks and they know it.

The third thing is a technicality. There are a couple of technical flaws in this bill that we tried to get corrected, and the Committee on Rules said no. I think that is unfortunate. The Committee on Rules should allow us to improve the bill, and I understand that there was an agreement reached, and in the letter of the law we were going to submit the bill that was on the floor a month ago; but we tried to improve the bill, and we can still improve this bill, and it is not a reason to vote against it.

I am down here in support of this effort because from 1965 to now, the portion of the Federal budget that the Congress actually appropriates has gone from two-thirds of the total budget to one-third. Entitlements are on automatic pilot, and they are running away with the American taxpayers' dollars, and we must rein it in, not cut anybody's benefits, not reduce anybody's benefits, just slow down the growth and be responsible.

As a member of the Committee on Appropriations, I can tell my colleagues that, if the economy hiccups or belches a few times along the road in the next 5 years, all of the offsets, all of the reductions are going to have to come from the Committee on Appropriations. That is going to put pressure on student loans, on cancer research, on the investment dollars in the next generation. We cannot let that happen.

We are going to hear folks from one side of the aisle say, whoa to tax cuts, tax cuts are ok if we are still meeting the discipline and the fiscal restraint on the other side of the ledger. You are going to hear Members on one side of the aisle say, you cannot slow down entitlements.

We must come together and do it all and be serious with the American people. That is what this is about. All of my colleagues should vote ''yes.''

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

Mr. MINGE. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. TAUSCHER].

Mrs. TAUSCHER. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, four times in the last 15 years Congress and the President have told the American people that they had reached an agreement to balance the budget. In each case however, the deficit continued to grow. We now have the opportunity once again to make good on our word. Congress and the President have agreed on the outlines of a deficit reduction plan that will restore fiscal responsibility to our Nation's budget.

Unfortunately the success of this effort hinges on key enforcement provisions that are not yet part of this agreement. The bipartisan Budget Enforcement Act would put in place a mechanism to force Congress and the President to actively address spending that is higher than expected or where revenues have fallen short of expectations. Instead of ignoring excessive spending or revenue shortfalls, we would be forced to confront the causes of the problem and make adjustments accordingly.

We have made historic steps toward placing our economy on a sound footing for the first time in a generation. But without a strong budget enforcement mechanism, there is no guarantee that we will reach the goal of eliminating the deficit and living up to our agreement. I encourage my colleagues to support the motion to recommit on H.R. 2003.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL], ranking member of the Committee on Ways and Means.

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

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Mr. RANGEL. Mr. Speaker, I rise in opposition to H.R. 2003. Although I agree with the principles in which we should have some way of enforcing the budget agreement and reducing the deficit, the way this does that, it actually shatters the integrity of the entire House system as we know it, and it jeopardizes the jurisdiction of the authorizing committees as well as the appropriating committees.

Those of us that serve on committee, we take great pride, at least we did before the contract violated that, in the ability that allowed us to legislate, allowed us to get the bills passed to the House, and allowed the conferees to decide what to do.

In this, we will have some separate body outside of the ordinary legislative process making decisions, so that even if we found that the Medicare provisions were out of whack with what we had perceived, the first thing that is attacked is not the cost that the doctors would cause us, but we go straight to the premiums. Some of us would like to believe that there might be a more equitable way to do it.

The same thing applies to Social Security, if that falls short. Instead of trying to see whether we can make it even to enforce the budget, the first thing we go after is the cost-of-living increases and not really trying to see whether we can do something to resolve it.

It requires more cuts in the individual entitlement programs, even if overall there is a surplus in the entitlement programs. Of course, if one were to suspect that entitlement programs is the subject or the target to wipe out, then I would suggest this is the way to do it. But knowing that we are merely trying to enforce the budget agreement, it would seem to me that entitlement programs and spending generally should be what we are looking at and not just waiting for one program to fall behind.

This bill also would require spending cuts, but the tax increases would not be subjected to this even if the deficit is on the right track. So I really think that it hurts the House of Representatives as well as the Senate in years to come.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

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

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding this time to me, and I rise in support of H.R. 2003, the bipartisan Budget Enforcement Act.

Without this legislation, the balanced budget agreement will be devoid of any enforcement mechanism, and it runs the danger of joining the many past well-intentioned and long since forgotten efforts to balance the budget.

The truth is that once a balanced budget agreement is approved, history has demonstrated that it unravels as time passes and economic conditions change. Budget enforcement provisions are necessary to avoid this outcome and to ensure that we will follow-through on this agreement.

The bill has been drafted to prevent problems that developed with past budget enforcement proposals. It is important to remember that we are proposing enforcement of an already existing budget agreement. We are not trying to bypass difficult future decisions.

The act also applies evenly to all parts of the budget agreement, both spending and revenue provisions. And the bill provides flexibility in the case of changing economic circumstances.

Mr. Speaker, these enforcement provisions should serve as a deterrent for any failure to meet the provisions of the balanced budget agreement. Let us translate the rhetoric into action.

Mr. Speaker, these enforcement provisions should serve as a deterrent for any failure to

meet the provisions of the balanced budget agreement. Because every program is included, there will be strong pressure to adhere to the decisions made in the agreement—advocates for every Federal program and advocates for tax cuts will have an equal stake in reaching a balanced budget. Let me repeat: these enforcement provisions are intended to ensure that we keep to our agreement. It is interesting to note that so many Members seem to assume that we will be unable to do so. It is precisely because of this fear that H.R. 2003 is so critical.

Mr. Speaker, a number of Members who oppose this enforcement bill cite their concerns for the potential impact on various elements of the budget agreement—but that is exactly why this legislation is so effective and important. It treats both spending and revenues alike. If revenue projections fall short of the budget agreement, then further tax cuts would be delayed until revenues meet the targets. If entitlement programs grow beyond projected rates, corrective action would be necessary to avoid sequestration. Congress would have the power and adequate time to make alternative policy changes if they are necessary.

Why do some Members find this threatening? I strongly believe that we should delay tax cuts if we find that revenues are inadequate in the later years of the agreement. I also believe that we must control the growth of our entitlement programs—which are still allowed to grow under this bipartisan budget agreement, but which must be reined in if we are to maintain their future stability.

If we say we are committed to a balanced budget and agree that we must avoid the failures of the past, then there is no choice but to vote for H.R. 2003.

Mr. NUSSLE. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. BUNNING], a true Hall of Famer.

We have been talking about Hall of Famers today, but we have a true Hall of Famer, the very distinguished chairman of the Subcommittee on Social Security from the Committee on Ways and Means.

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

Mr. BUNNING. Mr. Speaker, ever since I came to Congress in 1987, I have worked hard for a balanced budget. A balanced budget is the finest guarantee that Government will be able to honor its commitments, and I believe we will keep our promise to balance the budget.

As chairman of the Subcommittee on Social Security under the Committee on Ways and Means, I have made it my job to protect Social Security and make sure benefits will be there for our senior citizens.

Over 43 million people, 43 million, receive Social Security benefits overall. Social Security makes up 40 percent of all the retirement income in this country—40 percent. We cannot desert the people who have worked for 20, 30, 40, 50 years and will soon retire. We must keep our promises. We must not jeopardize their benefits.

That is why I am not going to vote for the Budget Enforcement Act. The fact is the bill caps entitlements, including Social Security. If the Social Security cap is breached, the bill specifies that any cost-of-living adjustment be reduced or eliminated as a first step toward eliminating that breach. This just is not right and it is not fair.

As we all know, Social Security has the largest, best organized, most vocal constituency of any program. Americans are not looking for any nifty fixes to ensure the future of Social Security. Americans want real reform based on informed, thorough, and deliberative debate.

Such a debate is happening now in the Subcommittee on Social Security through an ongoing hearing series on the future of Social Security for this generation and the next. We have already held five hearings.

Social Security must not be the subject of an arbitrary cap. We must step up to the challenge and to our responsibility to protect the future of all Americans through real Social Security reform.

Mr. Speaker, I urge my colleagues to vote ''no'' on this Budget Enforcement Act.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I think we need to address directly what the gentleman from Kentucky [Mr. BUNNING] has just talked about.

First of all, he is absolutely correct that Social Security is a very important program and a very special program. I want to point out that it is a Federal entitlement program. It is an earned entitlement program, but it is a Federal program, so it should be a part of any comprehensive enforcement mechanism.

I would also point out that the caps on Social Security in our bill are not arbitrary caps. They are the estimates of spending on Social Security over the next 5 years that have been put into the bill by the President and the congressional leadership. There is nothing arbitrary about them at all. They are based on the very best estimates of a very well run program.

I would also point out that under our procedure on Social Security, the President and the Congress have three options: They can vote to waive the cap on Social Security, if they want to; they can vote to make some programmatic changes in Social Security, if they want to; and only as a last resort would sequestration go into effect.

Last, I would point out that because of the special nature of the Social Security Program, and the concerns that the gentleman from Kentucky and others have raised, we did offer to the Committee on Rules an amendment yesterday that would have taken the first $100 billion of any budget surpluses and put that towards the Social Security trust fund, to actually put real dollars in the trust fund. The Committee on Rules decided not to make that in order.

So I ask my colleagues not to be scared off by a diatribe or at least an attack on our overall bill because of Social Security. It is a Federal program. We know it is a special Federal program. We want to protect it. We have a lot of flexibilities in our bill to protect Social Security. But we cannot assume that just because it is Social Security, that it should be totally off limits.

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

The SPEAKER pro tempore. Does the gentleman from Texas [Mr. STENHOLM] seek to control the time previously controlled by the gentleman from Minnesota [Mr. MINGE]?

Mr. STENHOLM. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas [Mr. STENHOLM] is recognized.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida [Mr. BOYD].

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

Mr. BOYD. Mr. Speaker, I rise today in very strong support of the bipartisan Budget Enforcement Act. I want to thank the gentleman from Texas [Mr. BARTON], the gentleman from Delaware [Mr. CASTLE], and the gentleman from Tennessee [Mr. WAMP] for their work; and also the gentleman from Minnesota [Mr. MINGE] and the gentleman from Texas [Mr. STENHOLM] for getting us to this point where we can now address this issue on the floor.

I have heard Members who claim they support the balanced budget agreement and they support the balanced budget resolution; yet if asked to set their promises into law and make them enforceable, according to many of them, then every program will be cut and tax cuts will not take place.

Either we believe the economic assumptions are correct and the budget will be balanced in 2002 or we do not. Many of my colleagues are trying to have it both ways. They voted for H.R. 2014 and H.R. 2015 and sent out press releases trumpeting their support for a balanced budget agreement. Yet when they are asked to place these promises into law and make them enforceable, they talk about how programs will exceed the caps and revenue will not equal the projections.

This is incredible to me, because it becomes painfully obvious that they do not think the balanced budget agreement will truly balance the budget.

While I am new to Congress, this issue is not new. In 1982 we had a balanced budget agreement. In 1985 we had another balanced budget agreement, followed by another one in 1987, and yet another agreement in 1990. None of them succeeded because they were not enforced.

One of the things that is supposed to define intelligence is the ability to learn from our mistakes, and we must learn from those mistakes that we made previously. I ask my colleagues to support the Balanced Budget Enforcement Act.

The SPEAKER pro tempore. The Chair would advise Members that the gentleman from Texas [Mr. BARTON] has 5 minutes remaining; the gentleman from Iowa [Mr. NUSSLE] has 9½ minutes remaining; the gentleman from South Carolina [Mr. SPRATT] has 7½ minutes; and the gentleman from Texas [Mr. STENHOLM] has 8½ minutes remaining.

Mr. BARTON of Texas. Mr. Speaker, who has the right to close debate?

The SPEAKER pro tempore. The gentleman from Texas [Mr. BARTON] has the right to close.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

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

Mr. Speaker, while in concept adding budget safeguards that ensure we stay on track to balance the budget makes all the sense in the world, the measure before us fails to advance that goal in an acceptable fashion.

Now, we all know that the devil is in the details, and the shortcomings in the details before us are very significant. They are much too significant to overlook or to brush aside because we like the notion of budget enforcement.

I want to focus on three of the most glaring deficiencies.

Looking at the budget deal presently being negotiated, this historic effort to balance the budget, I believe that the most significant threats are exploding tax cuts, specifically indexing capital gains, or backloaded IRA's, these that have very dynamic revenue losses in the outyears but not in the early years.

Those tax cuts would not in any way be touched by this measure. This measure is a toothless tiger relative to addressing exploding tax cuts.

Second, it places an exceptionally convoluted process in place that totally tips on its head the standing jurisdictions of this House. Between November and December 15 the Committee on the Budget is given sole discretion over reconciling the accounts. That means jurisdiction over all standing authorizing committees, over the Committee on Appropriations, and over the Committee on Ways and Means. It is as though those committees have no expertise whatsoever. The Committee on the Budget is the where-all and the end-all of the decision-making if this bill would kick in.

Finally, if Congress would not act, it would just be the automatic sequester blade coming down and cutting, and that would include cuts on Social Security, Medicare, Medicaid, veterans' benefits, military retirement.

My goodness, these programs are much too vital to put on automatic pilot heading on down the slicing machine. We can do better than that. We must do better than that.

Budget enforcement, yes, but not this budget enforcement. Vote ''no.''

Mr. NUSSLE. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, we heard earlier someone say something close to this. I will put it a little differently: ''If you always do what you always did, you will always get what you always got.'' And that is pretty much what we have always learned here in the U.S. Congress.

Whenever we try to come in here in a rush to try to change the rules in the middle of the game in order to affect a particular outcome, what invariably happens is that we have an outcome which is not exactly what we intended. In fact, we heard here earlier about the deals and enforcements of 1984 and 1988 and 1989 and 1990 and all sorts of other enforcement provisions in the past. And the question was asked, well, was there a single thread? And the thread was, yes, it was done in a rush.

□ 1230

I would suggest to my colleagues that that is the thread that runs through much of this, is that we try to craft a little gimmick at the end in order to get the job done and get the ball over the goal line to score what we all want to do. And that is make sure that we have a balanced budget that it is enforceable, that we give to the American people tax relief, that we provide for spending reductions, and we do this in a way that we can all be proud of. And, so, we try to figure out little ways to do that.

But what we have done here, I believe, is a rush job, which I do not question as far as motivation, but I do question as far as whether or not it has been thought out to enough of a degree that it will, in fact, work. In fact, I believe this is much akin to ''hey, I know'' kind of legislation. We rush in here and we say, ''hey, I know; I have got an idea.''

In fact, we are going to hear a ''hey, I know'' idea at the very end of this on the motion to recommit. Someone is going to run in here and say, ''hey, I know; I know there is a problem with Social Security. Let us exempt that from this particular enforcement mechanism,'' or say, ''hey, I know; the veterans have a problem with it. Let us exempt them from this motion to recommit,'' or, ''hey, I know; we want to protect these tax cuts, so let us exempt that,'' or, ''hey, I know; let us come up with something else to make sure that we do not do damage to one particular constituency or allay the concerns of one particular part of the membership so that we can get this bill passed.''

We should not legislate by ''hey, I know.'' We should send this to committee. We should go through the process which has been promised by the chairman of Committee on Rules, the chairman of the Committee on the Budget, the chairman of the Committee on Ways and Means so that we can bring back to the floor before the end of the Congress, which has been the goal and commitment of both sides of the aisle, an enforcement mechanism within an overall process reform for this budget. We should do it under the auspices of the committee system with hearings which are ongoing. We should not do it when we know, in fact, that there are problems with this bill.

The chairman of the Subcommittee on Social Security was just down in the well explaining exactly how this might, in fact, affect Social Security. I am not suggesting that it does. We do not know. Part of this whole debate here today is the lack of clarity.

So what I would suggest to Members that are unsure about their vote on this particular bill, because I rise in opposition even though I want an enforcement mechanism, I want budget process reform; and so I know the angst that Members are going through right now saying, ''Gosh, I wish this was the one. It is really imperfect. It does not quite meet the standards of budget process reform. But I just want to do something.''

I would ask my colleagues to consider this: If they are crystal clear about what this is going to do to Social Security, come down here and vote yes. If they are not quite sure, though, they better consider voting no. If they are clear about what this will do to tax increases in the future, come down here and vote yes. But if they think this could, in fact, raise taxes, they better come down here and vote no.

Mr. MINGE. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. SANCHEZ].

Ms. SANCHEZ. Mr. Speaker, today we are opening the doors of Congress to the public. Twenty years ago, sunshine laws brought the light of public scrutiny to the once-secret committee rooms, but those laws did nothing to stop the secret dealings in smoke-filled rooms when it came time to write our Nation's budget.

The public wants a true balanced budget. They want an end to the trillion-dollar debt. They want real middle-class tax relief. Well, my friends, the only way the public is going to get what they want is to know that we have truly kept our promises, and that is through the Budget Enforcement Act.

This bill locks into law the goals of the balanced budget agreement. If Congress and the President want to change the terms of the deal, then they must pass a law to do so. This means that public hearings must be held and Congress can no longer rig the books in the dead of the night.

I am a businesswoman, and in business the marketplace is a gun to the head of any CEO to produce a bottom line and to make a profit. In government, that gun is the balanced budget. We must open up Congress to the public.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS], the ranking member of the Committee on Veterans' Affairs.

Mr. EVANS. Mr. Speaker, I thank the gentleman from South Carolina [Mr. SPRATT] for yielding me the time.

I oppose the Budget Enforcement Act because I believe our Nation's veterans

and their families may suffer if this bill is passed. If sequestration procedures were triggered, the Budget Enforcement Act could permanently reduce VA compensation benefits for more than 2.5 million service-connected disabled veterans and their surviving spouses next year. At the same time, needs-based pension programs for 710,000 low-income wartime veterans could be reduced, insurance premiums for more than 1.5 million veterans could be increased, and 30,000 veterans could be denied health care from the VA in 1998.

The Budget Enforcement Act would continue Congress' role in neglect toward our Nation's veterans. According to a recent Congressional Research Service report on Federal social spending, veterans benefits programs are the only Federal social programs in the recently adopted budget to suffer a real reduction in purchasing power over the next 5 fiscal years.

We in Congress are not willing to abandon our obligations to men and women who have served in this country. I urge my colleagues to defeat this bill and protect our Nation's veterans.

Mr. MINGE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Speaker, listening to this debate, I am reminded of the wisdom of Will Rogers when he observed, ''It ain't people's ignorance that bothers me so much. It's them knowing so much that ain't so which is the problem.''

This bill does not cut Social Security, does not cut veterans' benefits, does not raise taxes, does not put the Government on autopilot. It takes us off autopilot. It simply requires the Congress to act if we do not meet our promise to the people of 2002.

Last fall, many of us ran on a platform of fiscal responsibility. They made countless speeches about balancing the budget, and that plank helped in their election to the House. In March, after voting for the successful balanced budget constitutional amendment, they sent out the press release claiming their portion of that success. In May, my colleagues joined in the press conference hailing the balanced budget agreement between the President and Congress, and they endorsed the plan by voting for the House-passed reconciliation bills in June.

In every townhall meeting this year, my colleagues have insisted to skeptical constituents that, at long last, Congress can be trusted to balance the budget. Just like the national polls say, about four out of every five of their constituents say they do not think the Government can really do that. But my colleagues reassure them, after years of broken promises, this time we really are going to balance the Federal budget and keep it balanced.

That scenario really does not require much imagination, does it? For the vast majority of this body, it is our story. Now imagine this: It is the first week of August and you are addressing the first of two dozen townhall meetings that you will face over the next month. The first person up to the microphone, the one your opponent always plants in these meetings, asks, ''Congressman, how are you going to keep your promises to us? How did you vote on that bill which makes sure we really get a balanced budget, the one that enforces the spending and revenue targets laid out in the budget?''

I do not know about my colleagues, but there is only one answer I can imagine giving to that question: Seal that answer today. Vote ''yes'' on the bipartisan enforcement bill. Take us off autopilot. And force the Congress to act if we do not do that which we say we are doing.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Speaker, I thank the gentleman from South Carolina [Mr. SPRATT] for yielding me the time.

Mr. Speaker, I rise in strong opposition to the so-called Budget Enforcement Act. H.R. 2003 will lead to permanent reductions in veterans' benefits. Although its supporters describe this bill as a neutral and benign enforcement mechanism, in reality it would decimate the benefit programs our grateful Nation has provided for America's heroes, our veterans.

If this bill passes, education benefits for veterans would be cut. More than 345,000 men and women who served in our Nation's Armed Forces would be affected. Compensation provided for the men and women disabled as a result of their military service would be permanently reduced. More than 2.5 million veterans and their widows would be affected. The safety net we provide for our aging war veterans would be torn. More than 700,000 old and sick wartime veterans would be affected.

Let us not support a bill that would endanger the benefits earned by America's veterans. Let us tell our veterans that we support them. Vote ''no'' on H.R. 2003.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Delaware [Mr. CASTLE], the chief cosponsor and former Governor of Delaware.

Mr. CASTLE. Mr. Speaker, we have heard the scare tactics they talked about earlier. We heard about Social Security and maybe there will not be increases in Social Security. We heard about possible cuts in the veterans' programs. We heard that tax reductions will not go into place.

What has happened because of what Congress has done over many decades now? We have had this tremendous deficit adding to the debt of the United States. About 16 percent of the cost of the budget goes to pay the interest on the debt of the United States of America. We have had tax increases because of that.

We have to make changes. We need the budget enforcement. The budget enforcement bill provides that if there is a problem in terms of getting to where we need to be over those 5 years that we, the Congress, can waive the caps, that we, the Congress, can make programmatic changes, all of which we would do to protect Social Security or the veterans or the tax reductions; or we could do nothing and by sequestration it would be resolved.

I do not think that is going to happen. I think these are scare tactics. I believe that, if we believe that we should balance the budget of the United States of America, that we have to do more than just say that, we have to have a budget enforcement mechanism; and that is what this legislation is. Vote ''yes'' today.

Mr. NUSSLE. Mr. Speaker, I yield myself 3 minutes to ask a question of the distinguished gentleman from Delaware [Mr. CASTLE].

He mentioned that there has been some scare tactics today. I do not think there has been scare tactics as much as there has been uncertainty. And that is really what I was trying to bring out. Is the gentleman from Delaware [Mr. CASTLE] clear on the fact that Social Security, under his provision, would never be cut or veterans' benefits?

That is what we are suggesting, is that we are unclear. I think Members that are coming here to vote are not necessarily persuaded that there are definite sequestrations because they did build into this some mechanisms. But the concern is that it is unclear, and that is what I think raises so much concern from those of us that oppose this particular enforcement mechanism.

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

Mr. NUSSLE. I yield to the gentleman from Delaware.

Mr. CASTLE. Mr. Speaker, I thank the gentleman from Iowa [Mr. NUSSLE] for yielding. I am clear that if we pass the budget enforcement mechanisms here that we are going to have better protection of the programs, such as Social Security, than if we do not. We are facing crises in Social Security sometime in the near future. In this way, we can look at it and we can make corrections if the money is not there.

I think this is an improved mechanism in terms of dealing with not just Social Security but all of the entitlement programs, the concerns that have been expressed here today.

Mr. NUSSLE. Mr. Speaker, reclaiming my time, my concern, however, is this: It is easy to suggest that my colleagues are clear about this, but then my understanding is that what we are hearing is that there is going to be a motion to recommit that is going to be rushed in here that says, ''because we are real concerned about Social Security, and since my colleagues seem to

be so concerned about Social Security, we will exempt it,'' or veterans, ''we will exempt that,'' or tax cuts, ''we will exempt that.'' Something is going to be exempted because of all of this concern.

So either we are concerned and unclear or we are clear and not concerned. And that is why I think Members out there, while they want to support reform and enforcement, are concerned that this may not be the exact bill that we want to support to get that job done.

I yield to the gentleman.

Mr. CASTLE. Mr. Speaker, I thank the gentleman from Iowa [Mr. NUSSLE] for yielding.

With respect to Social Security, it will not be exempted in the bill that we actually presented to the Committee on Rules yesterday. I do not know if it will be in the motion to recommit or if there will be one here today. What it will do, essentially, is start to deal with the debt of Social Security, which is something I think we need to do. We are building a deficit there. We are having a problem not having the trust fund. That is why we are going to have economic problems with Social Security in the future.

This will be a great mechanism if we could add it to our bill. We probably will not be able to, but I would love to do that. But it does not exempt it per se.

Mr. NUSSLE. Mr. Speaker, reclaiming my time further, I understand that there may be some certainty on the part of the authors based on their careful work on their particular provision. But the rest of us have not had an opportunity to have the hearings, to think through the legislation, to consider all of its ramifications within a total process reform measure. And that is what concerns us.

□ 1245

I think the proof will be in the motion to recommit. If in fact we think this is such a good bill, the motion to recommit will be just some easy motion to recommit. But my feeling is that there is going to be a motion to recommit that comes down here that is going to say, ''Hey, wait a minute, we've got problems. We better move to recommit this and exempt Social Security.'' Or move to recommit this and exempt veterans. Or all of them.

I would suggest to my colleagues on both sides of the aisle that in fact if we believe this is such good legislation and if we believe the enforcement in this legislation is so perfect, then why do we on the one hand say it is not tough enough to take care of Social Security and on the other hand rush in here with a motion to recommit to try and fix it? We need to perfect this legislation in committee.

Mr. MINGE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DOOLEY].

(Mr. DOOLEY of California asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Speaker, I rise in strong support of the bipartisan Budget Enforcement Act. For the vast majority of Republicans and Democrats who stood up and voted for the balanced budget agreement, we were in fact making a promise, a commitment to the American people that we are ensuring that we will balance our budget while protecting the priorities of our American families and also by providing a responsible level of tax reduction.

What this bipartisan Budget Enforcement Act does is it basically provides the American people with an insurance policy, to ensure that Congress will not renege on the promises that are a part of the balanced budget agreement. It is a responsible measure that has the protections for entitlement programs in times of recession. For those people who contend that it is going to cut veterans benefits, it is going to cut Social Security, that it is going to cut entitlement programs, that will only happen if Congress and the President fail to live up to their elected responsibilities of providing some leadership to address some of the problems that emerge when we find that our spending is no longer in line with our revenues, by coming forth to the American people and telling them that we have to make some modifications in order to ensure that we can continue to provide the veterans with the benefits that they need.

Also, it gives us the opportunity to tell the American people that we do not have the ability. This is the enforcement mechanism for us to provide the leadership that the American people deserve.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. I thank the gentleman for yielding me this time.

Mr. Speaker, I oppose the Budget Enforcement Act because it would widen the divide between the wealthy and the poor in America. The legislation enforces spending and revenue targets agreed to in the budget agreement by a combination of entitlement caps and deferred tax breaks. But the bill treats entitlements that benefit the poor differently from tax cuts that benefit the wealthy. This act would permanently cut entitlement spending if it exceeds its cap while it places only a temporary delay on tax cuts if revenues fall short. The bill protects the capital gains cuts for the wealthy, but leaves basic assistance to families, children and the elderly on the chopping block.

Mr. Speaker, this Congress does not need another scheme to widen the gap between the rich and families struggling to get by. I urge that we vote against the Budget Enforcement Act today.

Mr. MINGE. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. HARMAN].

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, I thank the gentleman for yielding me this time and commend him above all others in this body for his perseverance on behalf of this important issue. I am pleased to cosponsor this legislation, but also urge support for the motion to recommit, which contains an even more perfected version of it.

As the mother of the deficit lock box, I have seen that mechanism work to reduce the deficit. Some of us insisted as a condition to supporting the 1993 budget agreement that the lock box be attached in Executive order. The result has been unprecedented growth.

Similarly, for those who support the balanced budget agreement, we need an enforcement mechanism, and this is the best we can come up with on a bipartisan basis. If we are going to lengths to balance the budget, why are we not going to lengths to enforce that budget?

I urge support for the motion to recommit. Failing that, I urge support for the legislation. A cut must be a cut and a balanced budget must be enforced.

Mr. MINGE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS. I thank the gentleman for yielding me this time.

Mr. Speaker, over the last number of years, we have all heard the voices of alarm that we are hearing again today. Those voices are wrong. As the gentleman from Delaware [Mr. CASTLE] said earlier, this bill will not cut Social Security. It will not cut veterans benefits. It will not take well-earned tax reductions away from taxpayers. If Members choose to listen to those voices, I assume that they will have a short-term political gain because they will not be criticized for voting for those things. But we have done enough around here for the last 30 years of making short-term political gains at the expense of the long-term health of the economy of this country.

If my colleagues believe in the terms of the balanced budget agreement, then put it into the law. If my colleagues believe it can and will work the way it has been planned by the President and the congressional leadership, then make sure it works by putting it into the law. Our motto around here for the last 30 years has been, ''The check is in the mail.'' Let us do something real this time. Let us make this agreement enforceable and real for the American people. Vote ''yes'' on this legislation.

Mr. NUSSLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, if it does not cut Social Security and if it does not cut veterans benefits and if it does not cut Medicare and if it does not affect the taxes and if it does not affect any other sacred cow in the Federal Government, how is it an enforcement mechanism? Everybody is rushing down here and we are

going to get a motion to recommit saying, ''Oh, don't worry about Social Security; don't worry about veterans benefits; don't worry about this. This really isn't as tough as everybody out there is saying it is.'' Then what does this do?

I have been patient about this and I am not going to question anybody's motive. But if in fact this does not do any of those things which it is advertised to do, then we better send this back and find out what it does do, because if it does not do all of those things, then it does not work. And if it does not work, why are we passing it here today in a big rush to say, ''Yeah, we're tough on budgets and, yeah, we're going to balance it and, yeah, we're going to put some teeth into this process''?

Come on. It is either going to be tough or it is not going to be tough. The groups out there that have studied this say it is pretty tough. Let us advertise it that way.

Mr. MINGE. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, this bill is tough because it requires us in Congress to be responsible. That is something that is tough news for all of us, and I hope that we can accept it.

Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, the gentleman from Minnesota [Mr. MINGE] is right. It requires Congress to act. That is why it is tough and that is why it is so necessary.

Mr. Speaker, a nation that is bankrupt is a nation that is vulnerable. It is no more complicated than that. By 2003 if we do not do anything, over 70 percent of the money that comes to Washington will be obligated. We will be on a collision course with debt and deficit. We got here together, Democrats and Republicans, equally responsible for the situation we find ourselves in. We are going to solve it together. This is a bipartisan bill from the rank and file Members of this House. This, make no mistake about it, is the only vehicle to translate the idea of balancing our Nation's budget today from an idea to reality. There is nothing else on the floor that will do it. Today is the time, and I hope that people in this House will have the opportunity to put their country ahead of partisan politics for once. Today is the day to do it.

Mr. MINGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. BOSWELL].

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

Mr. BOSWELL. Mr. Speaker, I have some difficulties with the bill.

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

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Minnesota is recognized for 1¼ minutes.

Mr. MINGE. Mr. Speaker, we have been journeying on a noble course here. It is a bipartisan course. It is a rank and file course. The leadership on both sides of the aisle has been either lukewarm or opposed to what we are doing. The White House has declined to provide us with any support. But instead Members of this body from around the country, from both parties, from all ends of the political spectrum, have seen that if we are not willing to stand up and take responsibility for what we do, hold ourselves accountable, introduce some discipline to the budget process, that we do not deserve to serve in this institution.

We feel that strong bipartisan budget enforcement is long overdue. It should not just apply to discretionary spending. It should apply to the entitlement programs. We ought to hold our tax cuts to the same standards. For those on my side of the aisle, indeed I would have written this bill differently if I had the opportunity to do it just for myself. I am sure that on the other side of the aisle, the feeling is mutual. But we attempted to come together and craft a bill that would have bipartisan support. It is ironic that the Democrats feel it does not deal harshly enough with the tax cuts. The Republicans feel it deals too harshly. Let us come together and get the job done.

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

The SPEAKER pro tempore. The gentleman from South Carolina is recognized for 2 minutes.

Mr. SPRATT. Mr. Speaker, as we close this debate, I think it is well to remember that deficits have come down. The promises we made in 1993 have been kept. We adopted that budget in a year when the deficit the prior year had been $290 billion. The Bush administration projected the deficit that year would be $332 billion. It was not. It was $255 billion. The next year it was $203 billion. In 1995, it was $164 billion. In 1996, last year, it was $107.8, and this year in a few weeks we will find that it is less than $40 billion.

So in the face of those facts, we are now looking at a hugely complex process to deal with a problem that has not presented itself for the last 5 years. We are imposing enormous complexity on the process. Let me give just one practical problem. This bill dictates that the President and OMB within 30 days of the close of the fiscal year, when the numbers are just coming in, must analyze every entitlement program and propose spending cuts that will not only rectify any past year overrun but also eliminate any excess in the year to come. Then it requires Congress to act on this hastily submitted proposal within less than 45 days, and that 45 days falls in a period when Congress is rarely in session. Indeed, every other year the House will be in a lame duck session.

So the Congress can act within this tight time frame, this bill dispenses with the jurisdiction of the authorizing committees and the appropriations committees and vests extraordinary jurisdiction in the Committee on the Budget. When the Committee on the Budget bring its bill to the floor, it dispenses with the Committee on Rules and allows any Member under the 5-minute rule to present any amendment that is germane to tax or spending measures in the bill before us.

□ 1300

Added to these extraordinary procedures is something else buried in the bill, one other example which deals with disaster relief. It sets up a reserve fund for disaster relief each year and pulls $5.5 billion out of discretionary spending.

Now in the budget agreement, we have cut discretionary spending to the bone. This would take it down another $27 billion over the next 5 years.

It is too much, it is not needed, it is well intentioned, but it should not be passed and is not required.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Iowa [Mr. NUSSLE] is recognized for his remaining 1½ minutes.

Mr. NUSSLE. Mr. Speaker, look, there is nobody who really wants to come down here and oppose reform because, quite honestly, I think there is major bipartisan support for reform. In fact, we have seen it here today. I commend, even though I have some concerns with this bill and I oppose it, I commend my friends and colleagues on the committee on which I serve and the conference in which I am proud to be a member and the Congress of which I enjoy the kind of bipartisanship on this particular issue and others. I commend them for the work that they have done.

We have bipartisan opposition, however, as well. I mean I want my colleagues to understand that, yes, there is bipartisan support, but that also means there is bipartisan opposition, and quite strong I would suggest. The committee chairs, the ranking members of the different committees of jurisdiction who want to move forward with legislation and reform are all standing foursquare in opposition to this here today.

I am worried about the advertising, quite honestly. And I do not question the motives of the Members that have written this particular bill, but I am worried about the advertising. This is either advertised as tough enforcement with teeth that is going to do the job once and for all, that is going to hold our feet to the fire, that is going to be automatic, that is going to have tough caps, or it is not. It either is going to go after some of these programs that we have been concerned about on the floor here today by various Members, such as Social Security, Medicare, veterans, all assorted programs that have obvious constituencies within the House and the country, or it does not.

We are not sure, and I think the proof is in the uncertainty. Send us back to committee. Vote against the bill and the motion to recommit.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the gentleman from

Wisconsin [Mr. NEUMANN], one of the most passionate balanced budgeters in the Congress.

Mr. NEUMANN. Mr. Speaker, I would like to specifically address my good friend from Iowa [Mr. NUSSLE] and his most recent comments about Social Security. This bill is very important. It does not go after Social Security in any way, shape, or form. In fact, the people in Washington, DC, are already going after Social Security because Social Security collects more money than it pays back out to our senior citizens in benefits every year.

That money is supposed to be sitting out here in Washington in a savings account. There is no savings account. Washington puts that money in the general fund, it spends all the money out of the general fund and then some; that is the deficit, and there is no money left to put in the Social Security trust fund so they simply put IOU's in there.

Let me finish; I only got 1 minute. To my good friend, I would normally be happy to yield. The bottom line is this: that money that is supposed to be in the Social Security trust fund is not there, and what we had proposed last night in amendment to this bill is that we take the first money from surpluses, the first hundred billion dollars, and set it aside to start preserving Social Security for our senior citizens. By the year 2012 not 2029, 2012, there is not enough money coming into the Social Security system to make good on our promises to seniors.

This bill does not go after Social Security. As a matter of fact it does not go far enough on stopping the people in Washington from going after Social Security.

Mr. BARTON of Texas. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 3 minutes.

Mr. NUSSLE. Mr. Speaker, will the gentleman yield for a question very briefly?

Mr. BARTON of Texas. If it does not come out of my time.

The SPEAKER pro tempore. It does come out of the time of the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I will yield to the gentleman very briefly.

Mr. NUSSLE. Mr. Speaker, why is there a cap if this does not affect Social Security?

Mr. BARTON of Texas. Mr. Speaker, last Saturday I took my daughter Kristin and my wife Janet to Philadelphia, the birthplace of freedom in this Nation. I stood in the room where Thomas Jefferson wrote the Declaration of Independence. In the beginning of that declaration it says:

> We hold these truths to be self-evident, that all men are created equal, they are endowed by their Creator with certain unalienable rights, and among those rights are the right to life, liberty, and the pursuit of happiness.

Those are very famous words that continue to echo down through the centuries.

I stand on the floor of the House of Representatives today to issue the following declaration of budget accountability: We hold these truths to be self-evident, that all items in the budget should be on the table, that enforcement mechanisms are necessary and that to implement those mechanisms we should have a bipartisan approach to budget enforcement.

The bill before us today does that.

I would like to point out that the caps and the targets in our bill are not something that the gentleman from Minnesota [Mr. MINGE] and the gentleman from Texas [Mr. BARTON] and the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. WAMP] and the gentleman from Texas [Mr. STENHOLM] came up with, they are numbers that President Clinton and the gentleman from Ohio [Mr. KASICH] and the gentleman from Georgia [Mr. GINGRICH] and the gentleman from Missouri [Mr. GEPHARDT] and Mr. DASCHLE and Mr. LOTT came up with. They are not our numbers; they are the agreed-upon numbers.

I would point out that this is a budget accountability bill. It forces us to address the problems.

When the gentleman from Iowa [Mr. NUSSLE] asked is it hard or is it soft, the truth is that as a last resort it is a hard enforcement bill. But the first resort is to give the President and the Congress the opportunity to waive any part of the cap or any part of the revenue target that we consciously vote on the floor to do so. The second option is to reform any program or any contingent tax cut that we consciously vote to do so, but as a last resort.

If we stick our head in the sand and do nothing, under this bill the deficit is not going to go up, it is going to stay within the caps. That is what sequestration is all about or the delayed tax cut is all about.

I would like to point out what the options are. If the spending does not come within the cap, Congress and the President can vote to waive the cap, Congress and the President can change the program, and as a last resort we can do this sequestration.

Everything in our budget under our bill is on the table. Everything. It has to be, my colleagues. Look at this chart. If we do nothing, the uncontrollable part of the budget with interest on the debt is going to be 70 percent in the year 2002, 70 percent. That is a complete reversal of what it was 25 years ago.

Our opponents have said we have to have budget enforcement; they just do not want to do it today or they do not want to do it like this.

I will urge my colleagues to vote for the bill. Let us do the right thing and let us do it now.

Mr. BOSWELL. Mr. Speaker, during the initial stages of the drafting of the Budget Enforcement Act I was supportive of the concept. Unfortunately, today I cannot support the final version of the act. I do however continue my strong support to the concept of enforcing the parameters agreed to in the budget reconciliation. I regret that I cannot support this legislation I had signed as a cosponsor. Sometimes in the legislative process the devil is in the details. Careful examination of the bill's language revealed the potential of severe reductions to vital programs for Iowans. Tax reductions and spending cuts to programs such as veterans benefits, Social Security, Medicare, and Medicaid could be mandated without the matter being brought to a vote in Congress. In this case as the details of the bill came to the surface and were not allowed to be corrected, it became apparent I could not support this legislation in its final form.

The people of Iowa sent me here to Washington to bring our Nation's fiscal house in order and I am working toward that end everyday. One of my first acts in Congress was to cosponsor the balanced budget amendment. I have also supported the reconciliation bill and both the spending and tax reduction bills. However I cannot support today's enforcement bill.

The Rules Committee passed a rule baring any amendments to the bill, forcing a vote on a bill which even many of its supporters including myself desired to amend when we discovered the need to improve the bill. Under the current version of the bill, if spending reduction and tax revenue targets are not met, any necessary revisions would be either mandatorily and arbitrarily imposed without a vote by Congress, or the Budget Committee would have jurisdiction over legislation designed to make any corrections to reach these targets. Neither of these processes are appropriate.

Months of hearings were held by the appropriate committees in an effort to fine tune the intricate details of the spending and taxation provisions of the budget. To throw out the knowledge and expertise of these committee members and place the entire burden on the Budget Committee or arbitrary across the board cuts is an abrogation of our legislative responsibility and squanders this knowledge base. The House's committee system exists for a purpose, to allow for thoughtful debate over policy considerations by members who know the most about that particular area. To subrogate these policy decision to the rushed, politically charged judgment of one committee is a misguided approach.

Additionally, the final version of the bill lacked sufficient incentives to force Congress to make the appropriate charges if spending and revenue targets are not met. The targets could be adjusted by a simple majority vote and therefore avoid the difficult decisions required to reach the end result of a balance budget in 2002.

Although I strongly support efforts to help ensure we do reach a balanced budget in 2002, I cannot support this enforcement bill in its current form.

Mr. STUMP. Mr. Speaker, I rise in opposition to H.R. 2003.

The VA Committee was able to meet our reconciliation targets in the traditional manner as envisioned by the bipartisan budget agreement.

We have a long tradition of complying with reconciliation directives. However, despite our record of responsible stewardship of veterans'

programs, H.R. 2003 would strip authority from the VA Committee and other authorizing committees. Its enforcement mechanism could create unfair results.

If an estimate of projected spending for Social Security or Medicaid turns out to be wrong, why should veterans pay the price?

Under H.R. 2003, that is exactly what could happen if an entitlement program exceeds its target in a given year.

In our budget process, the VA Committee relied on CBO budget estimates and then used our expertise in veterans affairs to meet our reconciliation targets.

H.R. 2003 would take away the VA Committee's ability to provide veterans benefits in an equitable manner.

For example, if the cost of veterans' disability compensation grew past its target because the department ruled that new or additional ailments were service-connected, the caps on allowable expenditures for veterans' entitlements would not be adjusted upward.

Although H.R. 2003 provides for alternatives to automatic cuts, it provides no assurance that benefits will continue to be paid as they are authorized.

Our Nation's veterans are willing to play their part in balancing the budget as long as it is done in a fair way.

The current paygo procedures have contained most increases in entitlement spending in the past and should continue to do so.

Let's move forward with the bipartisan budget agreement and the reconciliation bills and balance the budget.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise this morning to voice my opposition to H.R. 2003, the Budget Enforcement Act. I share with the authors of this legislation commitment to a balanced Federal budget and while I respect the principle underlying this legislation, I cannot support H.R. 2003.

H.R. 2003 is often described by its proponents as a straightforward piece of legislation that is neutral with respect to benefit programs and tax cuts and seeks simply to enforce the bipartisan budget agreement. Such a cursory descriptions of H.R. 2003 fails to provide a full picture of how it would work or the effects it would have. H.R. 2003 is neither simple nor neutral in its impact on benefit programs and tax cuts. In fact, it would have disturbing consequences.

H.R. 2003 would not treat revenue shortfalls and entitlement programs which exceed their target spending figures in the same manner. Under the bill's enforcement provisions, entitlement spending excesses are permanently canceled if spending levels exceeds target levels. These cuts would be triggered, even if the Government was running a surplus. Thus, if expenditures for programs like Medicare and veterans' pensions were slightly higher than forecast, they could be subject to across-the-board cuts although the budget was running a surplus.

Tax cuts, however, are simply delayed until revenue increases to target levels. Therefore, while the bill's provisions to avert revenue shortfalls are weak, on the entitlement side they are like a blunt instrument inflicting permanent loss.

Additionally, while some of the biggest tax cuts for the well-to-do would be shielded from the revenue control mechanisms of the bill, regardless of how much these tax cuts ultimately cost, none of the entitlement programs would be, not even programs providing basic benefits to the poorest children or the elderly and disabled. As a consequence, the bill could easily cause the gaps between the wealthy and other Americans to widen further.

Finally, H.R. 2003 would have no impact whatsoever in preventing an explosion of the costs of the tax cuts after 2002.

I urge my colleagues to join me in opposing H.R. 2003 and in so doing vote to protect programs for our Nation's most vulnerable citizens.

Mr. DAVIS of Florida. Mr. Speaker, today I rise in strong support of H.R. 2003, the Budget Enforcement Act. This legislation represents a commitment by this Congress not only to pass a plan to balance the budget, but to follow up with tough enforcement to ensure that this goal is met.

During the past 5 years, the budget deficit has been reduced dramatically from an all-time high of over $290 billion in 1992, to a level estimated to be well under $50 billion this year. Among the reasons we have been able to bring the deficit down are the statutory budget enforcement provisions covering discretionary spending which were put in place in 1990 and extended in the budget agreement of 1993. This bill builds on the success of those statutory enforcement provisions and for the first time applies similar restraints, with clearly defined safeguards, to mandatory spending and revenues.

For too long, Congress and the President have promised the American people a balanced budget with the result being continued deficits and an escalating national debt. Even after passage of the historic bipartisan agreement earlier this year and strong commitments by both sides of the aisle to this important goal, the American people do not sufficiently believe that the budget will actually be balanced. This skepticism is the result of broken promises of the past and the stark reality that no matter how carefully crafted the plan there are no guarantees of a balanced budget unless strong enforcement language is included. This bill represents a commitment to the American people that we, in Congress, will follow up our rhetoric with tough actions.

Opponents of the bill have argued that the enforceable caps will cause automatic cuts in Social Security and other important entitlement programs. These caps, however, will be adjusted for inflation, economic downturns, and growths in the eligible populations. Therefore, Social Security will not be put at risk. Furthermore, the enforcement provisions simply say that if we are spending much more than we intended on any particular program, then Congress and the President will have to make changes to bring that spending in line with previous estimates. There is also the option of Congress to agree to raising the caps if no agreement can be reached on the necessary changes. Only as a last resort would automatic cuts in any programs be triggered. Unfortunately, history has proven that without an unappealing hammer such as sequestration, Congress will always favor inaction over action.

Furthermore, this legislation for the first time attempts to put some controls on the revenue side of the budget. I believe the greatest threats to maintaining balance over the course of this budget agreement are some of the proposed tax cuts, many of which could explode in the outyears. This enforcement mechanism, although not as tough as I would like, at least prevents a bad situation from getting worse by delaying the phasein of any of the tax provisions if our established deficit targets are not met.

H.R. 2003 is far from perfect and my support for it today does not mean that I am in agreement with all the provisions included in the bill. It is truly unfortunate that improvements to the bill were not made in order by the Rules Committee or that the committees of jurisdiction, including the Budget Committee on which I serve, did not consider the bill. Specifically, there remain valid questions over the timeline established for action, the impact on automatic economic stabilizers, and the effectiveness in controlling exploding tax cuts. But I do not believe that we should make the perfect the enemy of the good. This bill is a strong step in the right direction and I believe these and other questions undoubtedly will be addressed as the bill moves forward.

Mr. Chairman, I urge all of my colleagues to support this legislation and commit to backing up the balanced budget agreement with a strong enforcement mechanism, guaranteeing that the budget will, in fact, be balanced no later than 2002.

Mr. BALLENGER. Mr. Speaker, I am proud to report that I am a cosponsor of the Budget Enforcement Act, a bill to reform the Federal budget process. If enacted, this bill will establish in law the budgetary outcomes projected to result from the 1997 balanced budget agreement, as well as provide for their enforcement. In addition, it includes long-overdue changes to emergency spending rules.

I wish to commend the bipartisan group of House Members who put this bill together. They have worked hard for years to craft this enforcement mechanism. They forced the leadership to allow a floor vote and sought to address everyone's concerns over the impact of this important legislation.

While I do not believe this legislation is perfect, I believe it represents an honest, bipartisan effort to ensure spending and revenue targets, agreed to by the Congress and the President, will actually be adhered to. We are working together to achieve the best alternative to address our Nation's deficit problems and respond to our constituents' concerns over our inability to live within the budgets we adopt.

My interest in the Budget Enforcement Act was sparked, in part, by a constituent letter which I received some months ago. My constituent challenged me to explain how the 5-year budget agreement of 1997 differed from other budget balancing plans which have gone by the wayside. He remembered well the grand promises Congress made to the American people following the Gramm-Rudman-Hollings budget deal in 1985 and three subsequent efforts to balance the budget.

Despite the good intentions of the authors of these budget balancing plans, we have yet to reach balance. Perhaps most disturbing is the fact that the national debt quintupled, to $5.3 trillion, during this sustained period of deficit spending.

For the record, I favor tax cuts every bit as much as my conservative colleagues who argue that the Budget Enforcement Act will result in a suspension of the budget's tax relief—or worse, will permit new tax increases and user fees to pay for deficits. In fact, passage of the Budget Enforcement Act will not

force any rollback of any tax cut that will already have taken effect. Among the respected groups making this analysis of the bill's impact on taxes is the National Taxpayers Union, which considers a ''yes'' vote to be a key vote for its rating of Members in the 105th Congress.

Some opponents of the Budget Enforcement Act argue that the most serious problem with this bill is that it would jeopardize the tax relief in the budget reconciliation bill. However, I do not view this as a major problem. Any unlikely delay in promised tax relief can be addressed immediately after we balance the budget and secure a budget surplus to enable us to take the Social Security trust funds off-budget.

The Budget Enforcement Act provides a separate cap for Social Security which would be adjusted for changes in numbers of beneficiaries and inflation. Since there are no other factors which can cause Social Security costs to rise, Social Security would not be affected. While the Budget Enforcement Act would not cut Social Security, we want to reassure seniors who will be the target of politically motivated distortion campaigns engineered by advocates of higher Federal spending. As such, the bill's supporters had prepared an amendment specifically to protect the Social Security trust funds.

We received a commitment from the House leadership that this amendment to reassure our Nation's seniors would be made in order during floor debate. Since the Rules Committee violated this pledge with its passage of a closed rule, I intend to vote against the rule on the Budget Enforcement Act. I strongly urge my colleagues to do the same.

Mr. PITTS. Mr. Speaker, Republicans have always maintained that fiscal restraint is the key to balancing our budget and generating economic growth. While liberals have attempted to balance the budget on the backs of taxpaying families, Republicans have continuously worked to get to balance by limiting our Government's size, scope, and spending.

I believe the only way we can balance our Federal budget is with increased tax relief and decreased Government. That is why I am introducing the Tax Relief Guarantee Act today.

The Tax Relief Guarantee Act accomplishes three important goals as we try to ensure tax relief and a balanced budget by the year 2002. First, my bill allows any Member of Congress to stop consideration of a bill which raises taxes to enforce the balanced budget agreement. Second, the Tax Relief Guarantee Act prohibits the suspension or revocation of any tax relief given over the next 5 years. And finally, this legislation requires that the budget be in balance by the year 2002.

The Tax Relief Guarantee Act essentially ensures that any revenue shortfall in the balanced budget agreement be mitigated by decreases in spending, not an increase in taxes or a suspension of tax relief. Liberal still contend that we must balance the budget through tax increases in the event of revenue shortfalls. But I think it's about time that we promise the American people that we will not take their money away if difficulties arise in balancing our budget.

Since the beginning of the 105th Congress, my top priorities have been to provide American families permanent tax relief and to balance the budget by 2002. Members of Congress must prove that we have the courage to put money back into the pockets of hard-working Americans, and take it out of the hands of the Washington bureaucrats. I believe that the Tax Relief Guarantee Act will ensure permanent tax relief, and will require Washington to scale back its frivolous spending. Mr. Speaker, I urge my colleagues to join me in supporting this bill and locking in tax relief for all Americans.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 192, the bill is considered read for amendment, and the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. THURMAN

Mrs. THURMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. THURMAN. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. THURMAN moves to recommit the bill to the Committee on the Budget with instructions to report the bill back to the House forthwith, with the following amendment:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Balanced Budget Assurance Act of 1997''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

Title I—Ensure That the Bipartisan Balanced Budget Agreement of 1997 Achieves Its Goal

Sec. 101. Timetable.
Sec. 102. Procedures to avoid sequestration or delay of new revenue reductions.
Sec. 103. Effect on Presidents' budget submissions; point of order.
Sec. 104. Deficit and revenue targets.
Sec. 105. Direct spending caps.
Sec. 106. Economic assumptions.
Sec. 107. Revisions to deficit and revenue targets and to the caps for entitlements and other mandatory spending.

Title II—Enforcement Provisions

Sec. 201. Reporting excess spending.
Sec. 202. Enforcing direct spending caps.
Sec. 203. Sequestration rules.
Sec. 204. Enforcing revenue targets.
Sec. 205. Exempt programs and activities.
Sec. 206. Special rules.
Sec. 207. The current law baseline.
Sec. 208. Limitations on emergency spending.

Title III—Use of Budget Surplus to Preserve Social Security Trust Fund

Sec. 301. Ending Use of Receipts of Social Security Trust Fund for Other Programs and Activities.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) ELIGIBLE POPULATION.—The term ''eligible population'' shall mean those individuals to whom the United States is obligated to make a payment under the provisions of a law creating entitlement authority. Such term shall not include States, localities, corporations or other nonliving entities.

(2) SEQUESTER AND SEQUESTRATION.—The terms ''sequester'' and ''sequestration'' refer to or mean the cancellation of budgetary resources provided by discretionary appropriations or direct spending law.

(3) BREACH.—The term ''breach'' means, for any fiscal year, the amount (if any) by which outlays for that year (within a category of direct spending) is above that category's direct spending cap for that year.

(4) BASELINE.—The term ''baseline'' means the projection (described in section 207) of current levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

(5) BUDGETARY RESOURCES.—The term ''budgetary resources'' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.

(6) DISCRETIONARY APPROPRIATIONS.—The term ''discretionary appropriations'' means budgetary resources (except to fund direct spending programs) provided in appropriation Acts. If an appropriation Act alters the level of direct spending or offsetting collections, that effect shall be treated as direct spending. Classifications of new accounts or activities and changes in classifications shall be made in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate and with CBO and OMB.

(7) DIRECT SPENDING.—The term ''direct spending'' means—

(A) budget authority provided by law other than appropriation Acts, including entitlement authority;

(B) entitlement authority; and

(C) the food stamp program.

If a law other than an appropriation Act alters the level of discretionary appropriations or offsetting collections, that effect shall be treated as direct spending.

(8) ENTITLEMENT AUTHORITY.—The term ''entitlement authority'' means authority (whether temporary or permanent) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

(9) CURRENT.—The term ''current'' means, with respect to OMB estimates included with a budget submission under section 1105(a) of title 31 U.S.C., the estimates consistent with the economic and technical assumptions underlying that budget.

(10) ACCOUNT.—The term ''account'' means an item for which there is a designated budget account designation number in the President's budget.

(11) BUDGET YEAR.—The term ''budget year'' means the fiscal year of the Government that starts on the next October 1.

(12) CURRENT YEAR.—The term ''current year'' means, with respect to a budget year, the fiscal year that immediately precedes that budget year.

(13) OUTYEAR.—The term ''outyear'' means, with respect to a budget year, any of the fiscal years that follow the budget year.

(14) OMB.—The term ''OMB'' means the Director of the Office of Management and Budget.

(15) CBO.—The term ''CBO'' means the Director of the Congressional Budget Office.

(16) BUDGET OUTLAYS AND OUTLAYS.—The terms ''budget outlays'' and ''outlays'' mean, with respect to any fiscal year, expenditures

of funds under budget authority during such year.

(17) BUDGET AUTHORITY AND NEW BUDGET AUTHORITY.—The terms ''budget authority'' and ''new budget authority'' have the meanings given to them in section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(18) APPROPRIATION ACT.—The term ''appropriation Act'' means an Act referred to in section 105 of title 1 of the United States Code.

(19) CONSOLIDATED DEFICIT.—The term ''consolidated deficit'' means, with respect to a fiscal year, the amount by which total outlays exceed total receipts during that year.

(20) SURPLUS.—The term ''surplus'' means, with respect to a fiscal year, the amount by which total receipts exceed total outlays during that year.

(21) DIRECT SPENDING CAPS.—The term ''direct spending caps'' means the nominal dollar limits for entitlements and other mandatory spending pursuant to section 105 (as modified by any revisions provided for in this Act).

TITLE I—ENSURE THAT THE BIPARTISAN BALANCED BUDGET AGREEMENT OF 1997 ACHIEVES ITS GOAL

SEC. 101. TIMETABLE.

On or before:	Action to be completed:
January 15	CBO economic and budget update.
First Monday in February.	President's budget update based on new assumptions.
August 1	CBO and OMB updates.
August 15	Preview report.
Not later than November 1 (and as soon as practical after the end of the fiscal).	OMB and CBO Analyses of Deficits, Revenues and Spending Levels and Projections for the Upcoming Year.
November 1–December 15	Congressional action to avoid sequestration.
December 15	OMB issues final (look back) report for prior year and preview for current year.
December 15	Presidential sequester order or order delaying new/additional revenues reductions scheduled to take effect pursuant to reconciliation legislation enacted in calendar year 1997.

SEC. 102. PROCEDURES TO AVOID SEQUESTRATION OR DELAY OF NEW REVENUE REDUCTIONS.

(a) SPECIAL MESSAGE.—If the OMB Analysis of Actual Spending Levels and Projections for the Upcoming Year indicates that—

(1) deficits in the most recently completed fiscal year exceeded, or the deficits in the budget year are projected to exceed, the deficit targets in section 104, as adjusted pursuant to section 107;

(2) revenues in the most recently completed fiscal year were less than, or revenues in the current year are projected to be less than, the revenue targets in section 104, as adjusted pursuant to section 107; or

(3) outlays in the most recently completed fiscal year exceeded, or outlays in the current year are projected to exceed, the caps in section 104, as adjusted pursuant to section 107;

the President shall submit to Congress with the OMB Analysis of Actual Spending Levels and Projections for the Upcoming Year a special message that includes proposed legislative changes to—

(A) offset all or part of net deficit or outlay excess;

(B) offset all or part of any revenue shortfall; or

(C) revise the deficit or revenue targets or the outlay caps contained in this Act;

through any combination of—

(i) reductions in outlays;

(ii) increases in revenues; or

(iii) increases in the deficit targets or expenditure caps, or reductions in the revenue targets, if the President submits a written determination that, because of economic or programmatic reasons, less than the entire amount of the variances from the balanced budget plan should be offset.

(b) INTRODUCTION OF THE PRESIDENT'S PACKAGE.—Not later than November 15, the message from the President required pursuant to subsection (a) shall be introduced as a joint resolution in the House of Representatives or the Senate by the chairman of its Committee on the Budget. If the chairman fails to do so, after November 15, the joint resolution may be introduced by any Member of that House of Congress and shall be referred to the Committee on the Budget of that House.

(c) HOUSE COMMITTEE ACTION.—The Committee on the Budget, in consultation with the committees of jurisdiction, or, in the case of revenue shortfalls, the Committee on Ways and Means of the House of Representatives shall, by November 15, report a joint resolution containing—

(1) the recommendations in the President's message, or different policies and proposed legislative changes than those contained in the message of the President, to ameliorate or eliminate any excess deficits or expenditures or any revenue shortfalls, or

(2) any changes to the deficit or revenue targets or expenditure caps contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(d) PROCEDURE IF THE APPROPRIATE COMMITTEE OF THE HOUSE OF REPRESENTATIVES FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF COMMITTEES ON THE BUDGET OF THE HOUSE.—If the Committee on the Budget of the House of Representatives fails, by November 20, to report a resolution meeting the requirements of subsection (c), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a), and the joint resolution shall be placed on the appropriate calendar.

(2) CONSIDERATION OF DISCHARGE RESOLUTION IN THE HOUSE.—If the Committee has been discharged under paragraph (1) above, any Member may move that the House of Representatives consider the resolution. Such motion shall be highly privileged and not debatable. It shall not be in order to consider any amendment to the resolution except amendments which are germane and which do not change the net deficit impact of the resolution.

(e) CONSIDERATION OF JOINT RESOLUTIONS IN THE HOUSE.—Consideration of resolutions reported pursuant to subsection (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d). Notwithstanding subsection (d) and any other rule or order of the House of Representatives or the Senate, it shall be in order to consider amendments to ameliorate any excess spending or revenue shortfalls through different policies and proposed legislation and which do not change the net deficit impact of the resolution.

(f) TRANSMITTAL TO SENATE.—If a joint resolution passes the House of Representatives pursuant to subsection (e), the Clerk of the House of Representatives shall cause the resolution to be engrossed, certified, and transmitted to the Senate within 1 calendar day of the day on which the resolution is passed. The resolution shall be referred to the Senate Committee on the Budget.

(g) REQUIREMENTS FOR SPECIAL JOINT RESOLUTION IN THE SENATE.—The Committee on the Budget, in consultation with the committees of jurisdiction, or, in the case of revenue shortfalls, the Committee on Finance of the Senate shall report not later than December 1—

(1) a joint resolution reflecting the message of the President; or

(2) the joint resolution passed by the House of Representatives, with or without amendment; or

(3) a joint resolution containing different policies and proposed legislative changes than those contained in either the message of the President or the resolution passed by the House of Representatives, to eliminate all or part of any excess deficits or expenditures or any revenue shortfalls, or

(4) any changes to the deficit or revenue targets, or to the expenditure caps, contained in this Act, except that any changes to the deficit or revenue targets or expenditure caps cannot be greater than the changes recommended in the message submitted by the President.

(h) PROCEDURE IF THE APPROPRIATE COMMITTEE OF THE SENATE FAILS TO REPORT REQUIRED RESOLUTION.—(1) In the event that the Committee on the Budget of the Senate fails, by December 1, to report a resolution meeting the requirements of subsection (g), the committee shall be automatically discharged from further consideration of the joint resolution reflecting the President's recommendations introduced pursuant to subsection (a) and of the resolution passed by the House of Representatives, and both joint resolutions shall be placed on the appropriate calendar.

(2) Any member may move that the Senate consider the resolution passed by the House of Representatives or the resolution introduced pursuant to subsection (b).

(i) CONSIDERATION OF JOINT RESOLUTION IN THE SENATE.—Consideration of resolutions reported pursuant to subsections (c) or (d) shall be pursuant to the procedures set forth in section 305 of the Congressional Budget Act of 1974 and subsection (d).

(j) PROCEDURE IF JOINT RESOLUTION DOES NOT ELIMINATE DEFICIT EXCESS.—If the joint resolution reported by the Committee on the Budget, Way and Means, or Finance pursuant to subsection (c) or (g) or a joint resolution discharged in the House of Representatives or the Senate pursuant to subsection (d)(1) or (h) would eliminate less than—

(1) the entire amount by which actual or projected deficits exceed, or revenues fall short of, the targets in this Act; or

(2) the entire amount by which actual or projected outlays exceed the caps contained in this Act;

then the Committee on the Budget of the Senate shall report a joint resolution, raising the deficit targets or outlay caps, or reducing the revenue targets for any year in which actual or projected spending, revenues or deficits would not conform to the deficit and revenue targets or expenditure caps in this Act.

(k) CONFERENCE REPORTS SHALL FULLY ADDRESS DEFICIT EXCESS.—It shall not be in order in the House of Representatives or the Senate to consider a conference report on a joint resolution to eliminate all or part of any excess deficits or outlays or to eliminate all or part of any revenue shortfall compared to the deficit and revenue targets and the expenditure caps contained in this Act, unless—

(1) the joint resolution offsets the entire amount of any overage or shortfall; or

(2) the House of Representatives and Senate both pass the joint resolution reported pursuant to subsection (j)(2).

The vote on any resolution reported pursuant to subsection (j)(2) shall be solely on the subject of changing the deficit or revenue targets or the expenditure limits in this Act.

SEC. 103. EFFECT ON PRESIDENTS' BUDGET SUBMISSIONS; POINT OF ORDER.

(a) BUDGET SUBMISSION.—Any budget submitted by the President pursuant to section 1105(a) of title 31, United States Code, for each of fiscal years 1998 through 2002 shall be consistent with the spending, revenue, and deficit levels established in sections 104 and 105, as adjusted pursuant to section 107, or it shall recommend changes to those levels

(b) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget unless it is consistent with the spending, revenue, and deficit levels established in sections 104 and 105, as adjusted pursuant to section 107.

SEC. 104. DEFICIT AND REVENUE TARGETS.

(a) CONSOLIDATED DEFICIT (OR SURPLUS) TARGETS.—For purposes of sections 102 and 107, the consolidated deficit targets shall be—

(1) for fiscal year 1998, $90,500,000,000;
(2) for fiscal year 1999, $89,700,000,000;
(3) for fiscal year 2000, $83,000,000,000;
(4) for fiscal year 2001, $53,300,000,000; and
(5) for fiscal year 2002, there shall be a surplus of not less than $1,400,000,000.

(b) CONSOLIDATED REVENUE TARGETS.—For purposes of sections 102, 107, 201, and 204, the consolidated revenue targets shall be—

(1) for fiscal year 1998, $1,601,800,000,000;
(2) for fiscal year 1999, $1,664,200,000,000;
(3) for fiscal year 2000, $1,728,100,000,000;
(4) for fiscal year 2001, $1,805,100,000,000; and
(5) for fiscal year 2002, $1,890,400,000,000.

SEC. 105. DIRECT SPENDING CAPS.

(a) IN GENERAL.—Effective upon submission of the report by OMB pursuant to subsection (c), direct spending caps shall apply to all entitlement authority except for undistributed offsetting receipts and net interest outlays, subject to adjustments for changes in eligible populations and inflation pursuant to section 107. For purposes of enforcing direct spending caps under this Act, each separate program shown in the table set forth in subsection (d) shall be deemed to be a category.

(b) BUDGET COMMITTEE REPORTS.—Within 30 days after enactment of this Act, the Budget Committees of the House of Representatives and the Senate shall file with their respective Houses identical reports containing account numbers and spending levels for each specific category.

(c) REPORT BY OMB.—Within 30 days after enactment of this Act, OMB shall submit to the President and each House of Congress a report containing account numbers and spending limits for each specific category.

(d) CONTENTS OF REPORTS.—All direct spending accounts not included in these reports under separate categories shall be included under the heading ''Other Entitlements and Mandatory Spending''. These reports may include adjustments among the caps set forth in this Act as required below, however the aggregate amount available under the ''Total Entitlements and Other Mandatory Spending'' cap shall be identical in each such report and in this Act and shall be deemed to have been adopted as part of this Act. Each such report shall include the actual amounts of the caps for each year of fiscal years 1998 through 2002 consistent with the concurrent resolution on the budget for FY 1998 for each of the following categories:

Earned Income Tax Credit,
Family Support,
Civilian and other Federal retirement:
Military retirement,
Food stamps,
Medicaid,
Medicare,
Social security,
Supplemental security income,
Unemployment compensation,
Veterans' benefits,
Other entitlements and mandatory spending, and
Aggregate entitlements and other mandatory spending.

(e) ADDITIONAL SPENDING LIMITS.—Legislation enacted subsequent to this Act may include additional caps to limit spending for specific programs, activities, or accounts with these categories. Those additional caps (if any) shall be enforced in the same manner as the limits set forth in such joint explanatory statement.

SEC. 106. ECONOMIC ASSUMPTIONS.

Subject to periodic reestimation based on changed economic conditions or changes in eligible population, determinations of the direct spending caps under section 105, any breaches of such caps, and actions necessary to remedy such breaches shall be based upon the economic assumptions set forth in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 1998 (House Concurrent Resolution 84, 105th Congress). At the same time as the submission of the report by OMB pursuant to section 104(c), OMB shall submit to the President and Congress a report setting forth the economic assumptions in the joint explanatory statement of managers accompanying the concurrent resolution on the budget for fiscal year 1998 and the assumptions regarding eligible populations used in preparing the report submitted pursuant to section 104(c).

SEC. 107. REVISIONS TO DEFICIT AND REVENUE TARGETS AND TO THE CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.

(a) AUTOMATIC ADJUSTMENTS TO DEFICIT AND REVENUE TARGETS AND TO CAPS FOR ENTITLEMENTS AND OTHER MANDATORY SPENDING.—When the President submits the budget under section 1105(a) of title 31, United States Code, and upon submission of the OMB report pursuant to section 201(a) for any year, OMB shall calculate (in the order set forth below), and the budget and reports shall include, adjustments to the deficit and revenue targets, and to the direct spending caps (and those limits as cumulatively adjusted) for the current year, the budget year, and each outyear, to reflect the following:

(1) CHANGES TO REVENUE TARGETS.—

(A) CHANGES IN GROWTH.—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, growth adjustment factors shall equal the ratio between the level of year-over-year Gross Domestic Product, as adjusted by the chain-weighted GDP deflator measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 106.

(B) CHANGES IN INFLATION.—For Federal revenues and deficits under laws and policies enacted or effective before July 1, 1997, inflation adjustment factors shall equal the ratio between the level of year-over-year change in the Consumer Price Index measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 106.

(2) ADJUSTMENTS TO DIRECT SPENDING CAPS.—

(A) CHANGES IN CONCEPTS AND DEFINITIONS.—The adjustments produced by changes in concepts and definitions shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes. Such changes in concepts and definitions may only be made in consultation with the Committees on Appropriations, the Budget, and Government Reform and Oversight and Governmental Affairs of the House of Representatives and the Senate.

(B) CHANGES IN NET OUTLAYS.—Changes in net outlays for all programs and activities exempt from sequestration under section 204.

(C) CHANGES IN INFLATION.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, inflation adjustment factors shall equal the ratio between the level of year-over-year change in the Consumer Price Index measured for the fiscal year most recently completed and the applicable estimated level for that year as described in section 106 (relating to economic assumptions). For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps (for changes in economic conditions including inflation, nor for changes in numbers of eligible beneficiaries) unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 105 based on those projections.

(D) CHANGES IN ELIGIBLE POPULATIONS.—For direct spending under laws and policies enacted or effective on or before July 1, 1997, the direct spending caps shall be adjusted to reflect changes in eligible populations, based on the assumptions set forth in the OMB report submitted pursuant to section 106. In making such adjustments, OMB shall estimate the changes in spending resulting from the change in eligible populations. For direct spending under laws and policies enacted or effective after July 1, 1997, there shall be no adjustment to the direct spending caps for changes in numbers of eligible beneficiaries unless—

(i) the Act or the joint explanatory statement of managers accompanying such Act providing new direct spending includes economic projections and projections of numbers of beneficiaries; and

(ii) such Act specifically provides for automatic adjustments to the direct spending caps in section 105 based on those projections.

(E) INTRA-BUDGETARY PAYMENTS.—From discretionary accounts to mandatory accounts. The baseline and the discretionary spending caps shall be adjusted to reflect those changes.

(b) CHANGES TO DEFICIT TARGETS.—The deficit targets in section 104 shall be adjusted to reflect changes to the revenue targets or changes to the caps for entitlements and other mandatory spending pursuant to subsection (a).

(c) PERMISSIBLE REVISIONS TO DEFICIT AND REVENUE TARGETS AND DIRECT SPENDING CAPS.—Deficit and revenue targets and direct spending caps as enacted pursuant to sections 104 and 105 may be revised as follows: Except as required pursuant to subsection (a) and (b), deficit, revenue, and direct spending caps may only be adjusted by recorded vote. It shall be a matter of highest privilege in the House of Representatives and the Senate for a Member of the House of Representatives or the Senate to insist on a recorded vote solely on the question of amending such caps. It shall not be in order for the Committee on Rules of the House of Representatives to report a resolution waiving the provisions of this subsection. This subsection may be waived in the Senate

only by an affirmative vote of three-fifths of the Members duly chosen and sworn.

TITLE II—ENFORCEMENT PROVISIONS

SEC. 201. REPORTING EXCESS SPENDING.

(a) ANALYSIS OF ACTUAL DEFICIT, REVENUE, AND SPENDING LEVELS.—As soon as practicable after any fiscal year, OMB shall compile a statement of actual and projected deficits, revenues, and direct spending for that year and the current fiscal year. The statement shall identify such spending by categories contained in section 105.

(b) ESTIMATE OF NECESSARY SPENDING REDUCTION.—Based on the statement provided under subsection (a), the OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected deficits, revenues, or spending in the current or immediately preceding fiscal years in violation of the revenue targets or direct spending caps in section 104 or 105, as adjusted pursuant to section 107, by more than one-tenth of one percent of the applicable total revenues or direct spending for such year. The report shall include:

(1) The amount, if any, that total direct spending exceeded, or is projected to exceed, the aggregate direct spending cap in section 105, as adjusted pursuant to section 107.

(2) All instances in which actual direct spending has exceeded the applicable direct spending cap.

(3) The difference between the amount of spending available under the direct spending caps for the current year and estimated actual spending for the categories associated with such caps.

(4) The amounts by which direct spending shall be reduced in the current fiscal year to offset the net amount that actual direct spending in the preceding fiscal year and projected direct spending in the current fiscal year exceeds the amounts available for each cap category.

SEC. 202. ENFORCING DIRECT SPENDING CAPS.

(a) PURPOSE.—This subtitle provides enforcement of the direct spending caps on categories of spending established pursuant to section 105. This section shall apply for any fiscal year in which the statement provided under section 201 identifies actual direct spending in the preceding fiscal year or projected direct spending in the current year in excess of the aggregate direct spending cap, as adjusted pursuant to section 107.

(b) GENERAL RULES.—

(1) ELIMINATING A BREACH.—Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the baseline level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to eliminate a breach within that category.

(2) PROGRAMS, PROJECTS, OR ACTIVITIES.—Except as otherwise provided, the same percentage sequestration shall apply to all programs, projects and activities within a budget account.

(3) INDEFINITE AUTHORITY.—Except as otherwise provided, sequestration in accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration and succeeding fiscal years are reduced, from the level that would actually have occurred, by the applicable sequestration percentage or percentages.

(4) CANCELLATION OF BUDGETARY RESOURCES.—Budgetary resources sequestered from any account other than an trust, special or revolving fund shall revert to the Treasury and be permanently canceled.

(5) IMPLEMENTING REGULATIONS.—Notwithstanding any other provision of law, administrative rules or similar actions implementing any sequestration shall take effect within 30 days after that sequestration.

SEC. 203. SEQUESTRATION RULES.

(a) GENERAL RULES.—For programs subject to direct spending caps:

(1) TRIGGERING OF SEQUESTRATION.—Sequestration is triggered if total direct spending subject to the caps in the preceding fiscal year and projected direct spending subject to the caps in the current fiscal year exceeds the total of aggregate caps for direct spending for the current and immediately preceding fiscal year.

(2) CALCULATION OF REDUCTIONS.—The amount to be sequestered from direct spending programs under each separate cap shall be determined by multiplying the total amount that direct spending in that category exceeded or is projected to exceed the direct spending cap for that category by—

(A) the net amount that total direct spending exceeded, or is projected to exceed, the aggregate spending caps, as identified pursuant to paragraph 201(b)(1); multiplied by

(B) the net amount that direct spending by which the category exceeded and is projected to exceed the direct spending cap for that category, divided by the net amount that total spending exceeded and is projected to exceed the applicable direct spending cap for all categories in which spending exceeds the applicable direct spending caps.

(3) UNIFORM PERCENTAGES.—In calculating the uniform percentage applicable to the sequestration of all spending programs or activities within each category, or the uniform percentage applicable to the sequestration of nonexempt direct spending programs or activities, the sequestrable base for direct spending programs and activities is the total level of outlays for the fiscal year for those programs or activities in the current law baseline.

(4) PERMANENT SEQUESTRATION OF DIRECT SPENDING.—Obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first direct spending sequestration, any later sequestration shall reduce direct spending by an amount in addition to, rather than in lieu of, the reduction in direct spending in place under the existing sequestration or sequestrations.

(5) SPECIAL RULE.—For any direct spending program in which—

(A) outlays pay for entitlement benefits;

(B) a current-year sequestration takes effect after the 1st day of the budget year;

(C) that delay reduces the amount of entitlement authority that is subject to sequestration in the budget; and

(D) the uniform percentage otherwise applicable to the budget-year sequestration of a program or activity is increased due to the delay;

then the uniform percentage shall revert to the uniform percentage calculated under paragraph (3) when the budget year is completed.

(6) INDEXED BENEFIT PAYMENTS.—If, under any entitlement program—

(A) benefit payments are made to persons or governments more frequently than once a year; and

(B) the amount of entitlement authority is periodically adjusted under existing law to reflect changes in a price index (commonly called ''cost of living adjustments'');

sequestration shall first be applied to the cost of living adjustment before reductions are made to the base benefit. For the first fiscal year to which a sequestration applies, the benefit payment reductions in such programs accomplished by the order shall take effect starting with the payment made at the beginning of January following a final sequester. For the purposes of this subsection, veterans' compensation shall be considered a program that meets the conditions of the preceding sentence.

(7) LOAN PROGRAMS.—For all loans made, extended, or otherwise modified on or after any sequestration under loan programs subject to direct spending caps—

(A) the sequestrable base shall be total fees associated with all loans made extended or otherwise modified on or after the date of sequestration; and

(B) the fees paid by borrowers shall be increased by a uniform percentage sufficient to produce the dollar savings in such loan programs for the fiscal year or years of the sequestrations required by this section.

Notwithstanding any other provision of law, in any year in which a sequestration is in effect, all subsequent fees shall be increased by the uniform percentage and all proceeds from such fees shall be paid into the general fund of the Treasury.

(8) INSURANCE PROGRAMS.—Any sequestration of a Federal program that sells insurance contracts to the public (including the Federal Crop Insurance Fund, the National Insurance Development Fund, the National Flood Insurance fund, insurance activities of the Overseas Private Insurance Corporation, and Veterans' Life insurance programs) shall be accomplished by increasing premiums on contracts entered into extended or otherwise modified, after the date a sequestration order takes effect by the uniform sequestration percentage. Notwithstanding any other provision of law, for any year in which a sequestration affecting such programs is in effect, subsequent premiums shall be increased by the uniform percentage and all proceeds from the premium increase shall be paid from the insurance fund or account to the general fund of the Treasury.

(9) STATE GRANT FORMULAS.—For all State grant programs subject to direct spending caps—

(A) the total amount of funds available for all States shall be reduced by the amount required to be sequestered; and

(B) if States are projected to receive increased funding in the budget year compared to the immediately preceding fiscal year, sequestration shall first be applied to the estimated increases before reductions are made compared to actual payments to States in the previous year—

(i) the reductions shall be applied first to the total estimated increases for all States; then

(ii) the uniform reduction shall be made from each State's grant; and

(iii) the uniform reduction shall apply to the base funding levels available to states in the immediately preceding fiscal year only to the extent necessary to eliminate any remaining excess over the applicable direct spending cap.

(10) SPECIAL RULE FOR CERTAIN PROGRAMS.—Except matters exempted under section 205 and programs subject to special rules set forth under section 206 and notwithstanding any other provisions of law, any sequestration required under this Act shall reduce benefit levels by an amount sufficient to eliminate all excess spending identified in the report issued pursuant to section 201, while maintaining the same uniform percentage reduction in the monetary value of benefits subject to reduction under this subsection.

(b) WITHIN-SESSION SEQUESTER.—If a bill or resolution providing direct spending for the current year is enacted before July 1 of that fiscal year and causes a breach within any direct spending cap for that fiscal year, 15 days later there shall be a sequestration to eliminate that breach within that cap.

SEC. 204. ENFORCING REVENUE TARGETS.

(a) PURPOSE.—This section enforces the revenue targets established pursuant to section 104. This section shall apply for any year in which actual revenues in the preceding fiscal year or projected revenues in the current year are less than the applicable revenue target, as adjusted pursuant to section 107.

(b) ESTIMATE OF NECESSITY TO SUSPEND NEW REVENUE REDUCTIONS.—Based on the statement provided under section 201(a), OMB shall issue a report to the President and the Congress on December 15 of any year in which such statement identifies actual or projected revenues in the current or immediately preceding fiscal years lower than the applicable revenue target in section 104, as adjusted pursuant to section 107, by more than 0.1 percent of the applicable total revenue target for such year. The report shall include—

(1) all laws and policies described in subsection (c) which would cause revenues to decline in the calendar year which begins January 1 compared to the provisions of law in effect on December 15;

(2) the amounts by which revenues would be reduced by implementation of the provisions of law described in paragraph (1) compared to provisions of law in effect on December 15; and

(3) whether delaying implementation of the provisions of law described in paragraph (1) would cause the total for revenues in the current fiscal year and actual revenues in the immediately preceding fiscal year to equal or exceed the total of the targets for the applicable years.

(c) NO CREDITS, DEDUCTIONS, EXCLUSIONS, PREFERENTIAL RATE OF TAX, ETC.—(1) If any provision of the Internal Revenue Code of 1986 added by the Revenue Reconciliation Act of 1997 establishing or increasing any credit, deduction, exclusion, or eligibility limit or reducing any rate would (but for this section) first take effect in a tax benefit suspension year, and would reduce revenues over the 5-year period beginning with the tax benefit suspension year, such provision shall not take effect until the first calendar year which is not a tax benefit suspension year.

(2) SUSPENSION OF INDEXATION.—No new adjustment for inflation shall be made to any credit, deduction, or exclusion enacted as part of the Revenue Reconciliation Act of 1997 in a tax benefit suspension year.

(d) END OF SESSION.—If the OMB report issued under subsection (a) indicates that the total revenues projected in the current year and actual revenues in the immediately preceding year will equal or exceed the applicable targets, the President shall sign an order ending the delayed phase-in of new tax cuts effective January 1. Such order shall provide that the new tax cuts and adjustments for inflation shall take effect as if the provisions of this section had not taken effect.

(e) SUSPENSION OF NEW BENEFITS BEING PHASED IN.—If, under any provision of the Internal Revenue Code of 1986 added by the Revenue Reconciliation Act of 1997, there is an increase in any benefit which would (but for this section) take effect with respect to a tax benefit suspension year, in lieu of applying subsection (c)—

(1) any increase in the benefit under such section with respect to such year and each subsequent calendar year shall be delayed 1 calendar year, and

(2) the level of benefit under such section with respect to the prior calendar year shall apply to such tax benefit suspension year.

(f) PERCENTAGE SUSPENSION WHERE FULL SUSPENSION UNNECESSARY TO ACHIEVE REVENUE TARGET.—If the application of subsections (c), (d), and (e) to any tax benefit suspension year would result in total revenues in the current year to equal or exceed the targets described in section 104 such that the amount of each benefit which is denied is only the percentage of such benefit which is necessary to result in revenues equal to such target. Such percentage shall be determined by OMB, and the same percentage shall apply to such benefits.

(g) TAX BENEFIT SUSPENSION YEAR.—For purposes of this section, the term ''tax benefit suspension year'' means any calendar year if the statement issued under subsection (b) during the preceding calendar year indicates that—

(1) for the fiscal year ending in such preceding calendar year, actual revenues were lower than the applicable revenue target in section 104, as adjusted pursuant to section 106, for such fiscal year by more than 1 percent of such target, or

(2) for the fiscal year beginning in such preceding calendar year, projected revenues (determined without regard to this section) are estimated to be lower than the applicable revenue target in section 104, as adjusted pursuant to section 106, for such fiscal year by more than 0.1 percent of such target.

SEC. 205. EXEMPT PROGRAMS AND ACTIVITIES.

The following budget accounts, activities within accounts, or income shall be exempt from sequestration—

(1) net interest;

(2) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

(3) offsetting receipts and collections;

(4) all payments from one Federal direct spending budget account to another Federal budget account;

(5) all intragovernmental funds including those from which funding is derived primarily from other Government accounts;

(6) expenses to the extent they result from private donations, bequests, or voluntary contributions to the Government;

(7) nonbudgetary activities, including but not limited to—

(A) credit liquidating and financing accounts;

(B) the Pension Benefit Guarantee Corporation Trust Funds;

(C) the Thrift Savings Fund;

(D) the Federal Reserve System; and

(E) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

(8) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

(9) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—

Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

Claims, defense;

Claims, judgments and relief act (20–1895–0–1–806);

Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14–0415–0–1–806);

Compensation of the President (11–0001–0–1–802);

Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

Eastern Indian land claims settlement fund (14–2202–0–1–806);

Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153):

Payments to copyright owners (03–5175–0–2–376);

Salaries of Article III judges (not including cost of living adjustments);

Soldier's and Airman's Home, payment of claims (84–8930–0–7–705);

Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401);

(10) the following noncredit special, revolving, or trust-revolving funds—

Exchange Stabilization Fund (20–4444–0–3–155); and

Foreign Military Sales trust fund (11–82232–0–7–155).

SEC. 206. SPECIAL RULES.

(a) CHILD SUPPORT ENFORCEMENT PROGRAM.—Any sequestration order shall accomplish the full amount of any required reduction in payments under sections 455 and 458 of the Social Security Act by reducing the Federal matching rate for State administrative costs under the program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

(b) COMMODITY CREDIT CORPORATION.—

(1) EFFECTIVE DATE.—For the Commodity Credit Corporation, the date on which a sequestration order takes effect in a fiscal year shall vary for each crop of a commodity. In general, the sequestration order shall take effect when issued, but for each crop of a commodity for which 1-year contracts are issued as an entitlement, the sequestration order shall take effect with the start of the sign-up period for that crop that begins after the sequestration order is issued. Payments for each contract in such a crop shall be reduced under the same terms and conditions.

(2) DAIRY PROGRAM.—

(A) As the sole means of achieving any reduction in outlays under the milk price-support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk in the United States and marketed by producers for commercial use.

(B) That price reduction (measured in cents per hundred-weight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued, and shall not exceed the aggregate amount of the reduction in outlays under the milk price-support program, that otherwise would have been achieved by reducing payments made for the purchase of milk or the products of milk under this subsection during that fiscal year.

(3) CERTAIN AUTHORITY NOT TO BE LIMITED.—Nothing in this Act shall restrict the Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in international trade, or limit or reduce in any way any appropriation that provides the Corporation with funds to cover its realized losses.

(c) EARNED INCOME TAX CREDIT.—

(1) The sequestrable base for earned income tax credit program is the dollar value of all current year benefits to the entire eligible population.

(2) In the event sequestration is triggered to reduce earned income tax credits, all earned income tax credits shall be reduced, whether or not such credits otherwise would result in cash payments to beneficiaries, by a uniform percentage sufficient to produce the dollar savings required by the sequestration.

(d) REGULAR AND EXTENDED UNEMPLOYMENT COMPENSATION.—

(1) A State may reduce each weekly benefit payment made under the regular and extended unemployment benefit programs for

any week of unemployment occurring during any period with respect to which payments are reduced under any sequestration order by a percentage not to exceed the percentage by which the Federal payment to the State is to be reduced for such week as a result of such order.

(2) A reduction by a State in accordance with paragraph (1) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of the Internal Revenue Code of 1986.

(e) FEDERAL EMPLOYEES HEALTH BENEFITS FUND.— For the Federal Employees Health Benefits Fund, a sequestration order shall take effect with the next open season. The sequestration shall be accomplished by annual payments from that Fund to the General Fund of the Treasury. Those annual payments shall be financed solely by charging higher premiums. The sequestrable base for the Fund is the current-year level of gross outlays resulting from claims paid after the sequestration order takes effect.

(f) FEDERAL HOUSING FINANCE BOARD.— Any sequestration of the Federal Housing Board shall be accomplished by annual payments (by the end of each fiscal year) from that Board to the general fund of the Treasury, in amounts equal to the uniform sequestration percentage for that year times the gross obligations of the Board in that year.

(g) FEDERAL PAY.—

(1) IN GENERAL.— New budget authority to pay Federal personnel from direct spending accounts shall be reduced by the uniform percentage calculated under section 203(c)(3), as applicable, but no sequestration order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any statutory pay system as increased by any amount payable under section 5304 of title 5, United States Code, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, United States Code, section 1109 of title 37, United States Code, or any other provision of law.

(2) DEFINITIONS.—For purposes of this subsection—

(A) the term ''statutory pay system'' shall have the meaning given that term in section 5302(1) of title 5, United States Code;

term ''elements of military pay'' means—

(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37, United States Code;

(ii) allowances provided members of the uniformed services under sections 403(a) and 405 of such title; and

(iii) cadet pay and midshipman pay under section 203(c) of such title; and

(C) the term ''uniformed services'' shall have the same meaning given that term in section 101(3) of title 37, United States Code.

(h) MEDICARE.—

(1) IN GENERAL.—Any sequestration shall accomplish 90% of the required reduction by reductions in payments for services under title XVIII of the Social Security Act and +10% of the required reduction through increases in beneficiary premiums under part B of title XVIII of the Social Security Act.

(2) TIMING OF APPLICATION OF REDUCTIONS.—

(A) IN GENERAL.— Except as provided in subparagraph (B), if a reduction is made in payment amounts pursuant to sequestration order, the reduction shall be applied to payment for services furnished after the effective date of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS.— In the case in which payment for services of a provider of services is made under title XVIII of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs after the effective date of order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs after the effective date of the order.

(3) NO INCREASE IN BENEFICIARY CHARGES IN ASSIGNMENT-RELATED CASES.—If a reduction in payment amounts is made pursuant to a sequestration order for services for which payment under part B of title XVIII of the Social Security Act is made on the basis of an assignment described in section 1842(b)(3)(B)(ii), in accordance with section 1842(b)(6)(B), or under the procedure described in section 1870(f)(1) of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

(4) PART B PREMIUMS.—In computing the amount and method, part B premiums shall be increased by a percentage to be determined by dividing 10% of the amount that medicare spending exceeds the applicable cap by the total amount of all premium collections. All beneficiary premiums shall be increased by the percentage calculated pursuant to the preceding sentence, except that no increase in the premium shall result in a reduction in social security benefit payments to any beneficiary.

(5) NO EFFECT ON COMPUTATION OF AAPCC.— In computing the adjusted average per capita cost for purposes of section 1876(a)(4) of the Social Security Act, the Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this part.

(i) POSTAL SERVICE FUND.— Any sequestration of the Postal Service Fund shall be accomplished by annual payments from that Fund to the General Fund of the Treasury, and the Postmaster General of the United States and shall have the duty to make those payments during the first fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each annual payment shall be—

(1) the uniform sequestration percentage, times

(2) the estimated gross obligations of the Postal Service Fund in that year other than those obligations financed with an appropriation for revenue forgone that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Within 30 days after the sequestration order is issued, the Postmaster General shall submit to the Postal Rate Commission a plan for financing the annual payment for that fiscal year and publish that plan in the Federal Register. The plan may assume efficiencies in the operation of the Postal Service, reductions in capital expenditures, increases in the prices of services, or any combination, but may not assume a lower Fund surplus or higher Fund deficit and shall follow the requirements of existing law governing the Postal Service in all other respects. Within 30 days of the receipt of that plan, the Postal Rate Commission shall approve the plan or modify it in the manner that modifications are allowed under current law. If the Postal Rate Commission does not respond to the plan within 30 days, the plan submitted by the Postmaster General shall go into effect. Any plan may be later revised by the submission of a new plan to the Postal Rate Commission, which may approve or modify it.

(j) POWER MARKETING ADMINISTRATIONS AND T.V.A.— Any sequestration of the Department of Energy power marketing administration funds or the Tennessee Valley Authority fund shall be accomplished by annual payments from those funds to the General Fund of the Treasury, and the administrators of those funds shall have the duty to make those payments during the fiscal year to which the sequestration order applies and each succeeding fiscal year. The amount of each payment by a fund shall be—

(1) the direct spending uniform sequestration percentage, times

(2) the estimated gross obligations of the fund in that year other than those obligations financed from discretionary appropriations for that year.

Any such payment for a fiscal year shall be made as soon as possible during the fiscal year, except that it may be made in installments within that year if the payment schedule is approved by the Secretary of the Treasury. Annual payments by a fund may be financed by reductions in costs required to produce the pre-sequester amount of power (but those reductions shall not include reductions in the amount of power supplied by the fund), by reductions in capital expenditures, by increases in tax rates, or by any combination, but may not be financed by a lower fund surplus, a higher fund deficit, additional borrowing, delay in repayment of principal on outstanding debt and shall follow the requirements of existing law governing the fund in all other respects. The administrator of a fund or the TVA Board is authorized to take the actions specified in this subsection in order to make the annual payments to the Treasury.

(k) BUSINESS-LIKE TRANSACTIONS.—Notwithstanding any other provision of law, for programs which provide a business-like service in exchange for a fee, sequestration shall be accomplished through a uniform increase in fees (sufficient to produce the dollar savings in such programs for the fiscal year of the sequestration required by section 201(a)(2), all subsequent fees shall be increased by the same percentage, and all proceeds from such fees shall be paid into the general fund of the Treasury, in any year for which a sequester affecting such programs are in effect.

SEC. 207. THE CURRENT LAW BASELINE.

(a) SUBMISSION OF REPORTS.—CBO and OMB shall submit to the President and the Congress reports setting forth the budget baselines for the budget year and the next nine fiscal years. The CBO report shall be submitted on or before January 15. The OMB report shall accompany the President's budget.

(b) DETERMINATION OF THE BUDGET BASELINE.—(1) The budget baseline shall be based on the common economic assumptions set forth in section 106, adjusted to reflect revisions pursuant to subsection (c).

(2) The budget baseline shall consist of a projection of current year levels of budget authority, outlays, revenues and the surplus or deficit into the budget year and the relevant outyears based on current enacted laws as of the date of the projection.

(3) For discretionary spending items, the baseline shall be the spending caps in effect pursuant to section 601(a)(2) of the Congressional Budget Act of 1974. For years for which there are no caps, the baseline for discretionary spending shall be the same as the last year for which there were statutory caps.

(4) For all other expenditures and for revenues, the baseline shall be adjusted by comparing unemployment, inflation, interest rates, growth and eligible population for the most recent period for which actual data are available, compared to the assumptions contained in section 107.

(c) REVISIONS TO THE BASELINE.—The baseline shall be adjusted for up-to-date economic assumptions for all reports issued pursuant to section 107 of this Act and section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 208. LIMITATIONS ON EMERGENCY SPENDING.

(a) IN GENERAL.—(1) Within the discretionary caps for each fiscal year contained in this Act, an amount shall be withheld from allocation to the appropriate committees of the House of Representatives and of the Senate and reserved for natural disasters and other emergency purposes.

(2) Such amount for each such fiscal year shall not be less than 1 percent of total budget authority and outlays available within those caps for that fiscal year.

(3) No adjustments shall be made to the discretionary spending limits under section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 unless the amount appropriated for discretionary accounts that have been designated as emergency requirements exceed the amount reserved pursuant to paragraph (1). Any adjustment shall be limited to the amount that total appropriations designated as emergency requirements for the fiscal year exceeds the amount reserved pursuant to paragraph (1).

(4) The amounts reserved pursuant to this subsection shall be made available for allocation to such committees only if—

(A) the President has made a request for such disaster funds;

(B) the programs to be funded are included in such request; and

(C) the projected obligations for unforeseen emergency needs exceed the 10-year rolling average annual expenditures for existing programs included in the Presidential request for the applicable fiscal year.

(5) Notwithstanding any other provision of law—

(A) States and localities shall be required to maintain effort and ensure that Federal assistance payments do not replace, subvert or otherwise have the effect of reducing regularly budgeted State and local expenditures for law enforcement, firefighting, road construction and maintenance, building construction and maintenance or any other category of regular government expenditure (to ensure that Federal disaster payments are made only for incremental costs directly attributable to unforeseen disasters, and do not replace or reduce regular State and local expenditures for the same purposes);

(B) the President may not take administrative action to waive any requirement for States or localities to make minimum matching payments as a condition or receiving Federal disaster assistance or take administrative action to waive all or part of any repayment of Federal loans for the State or local matching share required as a condition of receiving Federal disaster assistance. This clause shall apply to all matching share requirements and loans to meet matching share requirements under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and any other Acts pursuant to which the President may declare a disaster or disasters and States and localities otherwise qualify for Federal disaster assistance; and

(C) a two-thirds vote in each House of Congress shall be required for each emergency to reduce or waive the State matching requirement or to forgive all or part of loans for the State matching share as required under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(b) EFFECT BUDGET RESOLUTIONS.—(1) All concurrent resolutions on the budget (including revisions) shall specify the amount of new budget authority and outlays within the discretionary spending cap that shall be withheld from allocation to the committees and reserved for natural disasters, and a procedure for releasing such funds for allocation to the appropriate committee. The amount withheld shall be equal to 1 percent of the total discretionary spending cap for fiscal year covered by the resolution, unless additional amounts are specified.

(2) The procedure for allocation of the amounts pursuant to paragraph (1) shall ensure that the funds are released for allocation only pursuant to the conditions contained in subsection (a)(3)(A) through (C).

(c) RESTRICTION ON USE OF FUNDS.—Notwithstanding any other provision of law, the amount reserved pursuant to subsection (a) shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(d) NEW POINT OF ORDER.—(1) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''POINT OF ORDER REGARDING EMERGENCIES

''SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 or of section 208 of the Budget Enforcement Act of 1997 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.''.

(2) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

''Sec. 408. Point of order regarding emergencies.''.

TITLE III—USE OF BUDGET SURPLUS TO PRESERVE SOCIAL SECURITY TRUST FUND

SEC. 301. ENDING USE OF RECEIPTS OF SOCIAL SECURITY TRUST FUND FOR OTHER PROGRAMS AND ACTIVITIES.

(a) If, in any year, revenues are higher than the targets in Section 104, as adjusted pursuant to Section 107, or spending is lower than the caps in Section 105, as adjusted, and the deficits are lower than the targets in Section 105, as adjusted pursuant to Section 107, those amounts shall be applied pursuant to subsection (b).

(b) All funds described in subsection (a) up to $100 billion shall be used to reduce the consolidated budget deficit and, to the extent that funds are available to eliminate the consolidated budget deficit, to retire the outstanding debt of the United States Government held by the public.

(c) Any use of funds described in subsection (a) for any purpose other than provided in subsection (b) shall be subject to the requirements of Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, and any reduction in the amounts described in subsection (a) shall be considered as an increase in the deficit.

(d) When the President submits the budget under section 1105(a) of Title 31, United States Code for any year, OMB shall adjust the Social Security Trust Fund surpluses for each year under this Section, based on the most recent estimates of such surpluses to be provided to OMB by the Secretary of the Treasury.

Mrs. THURMAN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Florida [Mrs. THURMAN] is recognized for 5 minutes in support of her motion to recommit.

Mr. NUSSLE. Mr. Speaker, I reserve a point of order against the motion to recommit.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. NUSSLE] reserves a point of order.

The Chair recognizes the gentlewoman from Florida [Mrs. THURMAN] for 5 minutes.

Mrs. THURMAN. Mr. Speaker, after the Republican leadership promised to bring this bill to the floor, it was reviewed, as many bills are, by many experts in the various committees and outside organizations who have pointed out several problems in the bill. As a firm supporter of the concept behind this legislation, I believe it is extremely important to correct these problems. I strongly support the principle behind this legislation. We should enforce the budget agreement to ensure that this budget agreement delivers on the promise of a balanced budget.

Everyone in this body agrees that the best thing we can do for working men and women is to ensure that we actually balance the budget. If we do not add legislation enforcing the budget agreement, we could repeat the history of past failed efforts to balance the budget. Because this issue is so important, we should correct these problems so that we can pass an enforcement bill that does not have these problems.

This motion to recommit would correct the unintended problems with the bill that have been pointed out by many of its critics. This motion makes several important improvements to the bill:

First, it begins the process of restoring the integrity of the Social Security trust fund by reserving the first hundred billion dollars of any surplus to take the Social Security trust fund off budget.

Second, it protects Medicare beneficiaries by addressing the concern that Medicare beneficiaries would bear an unreasonable burden of sequestration.

Third, it protects the jurisdiction of the Committee on Ways and Means over enforcement of the revenue provisions.

Finally, it makes several other technical corrections to correct unanticipated problems with this bill.

This motion is in an effort to ensure that the legislation that the House

votes on today is our best effort on this issue. We should not ever vote on legislation that we all know has problems. We should fix those problems with this legislation before we vote on it.

So I agree with the gentleman from Iowa [Mr. NUSSLE]. We should recommit this bill, we should take it back to the committees, we should look at the issues that have been raised here and issues of outside critics, and we should adopt this motion to recommit.

Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Speaker, first off, I would like to also commend the Republican leadership for keeping their word and bringing this bill to the floor. The most important part, in my opinion, of this motion to recommit that is being made here is that we will start to address the Social Security issue. This has gone on since 1983 that this extra money that is being taken out of the paychecks of hardworking Americans that was supposed to be set aside to preserve and protect Social Security, it is going into the general fund, and it is being spent on other Government programs instead of being put aside to preserve and protect Social Security.

This motion to recommit would instruct the committee to take the first hundred billion dollars of surplus and actually start reserving it for Social Security so that when the time comes in the year 2012 that there is not enough money to make good on the promises to our senior citizens, the money would then be available if this motion to recommit were sent back and then the bill were passed and signed into law.

So in my opinion, the most important part of this is that we would start to address a very serious problem facing this Nation, and that is that the money that is supposed to be set aside for Social Security in this savings account, it is not there. It is IOU;s. And under this movement we would force this Government to actually start setting aside money so that Social Security once again would be safe and secure for our senior citizens.

Mrs. THURMAN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, I would like to thank the gentlewoman for yielding this time to me.

We have had a great deal of discussion today about the inadequacy of the rule, and I am pleased to be able to report that in this motion to recommit we address the problem with the rule and the bill that was offered as a substitute is now available for a vote.

This is a bill that was revised to take into account the criticisms that came from both sides of the aisle to try to make this a better bill. The critics are saying we are looking for the perfect bill. I have heard this over and over in this institution. But let us not make the perfect enemy of the good.

At the same time, let us recognize that if we want any type of enforcement mechanism that deals with the revenue side and the entitlement programs, that we have to move this legislation through the House of Representatives to the conference committee.

This motion to recommit gives us the best shot at providing the conference committee on the reconciliation bills with our best product at this point in time. If it is important to us in the House of Representatives to see the budget balanced and kept in balance, let us move the process ahead.

The SPEAKER pro tempore. All time has expired for the gentlewoman from Florida [Mrs. THURMAN].

Does the gentleman from Iowa [Mr. NUSSLE] insist on his point of order?

Mr. NUSSLE. Mr. Speaker, I withdraw my reservation on the point of order, and I rise in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. NUSSLE] is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I told you so. There were problems with this bill, and what happened? Here at the last minute, in a rush, without any consideration, without any light of day, without any committee process, without any disclosure to the other side, without any chance for the committees of jurisdiction to look at it, in comes the rushed motion to recommit. Just like my dad used to when as a family we used to go in and raid the refrigerator. We used to call it ''oosh-cum-noosht.'' This is ''oosh-cum-noosht''; that is what this is.

□ 1315

That is what this is. People came out and they said, hey, I know, we can fix Social Security. Let us put in this little provision. We can fix veterans. Let us put in this provision. We can fix Medicare. Let us put in this provision. It does not have enough teeth here. It has too much teeth there. Let us rush in and let us do this, because we want to make sure that in fact we are able to improve this particular piece of legislation at the last minute in a way to save the reform process.

Mr. Speaker, we do not need to save the reform process in this particular motion to recommit. The reform process has a strong foundation, laid very carefully by my good friends and colleagues that have spoken here today. That reform process will go forward. It must. If we are going to save this country from rampant deficits and national debt and bankrupt Social Security and many other problems that face this Nation, we have to go through the entire process, not a rushed bill, not a quick fix, not a quick address of the problems we heard within the debate with a motion to recommit. We have to come in and we have to go through the careful consideration and hearings and processes in order to get this job done.

First we had it down here and we heard there was too much teeth. Then the advertising changed and it was, do not worry about it, there are no teeth. Then we come in and find there are even less teeth. We find out that Social Security is not going to quite have as much teeth, Medicare will not have as much teeth, the spending sequestrations are not going to have as much teeth. Is this really reform?

Mr. Speaker, we need to have a careful process to go through in order to get this job done. This motion to recommit clearly does not even come close to that. I think the effort was admirable. The result missed the mark. This is only the first shot in an effort to reform the budget process. While it missed the mark, it will be heard throughout this Congress, throughout the committees. We will reform the budget process; not today.

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

Mr. NUSSLE. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Speaker, I appreciate the gentleman yielding to me.

Again, it seems to me like we ought to have some kind of a multiple choice test on this thing, based on the debate today, there is so much confusion about it.

I guess what I would say is this. This was advertised as a perfect product on June 25. We were going to bring this forward and we were going to vote on it as part of the deal then. The point was that a commitment was made for an up-or-down vote on that package, the June 25 package. The deal was an up-or-down vote on that. That is what we have brought to the floor today. It is what has been discussed.

As we said at the time, it was not ready. It is not ripe. This is too complex, it is too technical, there are too many people involved in it. We need to work it out through the normal process. We have a commitment from Chairman SOLOMON, we have a commitment from Chairman ARCHER, we have a commitment from Chairman KASICH to go forward in the regular process to do this the right way.

Trying to write budget reform and budget enforcement at this point in a motion to recommit on the floor is insanity. We all know it. Let the process work. The pledges are there, the commitments are there, the homework is there, the record is there, the good will and commitment and bright ideas of all the people who have brought this forward are there.

Not only that, we have a whole bunch of people, of organizations, that have suddenly woken up to this and said this is a very poor way to do this, because they have been listening to the debate and they have been understanding that, oh, my gosh, all of a sudden there may be a need for an exemption from the enforcement.

We have the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the Paralyzed Veterans of America, AMVETS, Retired Enlisted Association, Blinded Veterans Association, Noncommissioned Officers

Association, Military Order of Purple Heart, Jewish War Veterans, Retired Officers, Fleet Reserve, the AARP, and a whole bunch of other people out there saying, hold on, there is a problem. This is not the way to do this.

Mr. Speaker, I would urge that we defeat the motion to recommit, we defeat H.R. 2003, and we simply go about the normal process of getting on with budget reform.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—yeas 148, nays 279, answered ''present'' 1, not voting 6, as follows:

[Roll No. 300]

YEAS—148

Abercrombie
Allen
Andrews
Baesler
Ballenger
Barcia
Barrett (WI)
Barton
Bass
Bentsen
Bilirakis
Bishop
Blumenauer
Boswell
Boyd
Brady
Brown (CA)
Brown (FL)
Camp
Campbell
Canady
Carson
Castle
Chabot
Chenoweth
Clement
Clyburn
Coburn
Combest
Condit
Cramer
Danner
Davis (FL)
Deal
DeFazio
Deutsch
Doggett
Dooley
Doyle
Duncan
Edwards
Eshoo
Etheridge
Farr
Forbes
Fox
Furse
Ganske
Gilchrest
Goode
Gordon
Green
Greenwood
Gutknecht
Hall (TX)
Hamilton
Harman
Hefner
Hill
Hilliard
Hinojosa
Holden
Hooley
Horn
Houghton
Hunter
Inglis
Jefferson
John
Johnson (WI)
Kanjorski
Kaptur
Kind (WI)
Kleczka
Klug
Lampson
Lantos
Largent
LaTourette
Lazio
Leach
Luther
Maloney (CT)
Maloney (NY)
Manton
McCarthy (MO)
McCarthy (NY)
McCollum
McHale
McIntosh
McIntyre
McKinney
Meehan
Miller (CA)
Minge
Mink
Moran (VA)
Morella
Murtha
Neumann
Ney
Norwood
Paxon
Pease
Peterson (MN)
Pickett
Porter
Portman
Ramstad
Regula
Riggs
Roemer
Ros-Lehtinen
Rush
Sanchez
Sandlin
Sanford
Schaefer, Dan
Schaffer, Bob
Scott
Sherman
Shimkus
Sisisky
Skaggs
Smith, Adam
Smith, Linda
Stabenow
Stearns
Stenholm
Stupak
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thompson
Thurman
Turner
Upton
Visclosky
Wamp
Weldon (PA)
Weller
Wexler
Weygand
Woolsey
Yates

NAYS—279

Ackerman
Aderholt
Archer
Armey
Bachus
Baker
Baldacci
Barr
Barrett (NE)
Bartlett
Bateman
Becerra
Bereuter
Berman
Berry
Bilbray
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Cannon
Capps
Cardin
Chambliss
Christensen
Clay
Clayton
Coble
Collins
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Crane
Crapo
Cubin
Cummings
Cunningham
Davis (IL)
Davis (VA)
DeGette
Delahunt
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dreier
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Evans
Everett
Ewing
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Gutierrez
Hall (OH)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hinchey
Hobson
Hoekstra
Hostettler
Hoyer
Hulshof
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Latham
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Manzullo
Markey
Martinez
Mascara
Matsui
McCrery
McDade
McDermott
McGovern
McHugh
McInnis
McKeon
McNulty
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Moran (KS)
Myrick
Nadler
Neal
Nethercutt
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Redmond
Reyes
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Sabo
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schumer
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stokes
Strickland
Stump
Sununu
Thomas
Thornberry
Thune
Tiahrt
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
White
Whitfield
Wicker
Wise
Wolf
Wynn
Young (FL)

ANSWERED ''PRESENT''—1

Ensign

NOT VOTING—6

Gonzalez
Hutchinson
Pallone
Schiff
Stark
Young (AK)

☐ 1344

Mrs. LOWEY and Messrs. RAHALL, SMITH of Michigan, JACKSON of Illinois, NEAL of Massachusetts, OBERSTAR, GEPHARDT, KENNEDY of Massachusetts, MCNULTY, GEJDENSON, HASTINGS of Florida, KILDEE, BROWN of Ohio, WISE, BORSKI, VENTO, RODRIGUEZ, REYES, and ROTHMAN, Ms. ROYBAL-ALLARD, and Messrs. DIAZ-BALART, SCHUMER, ORTIZ, OWENS, MATSUI, TOWNS, and ENGEL, Ms. SLAUGHTER, Mr. PAYNE, Mr. HINCHEY, Ms. DEGETTE, and Messrs. RANGEL, DICKS, and ACKERMAN changed their vote from ''yea'' to ''nay.''

Ms. WOOLSEY, Ms. FURSE, Mr. RIGGS, Mrs. CHENOWETH, Ms. KAPTUR, and Messrs. WELDON of Pennsylvania, SHIMKUS, BOB SCHAFFER of Colorado, LAMPSON, and SANDLIN changed their vote from ''nay'' to ''yea.''

☐ 1345

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONILLA). The question is on the passage of the bill.

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

RECORDED VOTE

Mr. BARTON of Texas. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 81, noes 347, not voting 6, as follows:

[Roll No. 301]

AYES—81

Andrews
Ballenger
Barcia
Barrett (WI)
Barton
Bass
Bliley
Blumenauer
Blunt
Boyd
Brady
Campbell
Castle
Chambliss
Coburn
Combest
Condit
Davis (FL)
DeFazio
Deutsch
Doggett
Dooley
Doyle
Duncan
Ehlers
Fawell
Forbes
Gekas
Goode
Goodling
Graham
Gutknecht
Hall (TX)
Hamilton
Harman
Hefner
Hoekstra
Horn
Houghton
Inglis
John
Kind (WI)
Kingston
Klug
Kolbe
Largent
Livingston
Luther
McHale
McInnis
McIntyre
McKinney
Meehan
Minge
Morella
Neumann
Norwood
Peterson (MN)
Petri
Porter
Ramstad
Regula
Roemer
Rohrabacher
Royce
Sanchez
Sanford
Schaffer, Bob
Sensenbrenner
Sisisky
Smith (TX)
Stenholm
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Turner
Upton
Visclosky
Wamp

NOES—347

Abercrombie
Ackerman
Aderholt
Allen
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Barr
Barrett (NE)
Bartlett
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Chabot
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Collins
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Foley
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Hall (OH)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
King (NY)
Kleczka
Klink
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHugh
McIntosh
McKeon
McNulty
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Redmond
Reyes
Riggs
Riley
Rivers
Rodriguez
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schumer
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

NOT VOTING—6

Gonzalez
Hutchinson
Pallone
Schiff
Stark
Young (AK)

□ 1354

Mrs. CHENOWETH, Mr. STUPAK, and Mr. CRAPO changed their vote from ''aye'' to ''no.''

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2169, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 189 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 189

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI, clause 7 of rule XXI, or section 401(a) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: on page 4, line 1, through line 6; beginning with '', of which'' on page 10, line 20, through ''Fund'' on line 22; on page 52, line 8, through line 15; on page 53, line 3, through page 65, line 6. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. The amendments specified in section 2 of this resolution shall be considered as adopted in the House and in the Committee of the Whole. During consideration of the bill for further amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be fifteen minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The amendments considered as adopted in the House and in the Committee of the Whole are as follows—

(1) page 31, line 24, strike ''Staten Island-Midtown Ferry service project'' and insert ''St. George Ferry terminal project''; and

(2) page 60, strike line 13 and all that follows through page 65, line 3, and redesignate the following section accordingly.

□ 1400

The SPEAKER pro tempore (Mr. BONILLA). The gentlewoman from North Carolina [Mrs. MYRICK] is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York [Mrs. SLAUGHTER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

On Thursday, July 17, the Committee on Rules met and granted an open rule by voice vote for the consideration of H.R. 2169, the Transportation and Related Agencies Appropriation Act for fiscal year 1998. The rule waives clause 2(L)(6) of rule XI relating to the 3-day availability of the report, clause 7 of rule XXI relating to the 3-day availability of preprinted hearings and section 401(a) prohibiting consideration of legislation containing contract authority not previously subject to appropriation of the Congressional Budget Act against consideration of the bill.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking member of the Committee on Appropriations. It waives clause 6 of rule XXI prohibiting reappropriations in an appropriations bill against provisions in the bill and clause 2 of rule XXI prohibiting unauthorized provisions in an appropriations bill against provisions in the bill, except as otherwise specified in the rule.

An amendment related to the St. George Ferry Terminal project printed in section 2 of this resolution shall be considered as adopted upon passage of this resolution.

The rule also strikes from the bill expedited procedures related to the total

realignment of the Amtrak Commission because it falls under the jurisdiction of the Committee on Rules and should not be included in an appropriations bill before it has been properly considered by the Committee on Rules.

Priority recognition will be provided to those Members who have preprinted their amendments in the CONGRESSIONAL RECORD. The Chairman of the Committee of the Whole may postpone votes during consideration of the bill and reduce votes to 5 minutes on a postponed question if the vote follows a 15-minute vote. Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, an effective and well-integrated transportation infrastructure has long been one of our Nation's greatest assets. It has enabled us to foster a diverse and expansive economy and made it possible for families to travel easily around the Nation and the world. Each region of the country has distinct needs with regard to transportation.

Each year, we in this House are tasked with the responsibility of guaranteeing that our vast transportation network does not slide into disrepair. I congratulate the Appropriations Subcommittee on Transportation for the fine work they have done on this bill. The gentleman from Virginia [Mr. WOLF], the chairman, and the gentleman from Minnesota [Mr. SABO], the ranking member, worked very hard to make sure that the bill fairly and effectively distributed needed funds across the Nation. They produced a good bill with bipartisan support, and I urge my colleagues to support it.

I also realize that some in this House may have different views on this important issue that they would like to express. That is why I am also happy that this bill will be considered under an open rule so that open and honest debate can be carried out.

This bill is another step toward achieving a balanced budget, but it does not sacrifice the needs and safety of the traveling public. The need for new and improved highway systems connecting our Nation's cities with emerging suburban centers and more rural areas increases every year. H.R. 2169 includes a 20-percent increase in highway funding that is desperately needed.

I am particularly aware of this problem because it is one that I faced while serving as mayor of Charlotte, NC. The growth that we are experiencing in Charlotte is typical of many emerging cities throughout the South and the Nation.

The disaster of TWA flight 800 last year focused a great deal of concern on air travel safety in the United States. Like all of my colleagues and millions of Americans, I spend a great deal of time in the air. Safe air transportation is important not only for commerce but also for a growing number of families on vacations.

Safety issues are a key component of H.R. 2169. The bill increases funding for the FAA, including the installation of airport security devices, alert systems to prevent runway collisions, and improved weather detection and forecasting systems. It also increases FAA personnel by adding 500 air traffic controllers and 326 staff members responsible for safety certification and regulation.

Unfortunately, too many Americans lose their lives on our Nation's highways each year. It seems like every news report during Christmas, Thanksgiving, and other holidays always includes stories about the number of fatalities. Of course, those stories are not limited to holidays, it happens every day.

This bill provides $333 million to programs designed to help reduce those numbers and includes a new prelicensing drug testing program and critical airbag safety initiative. To many, Amtrak is a vital link to work and family, particularly in the Northeast. H.R. 2169 increases capital appropriations to the embattled rail line by $30 million over last year. It also provides a $75 million increase for Amtrak's Northeast corridor improvement program.

The Coast Guard has long been a partner in the war on drugs. They must enforce Federal laws on the high seas and other waterways within its jurisdiction. There has been an increase in drug trafficking in the waters off the United States. The Coast Guard works diligently to put a stop to that activity. Perhaps the most important part of this bill increases funding for the Coast Guard's operating expenses to target efforts to interdict ocean drug trafficking.

I again congratulate the Committee on Appropriations on a fine bill and ask that my colleagues support its passage and the open rule under which it will be debated.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from North Carolina [Mrs. MYRICK] for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, while I do not oppose this open rule, I do have some serious concerns about the impact of the underlying bill on Amtrak. This passenger rail system is vital to the economic needs of millions of train passengers and thousands of communities across the Nation, including my own community in upstate New York.

The bill provides a total of $793 million for Amtrak in fiscal year 1998, but only $283 million of that will go for operating costs. This is the lowest operating budget in 20 years for Amtrak and represents a cut of $61 million below the administration's request for operations. A cut of this size could make Amtrak's cash problems insurmountable. According to Amtrak President Thomas Downs, Amtrak could go bankrupt within a year. Amtrak is already borrowing to go meet the payroll and may soon reach its commercial borrowing limits.

By failing to provide the necessary funding in this bill to allow Amtrak to meet its existing obligations, we are placing at risk 23,000 American jobs. Moreover, we risk losing this essential transportation and economic resource forever.

If that happens, under current law, the Federal Government would be responsible for an estimated $6 billion in costs associated with closing Amtrak. These include the costs of the unemployment benefits, the C–2 label protections, tax revenue losses, and $2.3 billion in debt to public and private investors. I am not convinced that this Congress has fully considered the ramification of dropping this potentially massive liability into the laps of the U.S. taxpayer or the economic consequences on our communities if they were to lose Amtrak.

In the past 2 years, Amtrak has increased ridership and revenues, cut costs, and made important investments to modernize its aging train fleet. While much work remains to be done, unfortunately this bill does not do enough to ensure that Amtrak has the operating resources it needs to remain an economically viable transportation option for the community it serves.

While I have that major reservation about the underlying bill, Mr. Speaker, I urge my colleagues to support this open rule.

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

Mrs. MYRICK. Mr. Speaker, I yield as much time as he may consume to the gentleman from Florida [Mr. GOSS].

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

Mr. GOSS. Mr. Speaker, I thank the gentlewoman from North Carolina [Mrs. MYRICK], a valued member of the Committee on Rules, for yielding me the time.

I rise in support of this fair and open rule. Mr. Speaker, transportation funding is obviously a very important issue to every Member and for all the States in our country, and for growth States like Florida it has a special meaning. And southwest Florida is one of the fastest growing areas in the country and one of the nicest, and it will continue to be fast growing.

In my districts, our roads and airports are stretched nearly to capacity by an ever-increasing flow of new residents and tourists. In the past, we have had some very serious concerns about the inequities in highway funding in ISTEA, our funding program. We certainly are not going to get into the fairness issue today related to the distribution of the gas tax. But I am pleased that we are going to be dividing a bigger transportation pie this year, I think that matters a lot, nearly 20 percent bigger I understand for highway spending. I think that is very good news for America.

Even with the current funding inequities, this bigger pie of $21.5 billion

will mean more dollars for transportation priorities in fast-growth areas like Florida. In the short term, this will help improve safety on our roads and make long overdue improvements, which are obviously needed for those who have been using those infrastructure areas.

In the long term, we are going to be looking for a greater share. And in Florida we say our fair share is the formulas that we find in the upcoming ISTEA reauthorization process.

But today I am also pleased that the bill provides $1.7 billion for the airport improvement program. Southwest Florida International Airport is the third fastest growing airport in the country, and other airports nearby, like Naples and Immokalee, are also feeling the pressure of increased trade and traffic. Without Federal support available through the AIP to supplement local and State funding, these airports simply cannot respond to the need for capacity expansion programs for upgraded air traffic systems and for the runway improvements that we need for safety.

The committee has wisely increased funding levels for this program despite the opposition of the Clinton administration, and I am grateful to the committee.

Another issue on the minds of my constituents is the drug war, and it should be on the minds of all Americans. A major component of that struggle, the war on drugs, must be increased funding for drug interdiction efforts by the U.S. Coast Guard. We all know that. Everybody who reads the newspaper, watches television, draws a breath in this country, and opens their eyes and listens a little bit understands what a valuable role the Coast Guard has in drug interdiction.

Last week, a hearing was held in the Subcommittee on National Security, International Affairs, and Criminal Justice of the Committee on Government Reform and Oversight on the increase in narcotics traffic just through the State of Florida, a serious issue for Florida, obviously, with consequences for the whole Nation. The good news from that hearing is that the different agencies in the war on drugs are increasing coordination so that in south Florida the Drug Enforcement Agency, the Customs Service, and the Coast Guard are all working together. That may sound like a simple thing to say, but it is a hard thing to accomplish. And it is good news when it happens, and it is very effective and it has positive results; and I hope it continues to happen. This legislation ought to help in that direction.

Hopefully, the director of the ONDCP, the so-called drug czar's office, will review the Coast Guard's activities and ensure that these funds that we are providing are being used for their intended purpose of drug interdiction. The Coast Guard must be able to respond on the basis of good intelligence with the interdiction efforts necessary to fight the dangerous inflow of drugs on the high seas before they reach our shores.

I think most people know that the way we get most of these drug busts is through good intelligence, through good tips, through good information, and then we direct the Coast Guard and the other enforcement agencies to go make the bust.

The rest of the time, the random searches and checks just do not have the same kind of success record. I think it is very important that we understand the link between information and the Coast Guard and the money it takes to do enforcement.

I commend the gentleman from Virginia [Mr. WOLF], the chairman, for the work he has done on this bill, and I urge the House to support this fair rule and the bill it makes in order, and I am most thankful for the time.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

□ 1415

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes, and that I may be permitted to include, tables, charts, and other extraneous matter.

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

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The SPEAKER pro tempore. Pursuant to House Resolution 189 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2169.

□ 1416

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes, with Mr. BEREUTER in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from Virginia [Mr. WOLF] and the gentleman from Minnesota [Mr. SABO] each will control 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I yield myself such time as I may consume. I am pleased to present to the House today H.R. 2169, the fiscal year 1998 transportation appropriations bill.

This bill is the product of a bipartisan effort, and we have endeavored to involve the gentleman from Minnesota [Mr. SABO], the ranking member of the subcommittee. Like last year, I hope this bill will have the overwhelming support of the House today.

Again this year, the No. 1 priority in developing this bill was maintaining and improving safety. In addition, we have placed a high priority on funding for our Nation's infrastructure.

In total, the bill provides $12.48 billion in discretionary budget authority, an increase of $400 million over the 1997 level, and the bill is $10 million over the President's budget request. Outlays mostly needed for transportation infrastructure are up over 4 percent compared to last year. These increases respond to the calls of many Members of this body that sought to increase transportation and infrastructure spending. The bill is $31 million below the subcommittee's allocation for budget authority.

On the safety front, the bill raises funding for Federal Aviation Administration operations by over 8 percent, an increase of over $400 million. This level will fund the requested increase of 500 air traffic controllers and 326 additional staff in certification and regulation. The bill also includes 18 initiatives to improve air safety. These initiatives total $153 million and include additional funds for installing airport surface detection systems, automatic alerting systems to prevent runway collisions and approach lighting systems. Additional funds are provided for research into hazardous weather conditions, aircraft safety, and human factors.

In highway safety, the bill provides more funding for the National Highway Traffic Safety Administration than the President requested. In fiscal year 1998, a total of $333 million is allocated for NHTSA. This organization does critical work in research and public education to make our highways safer. Earlier advances in reducing highway fatalities in this country have flattened out in recent years, and in some States, Mr. Chairman, fatalities are going back up with the repeal of the national speed limit last year and increased alcohol use. These increases will allow the agency to aggressively work on solving the air bag problem and focus more resources on rising alcohol-related highway fatalities. In addition, the bill also includes $9 million for a new occupant protection grant program.

Recognizing the importance of investing in the Nation's infrastructure,

the bill increases funding for the Federal-aid highways program to $21.5 billion. This is an increase, Mr. Chairman, of over $3.5 billion from the 1997 enacted level, or an increase of nearly 20 percent. It is a historic high and represents an increase of $1.3 billion over the assumption in the congressional budget resolution. This answers those who say that the appropriations process and the current budgetary treatment of the trust funds cannot provide increases in highway spending.

Funding for transit capital grants is increased to $2.5 billion, an increase of $350 million, or 16 percent over the 1997 level. Section 3 discretionary capital grants total $2 billion, an increase of 5 percent or $100 million over the previous year. Funding for transit operating assistance, which the administration proposed to eliminate, is reduced to $200 million but it is $200 million above what the administration had requested. Like the highway program, funding for the transit programs is at an all-time high.

Funding for the AIP program is $1.7 billion, an increase of $240 million, or 16 percent. Mr. Chairman, this is 70 percent higher than the budget request of $1 billion.

Funding for the Coast Guard totals $3.9 billion, an increase of $116 million over the 1997 enacted level and $21 million above the President's request. The bill fully funds the Coast Guard's drug interdiction program, of which $34.3 million requires the Office of National Drug Control Policy to certify that these expenditures represent the best investment relative to other possible alternatives.

Funding for Amtrak, Mr. Chairman, totals $793 million, which is $30 million more than in fiscal year 1997 and also $3.5 million above the administration's request. While the bill increases funding above last year's level for Amtrak and in doing so provides funding stability to the railroad, funding alone is not the panacea for Amtrak's financial problems. Comprehensive legislative reform, including unemployment, liability, contracting and labor reforms, must also occur if Amtrak is to address its financial and operating difficulties.

A railroad passenger system is a vital part of a balanced transportation network, and I think most Members of this body want to see Amtrak survive and prosper and thrive and have that opportunity, because with the large country that we have, I think a national rail system is fundamentally important. To that end, the bill establishes an independent commission to conduct an economic assessment of the entire Amtrak system. I regret that the rule does not protect the provisions establishing the commission, and it may be stricken on a point of order. The commission is necessary, since Amtrak's own restructuring efforts have not been as successful as planned and since Congress has mandated that Amtrak continue a number of unprofitable routes.

Modeled after the Base Closing Commission, which was set up to recommend which bases to close, this commission would make recommendations on route closings and realignments needed for the survival of a rail passenger system in the United States. Since these determinations would be made by the commission, painful route closure and realignment choices would be less politicized and the recommendations would then be considered by Congress on an expedited basis.

Finally, the bill is very clean of extraneous provisions. We have tried hard to work with the legislative committees to ensure their support for the bill. There are no major policy changes or time bombs in the bill. For the surface transportation programs authorized by ISTEA, the bill assumes current law and does not presuppose or prejudge the action of the appropriate legislative committees as they consider the reauthorization of ISTEA. In this way the bill can go forward without delay and without needless controversy.

I think it is a balanced bill, it is a bipartisan bill, it is a bill that puts emphasis on our higher responsibility of protecting and enhancing transportation safety. The bill also provides critical investments in our Nation's infrastructure which drives the Nation's economic engine.

In closing, Mr. Chairman, I would like to thank the gentleman from Minnesota [Mr. SABO] for his cooperation. I would also like to thank the following individuals who assisted in developing the fiscal year 1998 Department of Transportation and Related Agencies Appropriations Act. They include John Blazey, Rich Efford, Stephanie Gupta, Linda Muir, Ken Marx, and Cheryl Smith with the minority staff.

I wish to recognize and thank those associate staff members who supported the Members of this House in the preparation and passage of the fiscal year 1998 Transportation and Related Agencies Appropriations bill, H.R. 2169: David Whitestone of my office, Monica Vega-Kladakis of Majority Whip DELAY's office, Connie Veillette of Mr. REGULA's office, Steve Carey of Mr. ROGER's office, Eric Mondero of Mr. PACKARD's office, Todd Rich of Mr. CALLAHAN's office, Joe Cramer of Mr. TIAHRT's office, Mark Zeldon of Mr. ADERHOLT's office, Paul Cambon of Chairman LIVINGSTON's office, Marjorie Duske of Mr. SABO's office, Barbara Zylinski-Mizrahi of Mr. FOGLIETTA's office, Albert Jacquez and Nancy Alcalde of Mr. TORRES' office, David Oliveira of Mr. OLVER's office, Blake Gable of Mr. PASTOR's office, and Paul Carver of Mr. OBEY's office.

Mr. Chairman, I include the following material for the RECORD:

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2169)

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF TRANSPORTATION					
Office of the Secretary					
Salaries and expenses	52,966,000	56,136,000	60,009,000	+7,043,000	+3,873,000
Office of civil rights	5,574,000	5,574,000	5,574,000		
Transportation planning, research, and development	3,000,000	6,008,000	4,400,000	+1,400,000	-1,608,000
Transportation Administrative Service Center	(124,812,000)		(121,800,000)	(-3,012,000)	(+121,800,000)
Payments to air carriers (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(25,900,000)			(-25,900,000)	
(Limitation on obligations)	(25,900,000)			(-25,900,000)	
Rescission of contract authorization	(-12,700,000)	(-38,600,000)	(-38,600,000)	(-25,900,000)	
Rescission	(-1,133,000)			(+1,133,000)	
Rental payments	127,447,000	10,567,000		-127,447,000	-10,567,000
Minority business resource center program	1,900,000	1,900,000	1,900,000		
(Limitation on direct loans)	(15,000,000)	(15,000,000)	(15,000,000)		
Minority business outreach	2,900,000	2,900,000	2,900,000		
Total, Office of the Secretary	193,787,000	83,085,000	74,783,000	-119,004,000	-8,302,000
(Limitations on obligations)	(25,900,000)			(-25,900,000)	
Total budgetary resources	(219,687,000)	(83,085,000)	(74,783,000)	(-144,904,000)	(-8,302,000)
Coast Guard					
Operating expenses	2,319,725,000	2,440,000,000	2,408,000,000	+88,275,000	-32,000,000
Defense function (050)		300,000,000	300,000,000	+300,000,000	
(Transfer from DOD)	(300,000,000)			(-300,000,000)	
Supplemental (P.L. 105-18)	1,600,000			-1,600,000	
Acquisition, construction, and improvements:					
Offsetting collections		-9,000,000	-9,000,000	-9,000,000	
Vessels	216,500,000	186,900,000	191,650,000	-24,850,000	+4,750,000
Aircraft	18,040,000	26,400,000	33,900,000	+15,860,000	+7,500,000
Other equipment	41,700,000	49,700,000	47,050,000	+5,350,000	-2,650,000
Shore facilities & aids to navigation facilities	52,350,000	69,000,000	59,400,000	+7,050,000	-9,600,000
Personnel and related support	46,250,000	47,000,000	47,000,000	+750,000	
Subtotal, A C & I appropriations	374,840,000	370,000,000	370,000,000	-4,840,000	
Environmental compliance and restoration	22,000,000	21,000,000	21,000,000	-1,000,000	
Port Safety Development	5,000,000			-5,000,000	
Alteration of bridges	16,000,000		16,000,000		+16,000,000
Retired pay	608,084,000	645,696,000	645,696,000	+37,612,000	
Supplemental (P.L. 105-18)	9,200,000			-9,200,000	
Reserve training	65,890,000	65,000,000	67,000,000	+1,110,000	+2,000,000
Research, development, test, and evaluation	19,200,000	19,000,000	19,000,000	-200,000	
Boat safety (Aquatic Resources Trust Fund)	35,000,000	50,000,000	35,000,000		-15,000,000
Total, Coast Guard	3,476,539,000	3,910,696,000	3,881,696,000	+405,157,000	-29,000,000
Federal Aviation Administration					
Operations	4,925,500,000	5,036,100,000	5,300,000,000	+374,500,000	+263,900,000
Appropriation of user fees		300,000,000			-300,000,000
Offsetting Collections	-75,000,000			+75,000,000	
Emergency appropriations	(32,400,000)			(-32,400,000)	
Facilities & equipment (Airport & Airway Trust Fund)	1,793,500,000	1,875,000,000	1,875,000,000	+81,500,000	
Emergency appropriations	(144,200,000)			(-144,200,000)	
Research, engineering, and development (Airport and Airway Trust Fund)	187,412,000	200,000,000	185,000,000	-2,412,000	-15,000,000
Emergency appropriations	(21,000,000)			(-21,000,000)	
Grants-in-aid for airports (Airport and Airway Trust Fund):					
(Liquidation of contract authorization)	(1,500,000,000)	(1,500,000,000)	(1,600,000,000)	(+100,000,000)	(+100,000,000)
(Limitation on obligations)	(1,460,000,000)	(1,000,000,000)	(1,700,000,000)	(+240,000,000)	(+700,000,000)
Rescission of contract authorization	(-800,000,000)			(+800,000,000)	
Total, Federal Aviation Administration	6,831,412,000	7,411,100,000	7,360,000,000	+528,588,000	-51,100,000
(Limitations on obligations)	(1,460,000,000)	(1,000,000,000)	(1,700,000,000)	(+240,000,000)	(+700,000,000)
Total budgetary resources	(8,291,412,000)	(8,411,100,000)	(9,060,000,000)	(+768,588,000)	(+648,900,000)
Federal Highway Administration					
Limitation on general operating expenses	(521,114,000)	(494,376,000)	(510,313,000)	(-10,801,000)	(+15,937,000)
Highway-related safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(2,049,000)	(4,000,000)		(-2,049,000)	(-4,000,000)
Rescission of contract authority	(-9,100,000)			(+9,100,000)	
Federal-aid highways (Highway Trust Fund):					
(Limitation on obligations)	(18,000,000,000)	(20,170,000,000)	(21,500,000,000)	(+3,500,000,000)	(+1,330,000,000)
Supplemental obligation authority (P.L. 105-18)	(694,810,534)			(-694,810,534)	
(Exempt obligations) (sec. 310 a-d)	(1,783,237,000)	(1,510,571,000)	(1,390,570,000)	(-392,667,000)	(-120,001,000)
(Bonus program) (sec. 310 e)	(241,173,000)		(269,656,000)	(+28,483,000)	(+269,656,000)
(Liquidation of contract authorization)	(19,800,000,000)	(19,800,000,000)	(20,800,000,000)	(+1,000,000,000)	(+1,000,000,000)
Emergency appropriations	(82,000,000)			(-82,000,000)	
Emergency relief program (P.L. 105-18)	(650,000,000)			(-650,000,000)	

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2169)—Continued

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Motor carrier safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(74,000,000)	(90,000,000)	(85,000,000)	(+11,000,000)	(-5,000,000)
(Limitation on obligations)	(78,225,000)	(100,000,000)	(85,325,000)	(+7,100,000)	(-14,675,000)
Rescission of contract authorization	(-12,300,000)			(+12,300,000)	
State infrastructure banks	150,000,000			-150,000,000	
State infrastructure banks (Highway Trust Fund)		150,000,000			-150,000,000
Transportation infrastructure credit program (Highway Trust Fund)		100,000,000			-100,000,000
Total, Federal Highway Administration	150,000,000	250,000,000		-150,000,000	-250,000,000
(Limitations on obligations)	(18,773,035,534)	(20,270,000,000)	(21,585,325,000)	(+2,812,289,466)	(+1,315,325,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Total budgetary resources	(20,947,445,534)	(22,030,571,000)	(23,245,551,000)	(+2,298,105,466)	(+1,214,980,000)
National Highway Traffic Safety Administration					
Operations and research	80,900,000		74,492,000	-6,408,000	+74,492,000
Operations and research (Highway Trust Fund)	51,712,000	147,500,000	72,415,000	+20,703,000	-75,085,000
Subtotal, Operations and research	132,612,000	147,500,000	146,907,000	+14,295,000	-593,000
Highway traffic safety grants (Highway Trust Fund):					
(Liquidation of contract authorization)	(168,100,000)	(185,000,000)	(186,000,000)	(+17,900,000)	(+1,000,000)
State and community highway safety grants (Sec. 402) (limitation on obligations)	(128,700,000)	(140,200,000)	(140,200,000)	(+11,500,000)	
National Driver Register (Sec. 402) (limitation on obligations)	(2,400,000)	(2,300,000)	(2,300,000)	(-100,000)	
Contract authorization (P.L. 105-18)	2,500,000			-2,500,000	
Highway safety grants (Sec. 1003(a)(7)) (limitation on obligations)	(11,500,000)			(-11,500,000)	
Occupant protection incentive grants (limitation on obligations)		(9,000,000)	(9,000,000)	(+9,000,000)	
Alcohol-impaired driving countermeasures programs (Sec. 410) (limitation on obligations)	(25,500,000)	(34,000,000)	(35,000,000)	(+9,500,000)	(+1,000,000)
Contract authorization (P.L. 105-18)	500,000			-500,000	
Rescission of contract authorization	(-24,800,000)			(+24,800,000)	
Total, National Highway Traffic Safety Admin	135,612,000	147,500,000	146,907,000	+11,295,000	-593,000
(Limitations on obligations)	(168,100,000)	(185,500,000)	(186,500,000)	(+18,400,000)	(+1,000,000)
Total budgetary resources	(303,712,000)	(333,000,000)	(333,407,000)	(+29,695,000)	(+407,000)
Federal Railroad Administration					
Office of the Administrator	16,739,000	20,559,000	19,434,000	+2,695,000	-1,125,000
Railroad safety	51,407,000	57,067,000	56,967,000	+5,560,000	-100,000
Railroad research and development	20,100,000	21,638,000	21,038,000	+938,000	-600,000
Northeast corridor improvement program	175,000,000		250,000,000	+75,000,000	+250,000,000
High-speed rail trainsets and facilities	80,000,000			-80,000,000	
Next generation high speed rail	24,757,000	19,595,000	18,395,000	-6,362,000	-1,200,000
Trust fund share of next generation high-speed rail (Highway Trust Fund): (Liquidation of contract authorization)	(2,855,000)			(-2,855,000)	
Alaska Railroad rehabilitation	10,000,000			-10,000,000	
Rhode Island Rail Development	7,000,000	10,000,000	10,000,000	+3,000,000	
Direct loan financing program	58,680,000			-58,680,000	
Direct loan financing program limitation	(400,000,000)			(-400,000,000)	
Grants to the National Railroad Passenger Corporation:					
Operations	364,500,000		283,000,000	-81,500,000	+283,000,000
Capital	223,450,000		260,000,000	+36,550,000	+260,000,000
Subtotal, Grants to Amtrak	587,950,000		543,000,000	-44,950,000	+543,000,000
Capital grants to the National Railroad Passenger Corporation (Highway Trust Fund)		445,450,000			-445,450,000
(Northeast corridor improvements)		(200,000,000)			(-200,000,000)
(Pennsylvania Station Redevelopment Project)		(23,450,000)			(-23,450,000)
Operating grants to the National Railroad Passenger Corporation (Highway Trust Fund)		344,000,000			-344,000,000
Emergency railroad rehabilitation and repair: Emergency funding (P.L. 105-18)	(18,900,000)			(-18,900,000)	
Total, Federal Railroad Administration	1,031,633,000	918,309,000	918,834,000	-112,799,000	+525,000
Federal Transit Administration					
Administrative expenses	41,497,000		45,738,000	+4,241,000	+45,738,000
Administrative expenses (Highway Trust Fund, Mass Transit Account)		47,018,000			-47,018,000
Formula grants	490,000,000		290,000,000	-200,000,000	+290,000,000
Formula grants (Highway Trust Fund):					
(Limitation on obligations)	(1,659,185,000)		(2,210,000,000)	(+550,815,000)	(+2,210,000,000)
Operating assistance grants	(400,000,000)		(200,000,000)	(-200,000,000)	(+200,000,000)
Subtotal, Formula grants	(2,149,185,000)		(2,500,000,000)	(+350,815,000)	(+2,500,000,000)

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2169)—Continued

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Formula programs (Highway Trust Fund, Mass Transit Account):					
(Limitation on obligations)		(3,498,500,000)			(-3,498,500,000)
(Liquidation of contract authorization)		(1,500,000,000)			(-1,500,000,000)
University transportation centers	6,000,000		6,000,000		+6,000,000
Transit planning and research	85,500,000		86,000,000	+500,000	+86,000,000
Metropolitan planning	(39,500,000)		(39,500,000)		(+39,500,000)
Rural transit assistance	(4,500,000)		(4,500,000)		(+4,500,000)
Transit cooperative research	(8,250,000)		(8,250,000)		(+8,250,000)
National planning and research	(22,000,000)		(22,500,000)	(+500,000)	(+22,500,000)
State planning and research	(8,250,000)		(8,250,000)		(+8,250,000)
National transit institute	(3,000,000)		(3,000,000)		(+3,000,000)
Subtotal, Transit planning and research	(85,500,000)		(86,000,000)	(+500,000)	(+86,000,000)
Transit planning and research (Highway Trust Fund, Mass Transit Account)		91,800,000			-91,800,000
Metropolitan planning		(39,500,000)			(-39,500,000)
Transit cooperative research		(8,250,000)			(-8,250,000)
Statewide planning		(8,250,000)			(-8,250,000)
National planning and research		(16,800,000)			(-16,800,000)
National mass transportation institute		(3,000,000)			(-3,000,000)
University transportation centers		(6,000,000)			(-6,000,000)
Advanced Technology Transit Bus		(10,000,000)			(-10,000,000)
Subtotal, Transit planning and research		(91,800,000)			(-91,800,000)
Trust fund share of expenses (Highway Trust Fund) (liquidation of contract authorization)	(1,920,000,000)		(2,210,000,000)	(+290,000,000)	(+2,210,000,000)
Rescission of contract authorization	(-271,000,000)			(+271,000,000)	
Discretionary grants (Highway Trust Fund) (limitation on obligations):					
Fixed guideway modernization	(760,000,000)		(800,000,000)	(+40,000,000)	(+800,000,000)
Bus and bus-related facilities	(380,000,000)		(400,000,000)	(+20,000,000)	(+400,000,000)
New starts	(760,000,000)		(800,000,000)	(+40,000,000)	(+800,000,000)
Subtotal, Discretionary grants	(1,900,000,000)		(2,000,000,000)	(+100,000,000)	(+2,000,000,000)
Rescission of contract authorization	(-588,000,000)			(+588,000,000)	
Major capital investments (Highway Trust Fund, Mass Transit Account) (limitation on obligations)		(650,000,000)			(-650,000,000)
Mass capital investments (Highway Trust Fund, Mass Transit Account) (liquidation of contract authority)		(2,350,000,000)			(-2,350,000,000)
Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization)	(2,300,000,000)		(2,350,000,000)	(+50,000,000)	(+2,350,000,000)
Washington Metropolitan Area Transit Authority	200,000,000		200,000,000		+200,000,000
Washington Metropolitan Area Transit Authority (Highway Trust Fund, Mass Transit Account)		200,000,000			-200,000,000
Total, Federal Transit Administration	822,997,000	338,818,000	627,738,000	-195,259,000	+288,920,000
(Limitations on obligations)	(3,559,185,000)	(4,148,500,000)	(4,210,000,000)	(+650,815,000)	(+61,500,000)
Total budgetary resources	(4,382,182,000)	(4,487,318,000)	(4,837,738,000)	(+455,556,000)	(+350,420,000)
Saint Lawrence Seaway Development Corporation					
Operations and maintenance (Harbor Maintenance Trust Fund)	10,337,000		11,200,000	+863,000	+11,200,000
Research and Special Programs Administration					
Research and special programs	26,886,000	30,102,000	27,934,000	+1,048,000	-2,168,000
Hazardous materials safety	(15,472,000)		(15,024,000)	(-448,000)	(+15,024,000)
Emergency transportation	(993,000)		(993,000)		(+993,000)
Research and technology	(3,580,000)		(3,596,000)	(+16,000)	(+3,596,000)
Program and administrative support	(6,841,000)		(8,321,000)	(+1,480,000)	(+8,321,000)
Subtotal, research and special programs	(26,886,000)		(27,934,000)	(+1,048,000)	(+27,934,000)
Emergency appropriations	(3,000,000)			(-3,000,000)	
Pipeline safety (Pipeline Safety Fund)	28,460,000	30,660,000	28,186,000	-274,000	-2,474,000
Pipeline safety (Oil Spill Liability Trust Fund)	2,528,000	2,328,000	3,300,000	+772,000	+972,000
Subtotal, Pipeline safety	30,988,000	32,988,000	31,486,000	+498,000	-1,502,000
Emergency preparedness grants: Emergency preparedness fund	200,000	200,000	200,000		
Total, Research and Special Programs Admin	58,074,000	63,290,000	59,620,000	+1,546,000	-3,670,000
Office of Inspector General					
Salaries and expenses	37,900,000	40,889,000	42,000,000	+4,100,000	+1,111,000
Surface Transportation Board					
Salaries and expenses	12,344,000	14,300,000	15,853,000	+3,509,000	+1,553,000
Offsetting collections		-14,300,000	-2,000,000	-2,000,000	+12,300,000

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2169)—Continued

	FY 1997 Enacted	FY 1998 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
General Provisions					
Bureau of Transportation Statistics (transfer from Federal-aid Highways)	(25,000,000)	(31,000,000)	(25,000,000)	.....	(-6,000,000)
Transportation Administrative Service Center reduction	-10,000,000	.....	-25,000,000	-15,000,000	-25,000,000
Railroad safety offsetting collections	.....	-60,000,000	.....	.....	+60,000,000
Net total, title I, Department of Transportation	11,983,102,000	13,065,087,000	13,073,031,000	+1,089,929,000	+7,944,000
Appropriations	(12,750,635,000)	(13,103,687,000)	(13,111,631,000)	(+360,996,000)	(+7,944,000)
Rescissions	(-1,719,033,000)	(-38,600,000)	(-38,600,000)	(+1,680,433,000)	.....
Emergency appropriations	(951,500,000)	.....	.....	(-951,500,000)	.....
(Limitations on obligations)	(23,986,220,534)	(25,604,000,000)	(27,681,825,000)	(+3,695,604,466)	(+2,077,825,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Net total budgetary resources	(37,993,732,534)	(40,179,658,000)	(42,415,082,000)	(+4,421,349,466)	(+2,235,424,000)
TITLE II - RELATED AGENCIES					
Architectural and Transportation Barriers Compliance Board					
Salaries and expenses	3,540,000	3,640,000	3,640,000	+100,000	.....
National Transportation Safety Board					
Salaries and expenses	42,407,000	40,000,000	46,000,000	+3,593,000	+6,000,000
Appropriation of user fees	.....	6,000,000	.....	.....	-6,000,000
Emergency appropriations	(6,000,000)	.....	.....	(-6,000,000)	.....
Emergency funding (P.L. 105-18)	(29,859,000)	.....	.....	(-29,859,000)	.....
Emergency fund	.....	1,000,000	1,000,000	+1,000,000	.....
Emergency fund (emergency appropriations)	(1,000,000)	.....	.....	(-1,000,000)	.....
Total, National Transportation Safety Board	42,407,000	47,000,000	47,000,000	+4,593,000	.....
Total, title II, Related Agencies	82,806,000	50,640,000	50,640,000	-32,166,000	.....
Appropriations	(45,947,000)	(50,640,000)	(50,640,000)	(+4,693,000)	.....
Emergency appropriations	(36,859,000)	.....	.....	(-36,859,000)	.....
TITLE III - GENERAL PROVISIONS					
National Civil Aviation Review Commission	2,400,000	.....	.....	-2,400,000	.....
Amtrak route closure and realignment commission	.....	.....	1,000,000	+1,000,000	+1,000,000
Net total appropriations	12,068,308,000	13,115,727,000	13,124,671,000	+1,056,363,000	+8,944,000
Scorekeeping adjustments:					
Emergency appropriations	-289,600,000	.....	.....	+289,600,000	.....
Emergency funding (P.L. 105-18)	-698,759,000	.....	.....	+698,759,000	.....
General provision: Bonuses & awards	-513,604	.....	.....	+513,604	.....
Pipeline safety	1,000,000	.....	1,000,000	.....	+1,000,000
Railroad Safety	-3,000,000	.....	.....	+3,000,000	.....
Total, adjustments	-990,872,604	.....	1,000,000	+991,872,604	+1,000,000
Net grand total	11,077,435,396	13,115,727,000	13,125,671,000	+2,048,235,604	+9,944,000
Appropriations	(12,796,468,396)	(13,154,327,000)	(13,164,271,000)	(+367,802,604)	(+9,944,000)
Rescissions	(-1,719,033,000)	(-38,600,000)	(-38,600,000)	(+1,680,433,000)	.....
(Limitations on obligations)	(23,986,220,534)	(25,604,000,000)	(27,681,825,000)	(+3,695,604,466)	(+2,077,825,000)
(Sec. 310 obligations)	(2,024,410,000)	(1,510,571,000)	(1,660,226,000)	(-364,184,000)	(+149,655,000)
Net grand total budgetary resources	(37,088,065,930)	(40,230,298,000)	(42,467,722,000)	(+5,379,656,070)	(+2,237,424,000)
602B SUMMARY					
Total mandatory and discretionary	11,077,435,396	13,115,727,000	13,125,671,000	+2,048,235,604	+9,944,000
Mandatory	617,284,000	645,696,000	645,696,000	+28,412,000	.....
Discretionary:					
General purposes:					
Defense (050)	.....	300,000,000	300,000,000	+300,000,000	.....
Nondefense	10,460,151,396	12,170,031,000	12,179,975,000	+1,719,823,604	+9,944,000
Total, Discretionary	10,460,151,396	12,470,031,000	12,479,975,000	+2,019,823,604	+9,944,000

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

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

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

Mr. SABO. Mr. Chairman, I rise in support of this bill. Let me start by saying to the gentleman from Virginia [Mr. WOLF] that he has done an outstanding job chairing this committee. I think he ran very good hearings. They were fair, they were to the point, but they were also tough. At times he pushed the administration hard on certain issues. When he did, I thought it was appropriate. He has been fair in writing this bill, and we appreciate that fairness. He has conducted his year as chairman of this subcommittee this year as a real pro. We appreciate the gentleman from Virginia [Mr. WOLF]. He has done great work. He mentioned all the staff, the majority and minority, who worked on this committee. I would share his sentiments toward them. They worked hard, they are knowledgeable, they are open and fair and worked well with each other. I simply say thank you to all of them for myself and for the minority. The majority staff has been very open and very good to work with.

Mr. Chairman, the bill itself is one I intend to vote for. It has important funding for whole hosts of transportation programs and projects throughout the country that make important investment in our country's infrastructure. I must say I have two reservations about the bill, one that I do not expect to change, one that I hope will change as we go through the legislative process.

I am concerned that we are reducing transit operating subsidies to $200 million. That is a significant reduction from the current level of funding. The level of capital assistance has been going down over a period of years. On the other hand, the bill is $200 million more than requested by the administration for operating assistance. The committee mark is significantly better than what the administration has recommended, and for that I am thankful, but I am concerned with what that reduction is going to do in very important marginal funding for many transit agencies around the country.

My one concern that I hope we can deal with before this bill comes back from conference is funding for Amtrak. In my judgment, that remains a very major problem in this bill. There is very significant funding for capital expenditures by Amtrak. That clearly will help their capacity to develop revenue and ridership in the years ahead. The problem, however, is that the level of operating assistance for Amtrak for the next year is so low that it brings into question whether Amtrak will survive the year. It is an issue and I know the chairman shares my concern that that is not what we want to have happen, and I am hopeful that before this bill comes back to the House again in conference that we can make adjustments to make sure that Amtrak survives the year and goes on. They provide very important, crucial transportation services in this country. Ridership is going up, revenues are going up. It is not a system in decline. They have had problems in part because of what Congress has decided in the past as it relates to operating assistance and requirements on route structures they maintain, particularly what we did last year where we put some mandates on them and did not provide enough money to pay for those mandates.

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But clearly our assistance to Amtrak for operations for the balance of this year, in my judgment it needs to be increased before the bill goes to the President for his signature. Other than that, I think it is a good bill and it is one that I hope the Members will vote for.

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

Mr. WOLF. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I rise in strong support of this legislation, and I certainly want to commend the gentleman from Virginia [Mr. WOLF] and the gentleman from Minnesota [Mr. SABO] for the job they have done here. They have been faced with some real budgetary constraints, and they have brought about a balance that I think is really very, very commendable. Indeed they have reached a historic high in the highway obligation ceiling, from 18.6 to 21.5 billion, raised the transit program, and indeed I want to assure them that as my committee proceeds with the reauthorization of ISTEA we will certainly take very seriously their actions where they have identified some transit programs subject to authorization. These new transit starts are important, and we will deal with them in a very, very serious and, I believe, positive way.

On the issue of Amtrak, I agree completely with the gentleman from Virginia [Mr. WOLF] that Amtrak is in very, very serious trouble. I believe it is on a steep curve to bankruptcy, and I want to see us save Amtrak. I disagree with him respectfully on the point on the Base Closure Commission, perhaps the most important reason being that I do not think we have time for that. Amtrak is going to be in bankruptcy in the next 6 to 12 to 10 months on the outside. But we must reform Amtrak. Our subcommittee, under the chairmanship of the gentlewoman from New York [Ms. MOLINARI] is moving ahead with this, and I expect before we leave town this month, in committee we will attempt to move reform legislation.

I say attempt. Last year I emphasized that this House passed Amtrak reform legislation by a vote of 406 to 4, overwhelming, and now I understand the same legislation that passed this House overwhelmingly on a bipartisan basis may not have the same bipartisan support that it had last year. It pains me greatly to hear that, if indeed it is accurate, because if that is the case, then we will not have reform legislation, and if we do not have reform legislation, I do not believe the votes are going to exist to get the funding so necessary to save Amtrak.

So in closing I want to congratulate the chairman and the ranking member for the outstanding job they have done, emphasize my commitment to trying to find a way to save Amtrak and look forward to the other important transportation legislation that we will be dealing with in this Congress in the weeks ahead.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KUCINICH].

Mr. KUCINICH. Mr. Chairman, I wish to enter into a colloquy with the gentleman from Virginia [Mr. WOLF].

Mr. Chairman, in its committee report, the committee stated clearly its intention that the Coast Guard can, quote, ''do more to lower its operating costs through greater energy conservation,'' unquote.

In 1994 the President issued Executive Order 12902, the goal of which was to encourage cost-effective uses of solar energy by all departments in the Government. Mr. Chairman, there are applications for which solar energy is the lowest-cost energy source and is a promising route towards energy savings. Would it not be consistent both with the Executive order and with the energy consciousness of this committee that the Coast Guard and the Department of Transportation and all agencies under its jurisdiction investigate the cost-effective utilization of solar technology to the maximum extent practical?

Mr. WOLF. Mr. Chairman, would the gentleman yield?

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

Mr. WOLF. Mr. Chairman, the gentleman from Ohio [Mr. KUCINICH] is correct. The intent of the committee was to investigate energy saving possibilities, and solar technology is a promising route to saving energy. The Executive order the gentleman speaks of is relevant here. Therefore we agree that the Coast Guard and all agencies under the jurisdiction of the Department of Transportation should make every effort to uphold the letter and the spirit of Executive Order 12902 and investigate cost-saving utilization and solar technologies to the maximum extent possible.

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

Mr. WOLF. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, I would like to engage in a colloquy with the chairman of the Subcommittee on Transportation of the Committee on

Appropriations for issues very important to the folks of Kansas.

Mr. Chairman, because of the merger between the Union Pacific and the Southern Pacific Railroads, the city of Wichita would be faced with a significant increase in trains traveling through the center of town. These trains will cause significant health, safety and traffic congestion. The Surface Transportation Board has jurisdiction over the Union Pacific-Southern Pacific merger. The board has already required the merger company, Union Pacific, to pay all baseline mitigation costs of this merger. On April 15, 1997, the board stated that the Union Pacific will have to pay the full cost of baseline mitigation resulting from a merger. However, several weeks before this decision was rendered, Union Pacific downscaled the extent of the train traffic increase to 5½ trains and increased the speed of those trains to 30 miles per hour.

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

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

Mr. WOLF. Mr. Chairman, that is my understanding too.

Mr. TIAHRT. There is justifiable fear, I believe, in my district that the Union Pacific will significantly increase the number of trains traveling through Wichita after the Surface Transportation's 5-year review period. The board has taken the Union Pacific at its word and adjusted, although not yet officially, the amount of mitigation necessary for Wichita. I am concerned that the Union Pacific will not be able to increase the speed of its trains to 30 miles per hour or will significantly increase the number of trains traveling through Wichita after the 5-year period of the Surface Transportation Board review. Increasing the speed of trains going through Wichita will be extremely difficult even under ideal conditions, and with the breakup of Conrail, train traffic going through Kansas City will probably increase. This will put further pressure on Union Pacific to route more trains through Wichita.

Mr. Chairman, the report language included in this bill is designed to give the citizens of Wichita an avenue to redress in case Union Pacific decides to significantly increase the number of trains traveling through Wichita or if the Union Pacific does not increase the speeds of its trains as they promised.

Mr. WOLF. If the gentleman would yield, that is the purpose of including the language that we have in the report.

Mr. TIAHRT. I ask the committee pay close attention to the Surface Transportation Board and its environmental mitigation study for Wichita. The report language specifies that the committee is concerned with Surface Transportation Finance Docket Number 32760. The committee is instructing the board to use as the basis for its decision verifiable and appropriate assumptions such as train speed and the number of trains. The committee is not telling the board what to base its decision on, but it is saying that the assumption it uses must be verifiable and appropriate. If there is any material change in the facts upon which the board bases its decision, then the committee expects the board to be proactive in exercising its jurisdiction by re-examining the final mitigation measures it would impose upon the Union Pacific Corp. or any of its subsidiaries.

For example, if Union Pacific decides to significantly increase the number of trains going through Wichita or fails to get their speed up to 30 miles per hour going through town, then the committee expects the board to exercise its jurisdiction and increase the mitigation necessary to remedy the situation. Of course the city of Wichita or an interested party must petition the board to reopen the docket. The board does not have to monitor the number of trains or the speed of the trains traveling through Wichita. Wichita will be monitoring this closely.

I appreciate the opportunity for this colloquy, and I want to comment on what a fine job the committee has done with the gentleman's leadership.

Mr. WOLF. If the gentleman would continue to yield, I appreciate that, and I promise the gentleman from Kansas personally, too, we will stay with him throughout this issue to make sure that it does not get out of hand. I thank the gentleman very much for bringing this to our attention.

Mr. PASTOR. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Chairman, I thank the gentleman for yielding this time to me, and, Mr. Chairman, this is a good bill, and I will be supporting it. The constraints that the committee has are well known and the attempts they have to fund infrastructure have been done under very difficult situations. I would like to comment, however, on one disappointment I have with our transportation funding, and that has to do with funding projects along the international border between the United States and Mexico.

I represent part of the city of San Diego. I represent the district which has much of the California-Mexico border. The attention that this Nation should pay to building up that infrastructure for our economic future has not been done. Federal mandates that deal with trade and immigration have placed a tremendous strain on our roads and bridges and highways and rail lines that simply cannot accommodate the increased traffic that results from Federal decisions in trade and in immigration.

It is critical, Mr. Chairman, that we find the Federal funding for these highway and rail projects without affecting California's Federal highway assistance. I have introduced legislation along with Senator BOXER in the other body to establish a $500 million border infrastructure fund to pay for these improvements to try to make sure that we realize the potential of the international trade that the passage of NAFTA and other actions have caused.

Let me just give my colleagues a couple of examples of what I am talking about. By Federal order, all of the commercial truck traffic between California and Mexico goes through what we call the Otay Mesa, a border crossing which is in my district. Something like 3,000 trucks a day now traverse across the border through the border crossing, and yet there is no highway of interstate standards that connects that highway, connects that border crossing with our interstate highway system. At first we only had a two-lane city street, it has been enlarged to four lanes and soon to six lanes, but it cannot handle the 3,000 trucks a day that NAFTA and other actions by this body have created.

It is time that the Federal Government address the infrastructure problems that have burdened the city and county of San Diego as we contribute our part to increasing international trade and growing the economy in this Nation.

Another example which I will have an amendment on later: If San Diego's port could establish a direct rail link with eastern railway systems, the whole economy of southern California would be transformed for the better. The transformation of our economy requires that we rehabilitate an old shortline railroad that was built in 1912 or so between San Diego and Arizona. It does not take a lot of money in the scheme of things to rehabilitate that railroad, and the Federal Government can contribute not through any grants, not through any loans, but through merely a loan guarantee that could leverage 20 times what we would appropriate. With the rehabilitation of that railroad, the port of San Diego becomes a working commercial port, thousands and thousands of jobs are created, San Diego finds a new way of economic growth that is not dependent on the defense budget, and southern California and all of America profits from that.

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These are the examples that I am talking about, Mr. Chairman, that hopefully in the future the Subcommittee on Transportation of the Committee on Appropriations will include in their efforts.

We need on the international border, and I speak not just for California now, but for Texas and New Mexico and Arizona, we need attention paid to the infrastructure projects along the border. They are not local pork projects, they are not just provincial kinds of requests. The infrastructure that is required benefits the whole Nation, and as I said earlier, comes from the mandates that Federal trade policy has put on us.

While understanding the constraints we have, I would argue that in the future some attention be paid to these border infrastructure projects, and we begin to really grow the economy of this country in new ways.

Mr. WOLF. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Kentucky [Mrs. NORTHUP] for a colloquy.

Mrs. NORTHUP. Mr. Chairman, I rise today to engage the gentleman from Virginia in a colloquy related to something important for Louisville, KY.

In 1994 the Federal Aviation Administration advised Congress that they would reimburse the Standiford Field in Louisville, KY, for the airport's costs of installing a category III instrument landing system on runway 35 right. It is my understanding that the FAA has provided about $700,000 out of a total estimated funding of $2.4 million for this system. That leaves approximately $1.7 million remaining to be paid. It is my understanding that those remaining funds are included in the FAA's budget request for fiscal year 1998 and that they are included in the committee's reported bill.

Is that the chairman's understanding, as well?

Mr. WOLF. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTHUP. I yield to the gentleman from Virginia.

Mr. WOLF. The gentlewoman from Kentucky [Mrs. NORTHUP] is absolutely, positively correct. I have not thought of that airport for years, but I flew in there in 1962 when I went to basic training at Fort Knox, KY.

It was one of the most depressing days of my life. I remember when I landed at the airport I arrived into Fort Knox, KY, and they put me on KP right away. If I had only known the need then. But I do remember the airport well.

The FAA advises me that all the remaining funds needed to reimburse the local authorities for costs related to the ILS are included in the fiscal year 1998 budget, and the FAA intends to provide the final reimbursement by the end of that fiscal year.

I was just wondering, do they still march the men up Misery Hill the way they used to?

Mrs. NORTHUP. Mr. Chairman, they do.

I thank the gentleman for this, and I thank him on behalf of all the young men as they come through that airport and they come through a new door, an open door to a change in their lives. I thank the gentleman very much.

Mr. PASTOR. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. I appreciate the gentleman yielding time to me, and would appreciate being able to engage in a colloquy with the chairman of the committee.

Mr. Chairman, the transportation appropriation measure before us today contains $2 million for the Northern Indiana South Shore commuter rail line. The House report states that this funding is to be used to complete a major investment study. However, previously appropriated funds will be sufficient to complete the major investment study and it will be completed later this year.

The critical problem facing the commuter rail line is the tremendous increase in ridership over the past several years and the lack of adequate car space to meet this growth. Would the chairman agree that this $2 million could be used to allow the Northern Indiana Commuter Transportation District to acquire additional rail cars to relieve overload on the commuter rail line?

Mr. WOLF. Mr. Chairman, if the gentleman will yield, yes, I do.

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for his willingness to work with me in accommodating northern Indiana and the Chicago metropolitan transportation needs.

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

Mr. Chairman, first of all I would like to thank Chairman WOLF for the excellent work he has done in putting this bill together. I know that he had a very difficult challenge, but he was able to balance the conflicting interests and needs in a way that everybody should be satisfied with.

I have to tell the Members, this is the first time that I have served on this appropriations subcommittee, and I have to tell the Members that I found the gentleman to be very fair and allowed us to give input, and this is why this bill is a bipartisan effort. I congratulate him and I congratulate the ranking member, the gentleman from Minnesota [Mr. SABO]. I also would like to thank the staff of the majority and of the minority for the fine work they have done.

Mr. Chairman, there are several items included in this bill that I would like to point out for special emphasis. I am pleased by the increased funding for the Airport Improvement Program. The bill increases funding by $700 million over the President's budget request. As the Nation's airports continue to see tremendous increase in traffic, this additional funding is vital to the continued success and modernization of our Nation's airports.

Mr. Chairman, I am also pleased that the committee was able to include a major increase in transit program spending. As cities and localities across the country struggle with increased automobile traffic, it is important that the Federal Government continue to devote its resources to alternative means of transportation. I believe the funding increase to the transit programs is vital to the continued improvement of our Nation's transportation systems, and I appreciate the chairman's inclusion of the additional funds.

The Federal Aviation Administration will also see an increase in funding as a result of this bill. I believe that the continued work in aviation safety, research, and continued modernization of the FAA equipment is one of the most important aspects of this bill. I am pleased with the funding that has been made available to the FAA.

Mr. Chairman, I have made the chairman and the ranking member aware of a concern that I have. This deals with the controllers that we have. As we have more and more controllers reaching the age of retirement at basically a young age, due to the stress that they undertake in doing their job, I do not think we are doing enough in terms of recruiting and providing an adequate salary to retain the younger incoming flight controllers. It is an issue that I know that the chairman and the ranking member will continue to work with.

Overall, Mr. Chairman, this is a great bill. I thank Chairman WOLF, I thank his staff, and I also thank the ranking member, the gentleman from Minnesota [Mr. SABO] for making this truly a bipartisan bill.

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

Mr. WOLF. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman for yielding time to me this afternoon.

Mr. Chairman, I rise in strong support of this bill which makes the transportation appropriations for fiscal year 1998. It is not easy balancing funds for trains, for planes, for automobiles, for bridges, for asphalt and all the rest that goes into it, but the gentleman from Virginia [Mr. WOLF] I think has perfected this as an art form.

One area that I would like to bring to the attention of this body is in transit, specifically buses and bus facilities. For the past two appropriation cycles the Michigan delegation came to the subcommittee somewhat fragmented in their request, each, of course, wanting the largest funding they could possibly get. That is not surprising. The approach, though, became more troublesome.

During this present cycle the delegation changed its course and decided to unify behind a single funding level. As the sole member of the Michigan delegation on the Committee on Appropriations I was glad, of course, to do my part, but it took a lot of effort, of course, from the chairman and members of the committee. We were able to receive commitments from the Michigan Department of Transportation and each of our members in the delegation that this approach was best.

I want to commend each member of our delegation for their willingness to try this approach. I would hope we continue this in the years to come. It certainly was easier.

Mr. Chairman, I want to thank the Members again for their leadership and their extraordinary effort on this. I would also like to extend a huge thank

you and a salute to John Blazey on the staff, who worked with my staff to bring this to a closure, and I think it all came to a good end.

With that in mind, I want to thank the gentleman again.

Mr. PASTOR. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the first thing I would like to do is to congratulate the gentleman from Virginia [Mr. WOLF] and the gentleman from Minnesota [Mr. SABO] for again bringing a bill to the floor which is absolutely bipartisan. I think the gentleman from Virginia has demonstrated a great degree of fairness. He has tried to deal very openly with virtually every difference in judgment that we have had between the various parties and individuals on this bill.

I think it again demonstrates that within the Committee on Appropriations we are having a lot of success in producing bipartisan legislation. Unfortunately, that legislation often then winds up being blown up because of actions of the Committee on Rules which turn a bipartisan product into a partisan fight on the House floor. I am happy to say that that has not occurred on this bill. I want to congratulate both the gentleman from Minnesota [Mr. SABO] and the gentleman from Virginia [Mr. WOLF] for the fair way in which they have proceeded.

I would also like to simply take note of a couple of local projects which are important to my region of the country.

I am particularly pleased that the bill finally requires that the Coast Guard move forward on a replacement for the *Mackinaw* icebreaker on the Great Lakes. The *Mackinaw* is some 53 years old. It is going to cost a great deal to refurbish. For slightly more than the cost of refurbishing, a new icebreaker can be purchased which will last a whole lot longer, and I appreciate very much the fact that the committee has provided the $2 million to facilitate final decision-making by the Coast Guard on this issue.

It is important to the economy of the region, not just Minnesota and Wisconsin, which the gentleman from Minnesota [Mr. OBERSTAR] and I represent, which is why we pushed this item, but to a number of other States as well, including Michigan, Illinois, Indiana, Ohio, Pennsylvania, and New York.

I would also like to take note that the bill does include $970,000 within the FAA budget to continue the testing and evaluation of new infrared heating technology for deicing commercial aircraft. That technology promises to have very good environmental benefits, and it may be a more cost-effective way to deice airplanes than the existing chemical deicing methods. The additional testing will take place at the Rhinelander-Oneida Airport in Wisconsin, to demonstrate the utility of new technology in an operational environment using commercial aircraft. I again appreciate the fact that the subcommittee on its merits supported the proposal.

Mr. Chairman, I do not think that there is going to be a lot of controversy on this bill. There are some differences. As the gentleman from Minnesota [Mr. SABO] has already indicated, we have substantial concerns about the underfunding for Amtrak. I hope that can be addressed as we move towards conference, but I expect to see a good number of votes for this bill on our side of the aisle as well as the majority side of the aisle. It is good to see in the midst of all that has happened in the last week that at least on this bill, bipartisan comity has for the moment survived intact.

Mr. WOLF. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. COLLINS] so he and I may engage in a colloquy.

Mr. COLLINS. Mr. Chairman, I thank the gentleman for yielding time to me. Mr. Chairman, I rise for the purpose of support of this appropriation bill, and also to enter into a colloquy with the chairman.

Mr. Chairman, the committee's recommendation reduces transit operating assistance from $400 million in fiscal year 1997 to $200 million in fiscal year 1998. As a result, transit districts will need to look for ways to reduce their operating and overhead costs. Currently virtually all city and regional transit properties have excess material on hand. Maintaining the surplus is an operating cost which reduces needed resources without providing significant benefits.

□ 1500

Finding material and other properties available for purchase is time-consuming and costly, lacking any centralized means of identifying the materials. I believe that electronic redistribution center to distribute spare parts from transit authorities across the country may be one such opportunity to reduce overhead costs of many of the Nation's transit operators. With a computerized system through which to identify and dispose of surplus parts and materials, transit properties would benefit by not having to maintain large surpluses, and they would also benefit by having a simple, timely, and lower cost means through which to purchase surplus materials.

This proposal seems suited either for the Department's intelligent transportation systems program or the Federal Transit Administration's national research program.

I note that the committee has provided a total of $94 million for continued research in intelligent transportation systems in which the Federal Transit Administration is involved. As for the FTA's research program, the committee's recommendation provides $22.5 million. I believe the Department should fully evaluate the potential of such a system as well as provide a cost-benefit assessment, timetable, and cost estimate of a limited pilot program of electronic redistribution center.

Earlier discussions with the Federal Transit Administration suggest the Department's enthusiasm for such a system.

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

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

Mr. WOLF. Mr. Chairman, I thank the gentleman for his observations and his ideas. I think it is a great idea. We never even thought of it in the committee. I will do everything I can, not only to encourage the Department to work with the various modes to further explore the potential of an electronic redistribution center but also to see if there is some way working together with the other side we can kind of bring it about, because car dealers and many other groups do that. You cannot maintain all of that inventory. And since everybody is electronically connected, you could do that and exchange with other systems. It is not just a good idea, I think it is a great idea. We will do everything we possibly can to see that that takes place, working with the gentleman from Minnesota [Mr. SABO] and the Senate.

Mr. COLLINS. Mr. Chairman, I thank the gentleman for those comments and his support and appreciate the work that he and the minority side have done on this bill.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. OLVER], a valuable member of our subcommittee.

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me the time. This is a good bipartisan bill, I support it strongly. As with the gentleman from Arizona, who was speaking as I came in a few minutes ago, this is my first year on the subcommittee. I have enjoyed very much working on the subcommittee, working with the chairman, the gentleman from Virginia [Mr. WOLF], and with the ranking member, the gentleman from Minnesota [Mr. SABO].

I want particularly to commend the chairman for his hard work, for his bipartisan work, his very fair work and work of the staff on both the majority and minority side. I want to thank the ranking member, the gentleman from Minnesota [Mr. SABO], for his help and leadership for all of us who are on the minority.

I must say that we have all benefited from the fact that the chairman worked very closely with the ranking member, the gentleman from Virginia [Mr. WOLF] and the gentleman from Minnesota [Mr. SABO], in making this a good bill. The strengths of the bill are many. Many have already been mentioned. I just want to add a couple of comments to this.

There is a strong thread of commitment, commitment of the gentleman from Virginia [Mr. WOLF] as chairman,

to safety, airline safety, transportation safety in general that is reflected in this bill. I want to add my support to that commitment. Air travel is growing. In a good economy there is a great increase in air travel. I note that there is a large increase in the airport improvement fund which I think is very important. We also should shortly have a new FAA administrator, so I think there will be better days in the future for the FAA.

The bill also provides the beginning of funding that is necessary to modernize air traffic control systems in the airport management systems.

I want to thank the ranking member for eloquently stating some other needs. I would express that as a need for and a hope that we will be able to do better by the end of this cycle in operating assistance for transit in order to keep fares affordable and to keep routes available. There is also a need that I recognize for additional Amtrak operating assistance.

I do appreciate the increased funding for the capital funding of the Northeast corridor. And if we can get over the hump of operating assistance for Amtrak for the time that is necessary to get that Northeast corridor capital funding in place, then we should be able to see Amtrak's recovery. In the meantime, this bill continues our commitment to the capital needs for the electrification of the Northeast corridor, which I think is very important. I urge support for this legislation in its entirety.

Mr. WOLF. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Chairman, I thank the chairman for yielding me the time and for the opportunity to enter into a colloquy with him.

It is my understanding that there is in the report accompanying H.R. 2169 language relating to the Belford Ferry in Middletown Township, NJ. This language may condition the release of funds by the Secretary of Transportation for this project. The conditions set forth in the report would appear to prevent the Secretary of Transportation from releasing any funds for the Belford Ferry project until a demonstration of adequate ridership is made and the existence of a willing operator is found. Any delay in funding for the project, I believe, will have a negative impact upon my constituents who seek alternative means of travel to New York City.

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

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

Mr. WOLF. Mr. Chairman, that is correct. There is language relating to the Belford Ferry project in the report.

Mr. PAPPAS. Mr. Chairman, I would like to certainly inform my colleagues that the county of Monmouth, which is the county that is host to this proposed ferry, is, in fact, a willing operator and will subcontract for the Belford Ferry project and that a study on adequate demand and ridership has already been completed by the Monmouth County Department of Planning. Furthermore, with respect to adequate ridership, the Federal Highway Administration indicates that it will defer to the U.S. Army Corps of Engineers assessment. These conditions having been met Mr. Chairman, I see no reason why the Secretary of Transportation should withhold approval of Federal aid for the Belford Ferry project in Middletown.

Mr. WOLF. Mr. Chairman, if the gentleman will continue to yield, I would concur that these studies have been completed and we checked on them just the other day. Adequate demand for the ferry and ridership for the Belford Ferry has been established and the Federal Highway Administration considers the county of Monmouth the willing operator for the Belford Ferry project. Based on informal discussions that we have had, not in writing but discussions, I believe that the conditions in the report have been met; and if that is the case, there would be no reason for further delay of the project.

Mr. PAPPAS. Mr. Chairman, for purposes of clarification, I ask the gentleman if there is anything in the bill or report language that could further delay this project based upon the information that has been provided to the gentleman?

Mr. WOLF. Mr. Chairman, there is nothing in the bill which would require any other delays or studies.

Mr. PAPPAS. Mr. Chairman, if the gentleman believes we are in agreement that the concerns expressed in the report have been addressed, may I have his commitment to clarify this issue in the conference report?

Mr. WOLF. If the gentleman will continue to yield, before I answer, if I could defer to the gentleman from Minnesota [Mr. SABO].

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

Mr. PAPPAS. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I am not totally familiar with the project myself and with what the problems are, but there has been some concern over this project by Members on our side. I would just for my own point of view want to keep the reservation open to be able to visit with Members of our side who have had concerns.

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

I would want to visit with the gentleman and the chairman of the committee before conference is finalized, see if we cannot work this out to the satisfaction of everyone.

Mr. WOLF. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Chairman, I yield to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, it is my understanding, if my memory serves me, the gentleman believes that the concerns expressed in the report have been addressed and he sought my commitment to clarify this issue in the conference report. Based on talking to Mr. SABO, I can provide the gentleman my assurance, we will also talk to the gentleman from New Jersey, Mr. PALLONE, but I will work with the gentleman to resolve his concerns regarding the Belford Ferry project. I am aware of the traffic and the transportation and the need to get into New York.

The gentleman has approached me. I understand the gentleman was going to offer an amendment and that is not necessary so; yes, I will work with the gentleman with regard to that project. I appreciate him bringing it to our attention. I understand and I want to assure him after talking to the Federal Highway Administration what the gentleman said is accurate.

Mr. PAPPAS. Mr. Chairman, I spoke with my colleague from New Jersey earlier today. I certainly appreciate and understand his concerns. I happen to believe, by the information that I have received both by the county of Monmouth, the township of Middletown, the various correspondence, copies of correspondence that I have received from the various State and Federal agencies, that these specific concerns that were included in this report language have, in fact, been addressed, that there is adequate ridership that has been identified, there are in fact three or four willing, able operators that are able to fulfill this task, if given the opportunity. Harry Larrison, who is the freeholder director of Monmouth County, supports this. I thank the chairman and the ranking member for their support.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. Chairman, I do not rise for the purpose of asking for anything in this bill but simply asking for the Members to take note of what is happening here.

At a time when all of our other bills have been so partisan, contentious, destructive of the comity of this House, we have a bill that sailed through committee, that is going to sail through this floor in just the way that our subcommittee chairman and ranking member and the Chairman and ranking member of the full Committee would like every appropriations bill to go through.

So I would hope that the members of the Committee on Rules and the Members of the majority leadership would take note of what is happening today, what happens when you treat every Member with respect and evenhandedness.

This bill deserves to be passed overwhelmingly. It is a fair bill. It is respectful of every Member in this body. The results are clear.

I would hope for the sake of the chairmen of the other subcommittees that we could have more bills like this.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I rise today in very strong support of H.R. 2169. I want to particularly thank the gentleman from Virginia [Mr. WOLF], the chairman. He has been unfailingly kind to me, met with me. This is a wonderful project that I have in this bill. I just want to thank him for his kindness and to the gentleman from Minnesota [Mr. SABO] also.

This bill today continues the subcommittee's tradition of supporting West Side Hillsboro light rail project. I am very delighted to report to all of my colleagues that after this year only 1 year more of funding will be required to complete the West Side project. As the subcommittee is well aware, this light rail project has the greatest and the broadest support in Oregon.

Twice the voters have voted to tax themselves in order to support light rail. Voters support light rail because they are aware that it works so well there because we have these wonderful unique land use laws. Working together we have created viability and livability in this region. The West Side project is almost 75 percent complete. It is on time. It is on budget. It is thanks to this committee that it is those things.

Additionally I would very much like to thank the subcommittee for providing $146,500 in Coast Guard funds for the maritime Fire and Safety Association in Washington and Oregon. This association is an excellent example of a partnership between the private and the public sector. It brings together the people of the Columbia River into this maritime and commercial center. It provides public safety, enhances environmental protection. It enhances fire, oil and toxic spill response, training, equipment, program, administration activities.

□ 1515

And this modest sum that the bill has for this project really makes the difference.

So on behalf of the citizens of the Portland area and all the folks in Oregon who will use this project, I want to thank the gentleman from Virginia [Mr. WOLF], the gentleman from Minnesota [Mr. SABO], and the entire committee, and urge support.

Mr. SABO. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 4 minutes remaining, and the gentleman from Virginia [Mr. WOLF] has 3 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. BARCIA].

Mr. BARCIA. Mr. Chairman, I would like to include my two distinguished colleagues from Michigan, Ms. STABENOW and Mr. STUPAK, as part of this colloquy with our other colleague from Michigan Mr. KNOLLENBERG, and the chairman of the Subcommittee on Transportation of the House Committee on Appropriations, the gentleman from Virginia, Mr. WOLF.

Mr. Chairman, our State of Michigan and other donor States have been quite upset at our mistreatment under the funding allocation formulas as established by the Intermodal Surface Transportation Efficiency Act, or ISTEA.

As a member of both the Michigan delegation and the Committee on Transportation and Infrastructure, I am concerned that nothing in this bill lock our committee or State into using the funding allocation formulas in current law.

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

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

Mr. KNOLLENBERG. Mr. Chairman, I want to assure my colleague, the gentleman from Michigan, Mr. BARCIA, and, obviously, my other colleagues from Michigan Mr. STUPAK, and Ms. STABENOW, now that, as a member of the Michigan delegation, I share their concern for the funding equity in the upcoming reauthorization of our Nation's transportation program.

As a member of the Committee on Appropriations, I also want to assure them that nothing in this bill will prevent the Committee on Transportation and Infrastructure from addressing the issue of funding equity within the reauthorization, and I thank the gentleman for inquiring.

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

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

Mr. WOLF. Mr. Chairman, the gentleman from Michigan is correct, nothing in H.R. 2169 would prevent the authorizing committee from changing the funding allocation formulas for fiscal year 1998 or any year thereafter.

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

Mr. BARCIA. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I agree with the chairman that this bill in no way would affect the ability of the Committee on Transportation and Infrastructure to address the funding formulas under ISTEA.

Mr. BARCIA. Mr. Chairman, reclaiming my time, I thank the gentlemen for this colloquy.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I thank the chairman for yielding me this time. It has been a pleasure to serve as vice chairman with the gentleman from Virginia in crafting what I think is a responsible bill.

There are three elements I would mention. We have talked a lot about a balanced budget. A balanced budget depends on economic growth. That is the key to it. And the key to economic growth is transportation: air, highways, rail. This bill addresses those very well because they are the arteries of a nation's economic well-being.

Second is safety. We are all concerned about safety; highway safety, air transport safety. This bill has a lot of good features that impact on highway safety; innovative programs, 18 of them to be exact, for increased air safety. So I think that, too, recommends it highly to Members.

And, third, it is a people bill. We have passed a welfare reform bill which envisions people going to work. To go to work they need mass transit, and this bill recognizes that need throughout the Nation by providing funds for mass transit.

Those are all three elements that make this bill responsible. I strongly urge the Members to support this legislation.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. CALLAHAN], who serves on the committee.

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

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to say that this is not a perfect bill but it is about as perfect as we can get it.

If it were perfect, it would have some of the 15 things I requested in it that I did not get. But this is a body compromise, a body trying to do what we can do with the limited amount of money that we have allocated to us.

There should be more money for the Coast Guard, there should be less money for Amtrak, there should be more money for my particular projects, there should be more money for FAA. But, nevertheless, the committee has done an outstanding job of crafting a bill that gives the best we can to all of these good agencies.

So I commend the gentleman. I still disagree with him on demonstration projects, but he is right and I am wrong. If it ever comes into being, however, I want to be first in that line to get my demonstration projects funded. I commend him and urge support of this bill.

I am extremely distressed about Amtrak. Amtrak is terminally ill and we have to recognize that. By continuing to feed the system morphine we are only prolonging the inevitable. Still, I suggest at this time that Members vote for the bill.

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

Mr. WOLF. Mr. Chairman, in closing, I would just like to refer Members to page 31, where the committee said the following in the report:

> In following up on the work of the National Civil Aviation Review Commission over the coming months, and to help restore the credibility and effectiveness of the agency, the committee encourages the new administrator to establish an informal working group composed of former FAA administrators to advise her and the Secretary of Transportation regarding the future direction and the need of policies of the agency.

The committee believes the views of these former executives could be invaluable in helping shape the agency's future.

Mr. Chairman, again I thank the gentleman from Minnesota [Mr. SABO] for his help and efforts, and all the committee staff.

Mr. DAVIS of Illinois. Mr. Chairman, I rise today to commend Chairman WOLF and the ranking Democrat Mr. SABO for brining a bill to the floor which will provide billions of dollars for vital transportation and infrastructure projects across the Nation. This measure will allow States and localities to begin much-needed construction and repair on highways, bridges, and mass transit systems.

Transportation has always been vital to our economic prosperity and quality of life since our Nation's founding. From colonial post roads and canals that expanded our frontiers, the railroads and interstate highways that linked a growing country to the mass transit systems that made possible the development of our great cities.

Transportation has opened new markets and enabled the quick economical movement of people and goods that has empowered our economy's growth. In fact, in my congressional district of Chicago, IL, the transportation arena has always been a vital segment of our lifestyle—with over 27 percent of one's income spent on transportation-related expenses.

Further, well-paying, much-needed jobs are created when our transportation systems are revitalized. Finally, mass transit, commuter rail, and other forms of public transportation provide a way to work for millions of Chicago residents.

So, Mr. Chairman, I must express my extreme concerns for the bill's funding levels for mass transit and the adverse effects they could have on my congressional district.

As many businesses relocate to Chicago's suburbs—taking with them well-paying jobs—it is imperative that we continue to provide adequate funding for our public transportation systems. With the recent welfare to work mandates taking effect, it is also important that sufficient transportation services are available for these individuals.

As a result of past actions by the Congress which cut transit funding by nearly 40 percent, the Chicago Transit Authority was recently forced to make draconian cutbacks in service. These service cuts affect the majority of all bus routes and significantly reduces CTA's late night owl service for both rail and bus routes. These service cuts were made in neighborhoods where many of the residents have no other transportation alternatives.

Further, as many of you know, Chicago's EL is one of the oldest public rail systems in the country and is the cornerstone of our public transportation system. As this system continues to age, it cannot afford to loose precious capital funds that will result because of this measure.

It is my hope that as this measure moves to the conference committee funding levels for mass transit will be increased thereby recognizing the transportation needs of our urban, low-income, senior, and disabled residents.

Mr. KUCINICH. Mr. Chairman, I rise today in support of the increase for noise abatement programs for communities that are adversely affected by low flying airplane traffic. Last year, the Federal Government spent approximately $143 million, and this year's proposal is to spend $239 million. As airports continue to expand and air traffic continues to increase, it is clear we need to take steps to mitigate the resulting noise problems.

Airport noise can ruin neighborhoods by destroying the peace to which people are entitled. With the programs funded in this legislation, families that reside in the busiest flight patterns can receive new doors, acoustic window, wall and ceiling modifications, insulation, air condition and ductwork, and electrical wiring. These benefits can make the difference between a daily experience of frustration and anxiety, or a higher quality of life where people can eat dinner in peace, talk on the telephone uninterrupted, and enjoy the homes for which they have worked so hard.

Six communities in my district are in the flight pattern of Cleveland Hopkins International Airport. More needs to be done, therefore, it is important for the Federal Government to continue to fund noise abatement programs adequately. I urge my colleagues to support funding for noise abatement programs, and to work with a bipartisan coalition to support the highest funding possible coming out of the House-Senate conference committee.

Mr. PORTMAN. Mr. Chairman, I rise today to share my support for the fiscal year 1998 Transportation Act and to commend Chairman WOLF and ranking Member SABO for their fine work on this important legislation.

Also, Mr. Chairman, I wish to take this opportunity to reiterate the conditions of my support for a small part of this legislation—Federal funding of the Cincinnati/Northern Kentucky I–71 Corridor project.

My support for all past, present, and future funds allocated from the Federal Transit Administration section 3 program to study, select and construct the locally preferred transportation alternative for the congested I–71 Cincinnati/Northern Kentucky corridor is based on a 50–50 match between local/State sources and the Federal Government. In light of our Federal budget crisis and the inability of the Federal Government to fund the bulk of construction costs for major transportation projects, State and local jurisdictions should cover a substantial part of the cost of any new project. Even more importantly, I believe requiring a strong level of local participation will ensure that local communities select the most cost-effective solution to the region's transportation problems. A 50–50 match ensures that the project makes sense.

Mr. Chairman, I wish to submit into the RECORD the text of a letter I received from the Ohio-Kentucky-Indiana Council of Governments [OK], our regional transportation planning agency, which codifies the agreement reached between myself and OKI and clearly describes the intention of the local authorities to match the Federal money designated for this project.

The text of the letter follows.

On behalf of the I–71 Corridor Oversight Committee of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), and the local communities that constitute its membership, we thank you for your support of our funding requests for the Northeast Corridor Project.

This letter is provided in response to your request that we address two matters in connection with the Project. First, the issue of the local funding commitment is addressed. We regret any past misunderstandings which may have contributed to some confusion on this issue. Second, this letter explains the method by which OKI's I–71 oversight Committee has arrived at the cost estimates for the Project.

The pending request to the House Appropriations Subcommittee on Transportation for $500,000 in the Fiscal Year 1998 Department of Transportation Appropriations Act to reassess certain technologies in Northern Kentucky, and the projected $600 million in federal funds (half of the estimated $1.2 billion total project cost) needed for both phases of construction of the locally preferred alternative would be matched fifty percent by local funds. With respect to the Fiscal Year 1997 Transportation Appropriations Act approving $3 million for the preliminary engineering and environmental impact statement, the local governments commit to a fifty percent local match, twenty percent of which will be put up at the time our funding is drawn down and the remaining thirty percent of which would be contributed to the Project during Fiscal Year 1999 when construction gets under way. Local funds are not currently available to match the Fiscal Year 1997 funds on a 50/50 basis, which is why we are proposing to spread the match as described. Had we understood that any of the funding for the study phase of the Project was to be a fifty, rather than twenty, percent match, we would have budgeted for that additional $2.4 million.

The second issue on which you have requested clarification concerns the manner in which cost estimates for the Project are prepared. OKI has retained a nationally acclaimed team of consultants headed by Burgess & Niple Limited and includes BRW, Inc. to provide the technical assistance on the major investment analysis, engineering, and other phases of the Project. BRW has assisted other locales where similar transportation improvement projects have been implemented, including Portland Burnside LRT Line, Portland Westside LRT Line, Houston Busway, Salt Lake City LRT South Line, University of Minnesota Busway, I–10 HOV in Phoenix, Los Angeles Blue Line LRT, Calgary LRT System, and the Newark City Subway Extension and Vehicle Base Facility. OKI relies heavily upon the expertise of our consultants in arriving at the best available cost estimates, as each phase of the Project demands. In addition, you should be aware that all of the technologies we have considered are operating in other parts of the country, and, therefore, are ''Known quantities'' with respect to estimating their cost. We share your desire that our estimates be as precise as possible and will continue to make every effort to ensure such precision, despite certain unavoidable ambiguities that are inherent in planning and designing a project of this magnitude.

Again, we appreciate your support and assistance, without which we would not have progressed this far. Please feel free to forward this letter to the relevant Committees for inclusion in their official record of the Project funding requests, and call us or the OKI staff if you need any additional information.

Sincerely,

LARRY CRISENBERY,
President.

BERNARD J. MOORMAN,
Chairman.

Ms. FURSE. Mr. Chairman, I rise today in strong support of H.R. 2169, fiscal year 1998 Transportation appropriations. I want to thank Mr. WOLF, Mr. SABO, and every member of the Transportation Subcommittee for their hard work in crafting an excellent bill.

I am delighted that the bill before the House today continues the subcommittee's tradition

of supporting the Westside-Hillsboro Light Rail project. H.R. 2169 provides $63.4 million for this vital project, the full amount recommended by the administration in the Federal Transit Administration's 3(j) report earlier this year. I am ever more delighted to report that, after this year, only 1 year of funding will be required to complete the Westside project on time and on budget.

As the subcommittee is well aware, the Westside-Hillsboro Light Rail project continues to enjoy broad support. Voters in the metropolitan area have demonstrated their support by voting to tax themselves twice to support light rail, once in 1990 and again in 1994. In each instance, these votes occurred while voters were approving antitax ballot measures. Voters support light rail in the Portland area because they realize that it works in conjunction with Oregon's unique land-use laws and is critical to the future vitality and livability of the region. In addition, there is already more than $90 million in investment along the westside corridor as major corporations, such as INTEL, anticipate the project's opening.

The Westside project is over 75 percent complete and 10 miles of track are in place. Seven of the Nation's first low floor light rail cars are in testing and the first segment of the line is expected to open for service this year. Oregonians are clearly excited about the progress of the project, and are anxious to reap the benefits of this public investment through reduced congestion, improved air quality, economic development, and maintaining the quality of life that we treasure.

Additionally, I am also delighted that the subcommittee's bill provides $146,500 in Coast Guard funds for the Maritime Fire and Safety Association [MFSA] in Washington and Oregon. The MFSA has been an excellent example of partnership between public and private interests, bringing together all of the people who use the Columbia River as a maritime and commercial center. The MFSA facilitates maritime commerce while protecting public safety and enhancing environmental protection of the lower Columbia River. Among other initiatives, the MFSA enhances fire, oil and toxic spill response communication, training, equipment, and program administration activities. The modest funds provided to the MFSA by this bill yield enormous dividends for the entire lower Columbia basin.

On behalf of the citizens of the Portland area, I want to thank Mr. WOLF and the entire subcommittee for their support, and urge all my colleagues to support H.R. 2169.

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

The CHAIRMAN. All time has expired.

Pursuant to the rule, the amendments specified in section 2 of House Resolution 189 are adopted and the bill shall be considered for amendment under the 5-minute rule.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the CONGRESSIONAL RECORD. Those amendments will be considered as read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

Mr. CARDIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to express my concern that the bill we have before us does not have adequate funding for Amtrak in the coming year.

Amtrak is in an extremely tenuous position in the short term. The railroad has invested heavily in developing high-speed rail for the Northeast corridor, and once these new trains are in place, the high-speed trains, we have to make sure that there is significant revenue in order for the system to operate efficiently.

Amtrak has borrowed heavily to make the investment in high-speed rail, and the railroad, without support from Congress over the next 2 years and an adequate amount of money, will be overwhelmed by that debt. The gentleman from Virginia [Mr. WOLF], the chairman of the Subcommittee on Transportation of the Committee on Appropriations, has recognized this bind but has left the railroad $61 million short from what the President has requested to support the program.

Let me just quote from the statement of the administration policy for the transportation appropriations bill:

The administration is deeply concerned about the level of funding provided for Amtrak. The Federal operating subsidy supports Amtrak's day-to-day operations. Even at the funding levels proposed by the President, Amtrak will be able to remain solvent only by further increasing revenues and reducing costs. If Congress appropriates an amount for operating grants that is less than the $344 million requested by the President, it is questionable whether Amtrak would have cash reserves sufficient to meet its obligations. In light of these considerations, we strongly urge the House to provide Amtrak with operating grants of $344 million in fiscal year 1998.

Mr. Chairman, we have fallen short of this hurdle for Amtrak, and I am concerned that because of the relatively small shortfall this year, we are jeopardizing a realistically promising plan for Amtrak's self-sufficiency by the year 2002.

All this occurs at a time when Amtrak has begun to see the benefits of its reengineering and cost-cutting efforts of the past 3 years. To date, Amtrak has made nearly $400 million in bottom line improvements on an annualized basis to increase the efficiency of its rolling stock, eliminated poorly performing routes, reduced head counts, retired old equipment, reinvested in new equipment, including high-speed rail, and improved its operating ratio. This was done at a time of declining Federal support.

For fiscal year 1995, passenger related revenues were $874 million, last year they climbed to $901 million, and they are expected to be $977 million in the current year. In addition, despite operating fewer trains, ridership is moving up for the first time in several years. Travel industry projections indicate that the economy and travel expect to remain strong through 1998. This is fairly remarkable. Amtrak's ridership is up nearly 2.5 percent at a time when airline travel is up 0.2 percent to 1.2 percent for the Nation's four largest airlines. And revenue is up this year over the previous year by 9 percent.

In late 1999, Amtrak will introduce North America's first high-speed rail service, which will generate nearly $150 million in net bottom line improvements. Mr. Chairman, I could go on and on to tell my colleagues the good things that are happening with Amtrak, but it needs the Federal operating subsidies.

Next week the House Committee on Transportation and Infrastructure will mark up a sweeping Amtrak reform and reauthorization bill which should generate further cost savings for Amtrak. At a time when things seem to be turning around for Amtrak, we would be unwise to underfund their operating needs.

I would hope that we could work with the Senate to restore the funding so that Amtrak can continue to reduce its dependency on Federal support, strengthen its infrastructure, and retain a viable national route structure.

Mr. WOLF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just say to the gentleman from Maryland that I am really committed to Amtrak; I want Amtrak to do very well.

I think people should understand, so when they think about this bill, that the committee mark has provided $30 million more for Amtrak than enacted in fiscal year 1997. This bill is actually $3.5 million above what the administration requested.

The subcommittee has provided $202 million for operating expenses in fiscal year 1998, which is the same amount as requested by the administration. Funding for capital improvements is $260 million, which is $14.55 million more than requested by the administration and $36.55 million more than last year.

Also, too, the gentleman, both of us have a strong interest in the Amtrak corridor because that is, in essence, the flagship for Amtrak. By making this work very well, it will help the entire system. And the subcommittee provided $250 million for the Northeast corridor, which is $50 million more than requested and $75 million more than was in 1975.

So for Amtrak, the Northeast corridor, we are actually putting more on it. We hope to see that high-speed rail moving up and down there as quickly as possible.

I can assure the gentleman, and I know the gentleman from Minnesota

[Mr. SABO], having sat through all the hearings, knows that I want to do everything we can to protect it. The problem is, though, last year the Congress provided a significant amount of money to keep open a number of routes that Amtrak wanted to close down. We lost that money because four of those six routes are now gone. They are gone.

In addition, Amtrak actually lost more money because they could have taken the train sets from those routes and use them on more productive routes. But I want the gentleman to know that many areas were actually significantly higher.

I believe the opportunity for Amtrak, with monopoles in the Northeast corridor, aggressive mail delivery, and a lot of other opportunities, that that can be the flagship. I am committed to maintaining and having a national rail system because I just think it is important for a first class country to have a first class system.

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

Mr. WOLF. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Chairman, I want to thank the gentleman for his leadership in this area. I know of the gentleman's commitment to rail service in this country and the importance to the Northeast corridor as well as to other regions of our Nation.

The gentleman has provided some significant help for Amtrak, and that is appreciated. I think the area of major concern right now is the operating issue and whether there are adequate operating subsidies in this budget in order to meet the transition until the high-speed trains are on line.

As the gentleman knows, Amtrak has incurred some additional capital debt obligations through its borrowing that now must be met through Amtrak, and I hope that we can continue to work together to make sure that there are adequate resources during this transitional period.

□ 1530

Mr. WOLF. Reclaiming my time, I hope we can. And I am sure the gentleman from Minnesota [Mr. SABO] and I will be able to work something out. I hope the gentleman will take a look at that, and I am going to ask the staff to show how retirement payments were being paid by Amtrak. And there are some problems, but I am committed to working with Amtrak and I am doubly committed to making the Northeast corridor the flagship which will help bring Amtrak a lot more money.

Mr. CARDIN. I thank the gentleman very much.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $60,009,000, of which not to exceed $40,000 shall be available as the Secretary may determine for allocation within the Department for official reception and representation expenses: *Provided,* That notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received in user fees: *Provided further,* That no more than $606,000 shall be available for the Office of Acquisition and Grants Management, solely for department-wide grants management activities: *Provided further,* That none of the funds appropriated in this Act or otherwise made available may be used to maintain custody of airline tariffs that are already available for public and departmental access at no cost; to secure them against detection, alteration, or tampering; and open to inspection by the Department.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $5,574,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, and development activities, to remain available until expended, $4,400,000.

TRANSPORTATION ADMINISTRATIVE SERVICE CENTER

Necessary expenses for operating costs and capital outlays of the Transportation Administrative Service Center, not to exceed $121,800,000, shall be paid from appropriations made available to the Department of Transportation: *Provided,* That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further,* That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further,* That no funds appropriated in this Act to an agency of the Department shall be transferred to the Transportation Administrative Service Center without the approval of the agency modal administrator: *Provided further,* That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for ''Small Community Air Service'' in Public Law 101–508 for fiscal year 1998, $38,600,000 are rescinded.

POINT OF ORDER

Mr. SHUSTER. Mr. Chairman, I rise to make a point of order against the paragraph.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. SHUSTER. Mr. Chairman, I raise a point of order against page 4, line 1, through line 6. This provision violates clause 2 of rule XXI because it rescinds $38.6 million in airport and airway trust fund contract authority, not general fund appropriations, for small community air service.

Airport and airway trust fund contract authority, while a form of direct spending, is legislative in nature, and rescinding such authority is not within the jurisdiction of the Committee on Appropriations. This rescission constitutes legislation on an appropriations bill in violation of the House rules.

The CHAIRMAN. Does the gentleman from Virginia [Mr. WOLF] wish to be heard on the point of order?

Mr. WOLF. No, Mr. Chairman. I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order. The provision is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of direct loans, $1,500,000, as authorized by 49 U.S.C. 332: *Provided,* That such costs including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $15,000,000. In addition, for administrative expenses to carry out the direct loan program, $400,000.

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, $2,900,000, of which $2,635,000 shall remain available until September 30, 1999: *Provided,* That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

COAST GUARD

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; $2,708,000,000, of which $300,000,000 shall be available for defense-related activities and $25,000,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided,* That the number of aircraft on hand at any one time shall not exceed two hundred and twelve, exclusive of aircraft and parts stored to meet future attrition: *Provided further,* That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further,* That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further,* That the Commandant shall reduce both military and civilian employment levels for the purpose of complying with Executive Order No. 12839: *Provided further,* That $34,300,000 of the funds provided under this heading for increased drug interdiction activities are not available for obligation until the Director, Office of National Drug Control Policy: (1) reviews the specific activities and associated costs and benefits proposed by the Coast Guard; (2) compares those activities to other drug interdiction efforts government-wide; and (3) certifies, in writing, to the House and Senate Committees on Appropriations that such expenditures represent the best investment relative to other options: *Provided further,* That should the Director, Office of National Drug Control Policy decline to make such certification, after notification in writing to the House and Senate Committees on Appropriations, the Director may transfer, at his discretion, up to $34,300,000 of funds provided herein for Coast Guard drug interdiction activities to any other entity of the Federal

Government for drug interdiction activities: *Provided further,* That up to $615,000 in user fees collected pursuant to section 1111 of Public Law 104–324 shall be credited to this appropriation as offsetting collections in fiscal year 1998.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $379,000,000, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund; of which $191,650,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2002; $33,900,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 2000; $47,050,000 shall be available for other equipment, to remain available until September 30, 2000; $59,400,000 shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 2000; and $47,000,000 shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 1999: *Provided,* That funds received from the sale of HU–25 aircraft shall be credited to this appropriation for the purpose of acquiring new aircraft and increasing aviation capacity: *Provided further,* That the Commandant may dispose of surplus real property by sale or lease and the proceeds shall be credited to this appropriation, of which not more than $9,000,000 shall be credited as offsetting collections to this account, to be available for the purposes of this account: *Provided further,* That the amount herein appropriated from the General Fund shall be reduced by such amount so as to result in a final fiscal year 1998 appropriation from the General Fund of $370,000,000: *Provided further,* That any proceeds from the sale or lease of Coast Guard surplus real property in excess of $9,000,000 shall be retained and remain available until expended, but shall not be available for obligation until October 1, 1998.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $21,000,000, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $16,000,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55); $645,696,000.

RESERVE TRAINING

(INCLUDING TRANSFER OF FUNDS)

For all necessary expenses of the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; $67,000,000: *Provided,* That no more than $20,000,000 of funds made available under this heading may be transferred to Coast Guard ''Operating expenses'' or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $19,000,000, to remain available until expended, of which $3,500,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided,* That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

For payment of necessary expenses incurred for recreational boating safety assistance under Public Law 92–75, as amended, $35,000,000, to be derived from the Boat Safety Account and to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities and the operation (including leasing) and maintenance of aircraft, and carrying out the provisions of subchapter I of chapter 471 of title 49, United States Code, or other provisions of law authorizing the obligation of funds for similar programs of airport and airway development or improvement, lease or purchase of four passenger motor vehicles for replacement only, $5,300,000,000, of which notwithstanding 49 U.S.C. 48104(c), $3,425,000,000 shall be derived from the Airport and Airway Trust Fund: *Provided,* That none of the funds in this Act shall be available for the Federal Aviation Administration to plan, finalize, or implement any regulation that would promulgate new aviation user fees not specifically authorized by law after the date of enactment of this Act: *Provided further,* That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for test related thereto, or for processing major repair or alteration forms: *Provided further,* That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: *Provided further,* That none of the funds in this Act shall be available for new applicants for the second career training program: *Provided further,* That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: *Provided further,* That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United States: *Provided further,* That none of the funds derived from the Airport and Airway Trust Fund may be used to support the operations and activities of the Associate Administrator for Commercial Space Transportation.

POINT OF ORDER

Mr. SHUSTER. Mr. Chairman, I raise a point of order against the paragraph.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. SHUSTER. Mr. Chairman, I raise a point of order against page 10, line 20, beginning with ''of which'' through ''fund'' on line 22. This provision violates clause 2 of rule XXI because it alters the funding formula established under the airport improvement program by appropriating $3.425 billion out of the airport and airway fund for FAA.

The correct figure should be approximately $1.88 billion if the formula under existing law is followed. The added funding for operations has the effect of changing existing law and it, therefore, constitutes legislation on an appropriations bill in violation of the House rules.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. WOLF. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair will state that the point of order can extend only to the specific part of the paragraph left unprotected and, as such, it is sustained.

AMENDMENT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolf:

On page 10, line 20 of the bill, insert the following after the sum ''$5,300,000,000,'': of which $1,880,000,000 shall be derived from the Airport and Airway Trust Fund.

Mr. WOLF. Mr. Chairman, the point of order just sustained by the Chair eliminates all aviation trust fund support for FAA operations. I believe it is the intent of the authorizing committee to ensure only that the legislative cap on trust fund spending for FAA operations is upheld and not to totally eliminate the trust fund contribution.

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

Mr. WOLF. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I certainly agree with the gentleman from Virginia [Mr. WOLF], the chairman of the subcommittee, and I support this amendment.

Mr. WOLF. Mr. Chairman, there is nothing more to say, then, because it is a technical amendment and is supported, I think, by the majority and minority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF].

The amendment was agreed to.

Mr. GILCHREST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to bring to the Members' attention on page 6, line 12, through line 18, this is an area of the appropriations bill of which I have talked to the gentleman from Virginia [Mr. WOLF], the chairman, about

that I have some strong reservations on. What I would like to do is to read the three areas of the bill that I have strong reservations and then speak directly as to what they are.

No. 1, line 5, first of all, the Committee on Appropriations has taken $34 million that was directed to the Coast Guard interdiction program and has effectively given it to the drug czar to determine the best area where this money should be spent.

The authority given to the drug czar is the following, that is the director's office of the National Drug Control Policy. This is the authority given to Mr. McCaffrey. No. 1, Mr. McCaffrey will review the specific activities and associated costs and benefit proposed by the Coast Guard.

I think those reviews of those activities and the cost and benefits have already been reviewed by the authorizing committee, the Coast Guard committee and the transportation. No. 2 compares those activities to other drug interdiction efforts government-wide. This was always done with various other authorizing committees.

But within that, what I have the most disagreement with is No. 3. No. 3 certifies that the drug czar will certify in writing to the House and the Senate Committees on Appropriations, not to the authorizing committee, but to the Committee on Appropriations, that such expenditures represent the best investment relative to other options provided further that, should the director, Office of National Drug Control Policy decline to make such certification after notification in writing to the House and Senate Committees on Appropriations, the director may transfer, at his discretion, up to $34 million of funds provided to the Coast Guard to any other government entity to use this amount of money.

I have some reservations about reporting to the Committee on Appropriations, as opposed to the authorizing committees, this waiver. This part of the bill could have been struck in a point of order, but it was protected by waiver by the Committee on Rules.

Mr. McCaffrey, in a letter to the Committee on Transportation and Infrastructure to Mr. Peña wanted, this is the drug czar now, wanted $34 million sent to the Coast Guard for this interdiction part. The Coast Guard, in the whole area of the Nation's drug problem, in the last few years, in my judgment, has been engaged in a very positive way to drastically reduce the number of drugs coming into the United States.

Now, lastly, Mr. Chairman, I think when we begin to pick apart in the various levels of the appropriations process and the authorizing process an agency such as the Coast Guard, I think we lose sight of the rather large responsibility, increasing responsibility that we give to the Coast Guard every single year.

If the Members will just consider this particular fact: On any 1 day, any one point in time on any given day, every Coast Guard jet that is assigned an area, every Coast Guard helicopter, every Coast Guard cutter, every Coast Guard buoy tender, every Coast Guard boat has the following responsibilities: Drug interdiction, determining who are illegal immigrants, boarding hostile steamship lines with hostile immigrants prepared to wreak havoc, finding boats where people have had accidents, determining the difference between shad, salmon, yellowfin tuna, bluefin tuna, striped bass, when the regulations for fishing are the international standards for boaters' safety, for vessel safety, for oil pollution. Every single Coast Guard person has this and more as their responsibility.

Drug interdiction is just one of these things. And what the Coast Guard is doing now as far as drug interdiction is concerned, they are working in the international arena and they have international cooperation, and the U.S. Coast Guard is seen as a leader in this area.

So I would just request, and the gentleman from Virginia [Mr. WOLF] and myself have had some very good discussions on this prior to this statement, but I think it is important for us to realize the increasing responsibility of the Coast Guard.

Mr. WOLF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the comment of the gentleman from Maryland [Mr. GILCHREST]. I admire him about as much as I do anybody in the body. And we will talk, and if we are able to keep this language in, I will change it to make sure that the report goes to the authorizing committee too at the same time.

We just want to make sure that the money is wisely spent. I am very concerned about the drug problem coming into the country. I have very strong views about it. We have had a number of drug conferences in my district. I just want to make sure that it is really wisely and well spent.

Second, by doing this, we put a great responsibility on the drug czar and also on the Coast Guard. But I think I understand what the gentleman from Maryland [Mr. GILCHREST] says. And again, if we can, we will make sure that the report goes to the gentleman's committee and the Coast Guard.

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

Mr. WOLF. I yield to the gentleman from Maryland.

Mr. GILCHREST. First, I have a great deal of respect for the gentleman from Virginia [Mr. WOLF], and I think he knows that. I do look forward to working with him on this particular issue on page 6, but I look forward to working with him on this issue in a very comprehensive way so that we can ensure a reduction in the drug problem in the United States. And all the Federal agencies are working very closely together to do a better job.

Mr. WOLF. I thank the gentleman.

Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 65, line 6, be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The text of the remainder of the bill through page 65, line 6, is as follows:

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized under part A of subtitle VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this head; to be derived from the Airport and Airway Trust Fund, $1,875,000,000, of which $1,655,890,000 shall remain available until September 30, 2000, and of which $219,110,000 shall remain available until September 30, 1998: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, $185,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2000: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development: *Provided further*, That none of the funds in this Act may be obligated or expended for the ''Flight 2000'' Program.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and for noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations, $1,600,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $1,700,000,000 in fiscal year 1998 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 47117(h) of title 49, United States Code.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and

investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program for aviation insurance activities under chapter 443 of title 49, United States Code.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

None of the funds in this Act shall be available for activities under this heading during fiscal year 1998.

ADMINISTRATIVE SERVICES FRANCHISE FUND

None of the funds in this Act shall be available to establish new activities under the Administrative Services Franchise Fund during fiscal year 1998.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, including motor carrier safety program operations, and research of the Federal Highway Administration not to exceed $510,313,000 shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided,* That $202,226,000 of the amount provided herein shall remain available until September 30, 2000.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $21,500,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1998.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $20,800,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

RIGHT-OF-WAY REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

None of the funds under this head are available for obligations for right-of-way acquisition during fiscal year 1998.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 31102, $85,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided,* That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $85,325,000 for ''Motor Carrier Safety Grants''.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under part C of subtitle VI of title 49, United States Code, and chapter 301 of title 49, United States Code, $74,492,000, of which $40,674,000 shall remain available until September 30, 2000: *Provided,* That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect.

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under 23 U.S.C. 403 and section 2006 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240), to be derived from the Highway Trust Fund, $72,415,000, of which $49,520,000 shall remain available until September 30, 2000.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 153, 402, 408, and 410, and chapter 303 of title 49, United States Code, to remain available until expended, $186,000,000, to be derived from the Highway Trust Fund: *Provided,* That, notwithstanding subsection 2009(b) of the Intermodal Surface Transportation Efficiency Act of 1991, none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 1998, are in excess of $186,500,000 for programs authorized under 23 U.S.C. 402, 410, and chapter 303 of title 49, U.S.C., of which $140,200,000 shall be for ''State and community highway safety grants'', $2,300,000 shall be for the ''National Driver Register'', $9,000,000 shall be for ''Occupant Protection Incentive Grants'', subject to authorization, and $35,000,000 shall be for section 410 ''Alcohol-impaired driving countermeasures programs'': *Provided further,* That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further,* That not to exceed $5,268,000 of the funds made available for section 402 may be available for administering ''State and community highway safety grants'': *Provided further,* That not to exceed $150,000 of the funds made available for section 402 may be available for administering the highway safety grants authorized by section 1003(a)(7) of Public Law 102–240: *Provided further,* That not to exceed $500,000 of the funds made available for section 410 ''Alcohol-impaired driving counter-measures programs'' shall be available for technical assistance to the States.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $19,434,000, of which $1,389,000 shall remain available until expended: *Provided,* That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further,* That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further,* That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation: *Provided further,* That none of the funds for rental payments to the General Services Administration provided herein shall be used to pay the expenses of headquarters' employees outside of the Nassif building after January 1, 1998.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $56,967,000, of which $5,511,000 shall remain available until expended: *Provided,* That notwithstanding any other provision of law, funds appropriated under this heading are available for the reimbursement of out-of-state travel and per diem costs incurred by employees of State governments directly supporting the Federal railroad safety program, including regulatory development and compliance-related activities.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $21,038,000, to remain available until expended.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.) and 49 U.S.C. 24909, $250,000,000, to remain available until September 30, 2000.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided,* That no new loan guarantee commitments shall be made during fiscal year 1998.

NEXT GENERATION HIGH-SPEED RAIL

For necessary expenses for Next Generation High-Speed Rail studies, corridor planning, development, demonstration, and implementation, $18,395,000, to remain available until expended: *Provided,* That funds under this head may be made available for grants to States for high-speed rail corridor design, feasibility studies, environmental analyses, and track and signal improvements.

RHODE ISLAND RAIL DEVELOPMENT

For the costs associated with construction of a third track on the Northeast Corridor between Davisville and Central Falls, Rhode Island, with sufficient clearance to accommodate double stack freight cars, $10,000,000, to be matched by the State of Rhode Island or its designee on a dollar for dollar basis and to remain available until expended: *Provided,* That as a condition of accepting such

funds, the Providence and Worcester (P&W) Railroad shall enter into an agreement with the Secretary to reimburse Amtrak and/or the Federal Railroad Administration, on a dollar for dollar basis, up to the first $23,000,000 in damages resulting from the legal action initiated by the P&W Railroad under its existing contracts with Amtrak relating to the provision of vertical clearances between Davisville and Central Falls in excess of those required for present freight operations.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation authorized by 49 U.S.C. 24104, $543,000,000, to remain available until expended, of which $202,000,000 shall be available for operating losses, $81,000,000 shall be available for mandatory passenger rail service payments, and $260,000,000 shall be for capital improvements: *Provided,* That none of the funds herein appropriated for mandatory railroad retirement payments shall be used for payments for National Railroad Passenger Corporation employees: *Provided further,* That none of the funds in this Act may be obligated or expended for operating losses in excess of the amounts specifically provided herein: *Provided further,* That none of the funds provided for capital improvements may be transferred to operating losses to pay for debt service interest unless specifically authorized by law after the date of enactment of this Act: *Provided further,* That the incurring of any obligation or commitment by the Corporation for the purchase of capital improvements prohibited by this Act or not expressly provided for in an appropriations Act shall be deemed a violation of 31 U.S.C. 1341: *Provided further,* That funding under this head for capital improvements shall not be made available before July 1, 1998: *Provided further,* That the Administrator of the Federal Railroad Administration shall submit a quarterly report to the House and Senate Committees on Appropriations detailing the financial status of, and future business forecasts for, the National Railroad Passenger Corporation as well as recommendations for reducing operating losses in the near-term and Federal financial support in the long-term: *Provided further,* That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, $45,738,000: *Provided,* That none of the funds in this Act shall be available for the execution of contracts under section 5327(c) of title 49, United States Code, in an aggregate amount that exceeds $15,000,000.

FORMULA GRANTS

For necessary expenses to carry out 49 U.S.C. 5307, 5310(a)(2), 5311, and 5336, to remain available until expended, $290,000,000: *Provided,* That no more than $2,500,000,000 of budget authority shall be available for these purposes: *Provided further,* That of the funds provided under this head for formula grants, no more than $200,000,000 may be used for operating assistance under 49 U.S.C. 5336(d): *Provided further,* That the limitation on operating assistance provided under this heading shall, for urbanized areas of less than 200,000 in population, be no less than seventy-five percent of the amount of operating assistance such areas are eligible to receive under Public Law 103–331: *Provided further,* That in the distribution of the limitation provided under this heading to urbanized areas that had a population under the 1990 census of 1,000,000 or more, the Secretary shall direct each such area to give priority consideration to the impact of reductions in operating assistance on smaller transit authorities operating within the area and to consider the needs and resources of such transit authorities when the limitation is distributed among all transit authorities operating in the area.

UNIVERSITY TRANSPORTATION CENTERS

For necessary expenses for university transportation centers as authorized by 49 U.S.C. 5317(b), to remain available until expended, $6,000,000.

TRANSIT PLANNING AND RESEARCH

For necessary expenses for transit planning and research as authorized by 49 U.S.C. 5303, 5311, 5313, 5314, and 5315, to remain available until expended, $86,000,000, of which $39,500,000 shall be for activities under Metropolitan Planning (49 U.S.C. 5303); $4,500,000 for activities under Rural Transit Assistance (49 U.S.C. 5311(b)(2)); $8,250,000 for activities under State Planning and Research (49 U.S.C. 5313(b)); $22,500,000 for activities under National Planning and Research (49 U.S.C. 5314); $8,250,000 for activities under Transit Cooperative Research (49 U.S.C. 5313(a)); and $3,000,000 for National Transit Institute (49 U.S.C. 5315).

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(a), $2,210,000,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided,* That $2,210,000,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's formula grants account.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $2,000,000,000 in fiscal year 1998 for grants under the contract authority in 49 U.S.C. 5338(b): *Provided,* That there shall be available for fixed guideway modernization, $800,000,000; there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities, $400,000,000; and there shall be available for new fixed guideway systems $800,000,000, to be available as follows:

$44,600,000 for the Atlanta-North Springs project (subject to authorization);

$46,300,000 for the Boston Piers MOS–2 project (subject to authorization);

$2,300,000 for the Canton-Akron-Cleveland commuter rail project (subject to authorization);

$1,000,000 for the Charlotte South corridor transitway project (subject to authorization);

$500,000 for the Cincinnati Northeast/Northern Kentucky rail line project (subject to authorization);

$5,000,000 for the Clark County, Nevada fixed guideway project (subject to authorization);

$800,000 for the Cleveland Blue Line extension to Highland Hills project (subject to authorization);

$700,000 for the Cleveland Berea Red Line extension to Hopkins International Airport (subject to authorization);

$1,200,000 for the Cleveland Waterfront Line extension project (subject to authorization);

$14,000,000 for the Dallas-Fort Worth RAILTRAN project (subject to authorization);

$8,000,000 for the DART North Central light rail extension project (subject to authorization);

$1,500,000 for the DeKalb County, Georgia light rail project (subject to authorization);

$21,400,000 for the Denver Southwest Corridor project (subject to authorization);

$7,000,000 for the Florida Tri-County commuter rail project (subject to authorization);

$1,000,000 for the Galveston, Texas rail trolley system project (subject to authorization);

$1,000,000 for the Houston Advanced Regional Bus Plan project (subject to authorization);

$51,100,000 for the Houston Regional Bus project (subject to authorization);

$1,000,000 for the Indianapolis Northeast corridor project (subject to authorization);

$4,000,000 for the Jackson, Mississippi intermodal corridor project (subject to authorization);

$76,000,000 for the Los Angeles MOS–3 project (subject to authorization);

$27,000,000 for MARC commuter rail improvements (subject to authorization);

$1,000,000 for the Memphis, Tennessee regional rail project (subject to authorization);

$9,000,000 for the Metro-Dade Transit east-west corridor project (subject to authorization);

$9,000,000 for the Miami-North 27th Avenue project (subject to authorization);

$1,000,000 for the Mission Valley East corridor project (subject to authorization);

$54,800,000 for the New Jersey-Hudson-Bergen project (subject to authorization);

$27,000,000 for the New Jersey Secaucus project (subject to authorization);

$8,000,000 for the New Orleans Canal Street corridor project (subject to authorization);

$2,000,000 for the New Orleans Desire Streetcar project (subject to authorization);

$6,000,000 for the North Carolina Research Triangle Park project (subject to authorization);

$2,000,000 for the Northern Indiana South Shore commuter rail project (subject to authorization);

$5,000,000 for the Oceanside-Escondido light rail project (subject to authorization);

$1,600,000 for the Oklahoma City MAPS corridor transit project (subject to authorization);

$4,000,000 for the Orange County transitway project (subject to authorization);

$31,800,000 for the Orlando Lynx light rail project (subject to authorization);

$500,000 for the Pennsylvania Strawberry Hill/Diamond Branch rail project (subject to authorization);

$8,000,000 for the Phoenix metropolitan area transit project (subject to authorization);

$3,000,000 for the Pittsburgh airport busway project (subject to authorization);

$63,400,000 for the Portland-Westside/Hillsboro project (subject to authorization);

$20,300,000 for the Sacramento LRT project (subject to authorization);

$42,800,000 for the Salt Lake City South LRT project (subject to authorization);

$1,000,000 for the San Bernardino Metrolink project (subject to authorization);

$3,000,000 for the San Diego Mid-Coast corridor project (subject to authorization);

$54,800,000 for the San Francisco BART extension to the airport project (subject to authorization);

$25,700,000 for the San Juan Tren Urbano (subject to authorization);

$21,400,000 for the San Jose Tasman LRT project (subject to authorization);

$4,000,000 for the Seattle-Tacoma commuter rail project (subject to authorization);

$2,000,000 for the Seattle-Tacoma light rail project (subject to authorization);

$30,000,000 for the St. Louis-St. Clair LRT extension project (subject to authorization);

$5,000,000 for the St. George Ferry terminal project (subject to authorization);

$2,000,000 for the Tampa Bay regional rail project (subject to authorization);

$2,000,000 for the Tidewater, Virginia rail project (subject to authorization);

$1,000,000 for the Toledo, Ohio rail project (subject to authorization);

$20,000,000 for the Twin Cities transitways projects (subject to authorization);

$2,500,000 for the Virginia Rail Express Fredericksburg to Washington commuter rail project (subject to authorization);

$5,000,000 for the Whitehall ferry terminal project (subject to authorization); and

$5,000,000 for the Wisconsin central commuter rail project (subject to authorization).

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(b) administered by the Federal Transit Administration, $2,350,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

For necessary expenses to carry out the provisions of section 14 of Public Law 96–184 and Public Law 101–551, $200,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, including the Great Lakes Pilotage functions delegated by the Secretary of Transportation, $11,200,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, $27,934,000, of which $574,000 shall be derived from the Pipeline Safety Fund, and of which $4,950,000 shall remain available until September 30, 2000: *Provided*, That up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: *Provided further*, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, $31,486,000, of which $3,300,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2000; and of which $28,186,000 shall be derived from the Pipeline Safety Fund, of which $14,839,000 shall remain available until September 30, 2000: *Provided*, That in addition to amounts made available for the Pipeline Safety Fund, $1,000,000 shall be available for grants to States for the development and establishment of one-call notification systems and shall be derived from amounts previously collected under section 7005 of the Consolidated Omnibus Budget Reconciliation Act of 1985.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2000: *Provided*, That none of the funds made available by 49 U.S.C. 5116(i) and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, $42,000,000: *Provided*, That none of the funds under this heading shall be for the conduct of contract audits.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, $15,853,000: *Provided*, That notwithstanding any other provision of law, not to exceed $2,000,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used for necessary and authorized expenses under this heading: *Provided further*, That the sum herein appropriated for the general fund shall be reduced on a dollar for dollar basis as such offsetting collections are received during fiscal year 1998, to result in a final appropriation from the general fund estimated at no more than $13,853,000: *Provided further*, That any fees received in excess of $2,000,000 in fiscal year 1998 shall remain available until expended, but shall not be available for obligation until October 1, 1998.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $3,640,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902) $46,000,000, of which not to exceed $2,000 may be used for official reception and representation expenses.

EMERGENCY FUND

For necessary expenses of the National Transportation Safety Board for accident investigations, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902), $1,000,000, to remain available until expended.

TITLE III

GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902).

SEC. 302. Such sums as may be necessary for fiscal year 1998 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by title VIII of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 7701, et seq., for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 305. None of the funds in this Act shall be available for salaries and expenses of more than one hundred seven political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 308. The Secretary of Transportation may enter into grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity in execution of the Technology Reinvestment Project authorized under the Defense Conversion, Reinvestment and Transition Assistance Act of 1992 and related legislation: *Provided,* That the authority provided in this section may be exercised without regard to section 3324 of title 31, United States Code.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 310. (a) For fiscal year 1998 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1997, no State shall obligate more than 25 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 12 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State;

(2) after August 1, 1998, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 103(e)(4), 104, and 144 of title 23, United States Code, and under sections 1013(c) and 1015 of Public Law 102–240; and

(3) not distribute amounts authorized for administrative expenses and funded from the administrative takedown authorized by section 104(a) of title 23, United States Code, the Federal lands highway program, the intelligent transportation systems program, and amounts made available under sections 1040, 1047, 1064, 6001, 6005, 6006, 6023, and 6024 of Public Law 102–240, and 49 U.S.C. 5316, 5317, and 5338: *Provided,* That amounts made available under section 6005 of Public Law 102–240 shall be subject to the obligation limitation for Federal-aid highways and highway safety construction programs under the head ''Federal-Aid Highways'' in this Act.

(d) During the period October 1 through December 31, 1997, the aggregate amount of obligations under section 157 of title 23, United States Code, for projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, sections 131(b), 131(j), and 404 of Public Law 97–424, sections 1061, 1103 through 1108, 4008, and 6023(b)(8) and 6023(b)(10) of Public Law 102–240, and for projects authorized by Public Law 99–500 and Public Law 100–17, shall not exceed $277,431,840.

(e) During the period August 2 through September 30, 1998, the aggregate amount which may be obligated by all States shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104 and 144 of title 23, United States Code, and 1013(c) and 1015 of Public Law 102–240, and

(2) for highway assistance projects under section 103(e)(4) of title 23, United States Code, which would not be obligated in fiscal year 1998 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized.

(f) Paragraph (e) shall not apply to any State which on or after August 1, 1998, has the amount distributed to such State under paragraph (a) for fiscal year 1998 reduced under paragraph (c)(2).

SEC. 311. The limitation on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation under the discretionary grants program.

SEC. 312. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 313. None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 314. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport-aid program, airport development aid program or airport improvement program grant. The FAA shall accept such equipment, which shall thereafter be operated and maintained by the FAA in accordance with agency criteria.

SEC. 315. None of the funds in this Act shall be available to award a multiyear contract for production end items that (1) includes economic order quantity or long lead time material procurement in excess of $10,000,000 in any one year of the contract or (2) includes a cancellation charge greater than $10,000,000 which at the time of obligation has not been appropriated to the limits of the Government's liability or (3) includes a requirement that permits performance under the contract during the second and subsequent years of the contract without conditioning such performance upon the appropriation of funds: *Provided,* That this limitation does not apply to a contract in which the Federal Government incurs no financial liability from not buying additional systems, subsystems, or components beyond the basic contract requirements.

SEC. 316. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under ''Federal Transit Administration, Discretionary grants'' for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2000, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 317. Notwithstanding any other provision of law, any funds appropriated before October 1, 1993, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 318. None of the funds in this Act may be used to compensate in excess of 350 technical staff years under the federally-funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 1998.

SEC. 319. Funds provided in this Act for the Transportation Administrative Service Center (TASC) shall be reduced by $25,000,000, which limits fiscal year 1998 TASC obligational authority for elements of the Department of Transportation funded in this Act to no more than $96,800,000: *Provided,* That such reductions from the budget request shall be allocated by the Department of Transportation to each appropriations account in proportion to the amount included in each account for the Transportation Administrative Service Center.

SEC. 320. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's ''Limitation on General Operating Expenses'' account, the Federal Transit Administration's ''Transit Planning and Research'' account, and to the Federal Railroad Administration's ''Railroad Safety'' account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 321. None of the funds in this Act shall be available to prepare, propose, or promulgate any regulations pursuant to title V of the Motor Vehicle Information and Cost Savings Act (49 U.S.C. 32901, et seq.) prescribing corporate average fuel economy standards for automobiles, as defined in such title, in any model year that differs from standards promulgated for such automobiles prior to enactment of this section.

SEC. 322. None of the funds in this Act may be used for planning, engineering, design, or construction of a sixth runway at the Denver International Airport, Denver, Colorado: *Provided,* That this provision shall not apply in any case where the Administrator of the Federal Aviation Administration determines, in writing, that safety conditions warrant obligation of such funds: *Provided further,* That funds may be used for activities related to planning or analysis of airport noise issues related to the sixth runway project.

SEC. 323. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to the provisions of section 6006 of the Intermodal Surface Transportation Efficiency Act of 1991, may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: *Provided,* That such funds shall not be subject to the obligation limitation for Federal-aid highways and highway safety construction.

SEC. 324. None of the funds in this Act may be obligated or expended for employee training which: (a) does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties; (b) contains elements likely to induce high levels of emotional response or psychological stress in some participants; (c) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluations; (d) contains any methods or content associated with religious or quasi-religious

belief systems or ''new age'' belief systems as defined in Equal Employment Opportunity Commission Notice N–915.022, dated September 2, 1988; (e) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or (f) includes content related to human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

SEC. 325. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation: *Provided*, That this shall not prevent officers or employees of the Department of Transportation or related agencies funded in this Act from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

SEC. 326. None of the funds in this Act may be used to support Federal Transit Administration's field operations and oversight of the Washington Metropolitan Area Transit Authority in any location other than from the Washington, D.C. metropolitan area.

SEC. 327. Notwithstanding any other provision of law, the Secretary may use funds appropriated under this Act, or any subsequent Act, to administer and implement the exemption provisions of 49 CFR 580.6 and to adopt or amend exemptions from the disclosure requirements of 49 CFR part 580 for any class or category of vehicles that the Secretary deems appropriate.

SEC. 328. No funds other than those appropriated to the Surface Transportation Board shall be used for conducting the activities of the Board.

SEC. 329. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c).

(b) SENSE OF CONGRESS: REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a ''Made in America'' inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 330. Notwithstanding any other provision of law, receipts, in amounts determined by the Secretary, collected from users of fitness centers operated by or for the Department of Transportation shall be available to support the operation and maintenance of those facilities.

SEC. 331. Notwithstanding 49 U.S.C. 41742, no essential air service shall be provided to communities in the forty-eight contiguous States that are located fewer than seventy highway miles from the nearest large and medium hub airport, or that require a rate of subsidy per passenger in excess of $200 unless such point is greater than two hundred and ten miles from the nearest large or medium hub airport.

SEC. 332. None of the funds made available in this Act may be used for improvements to the Miller Highway in New York City, New York.

SEC. 333. None of the funds in this Act shall be available to implement or enforce regulations that would result in the withdrawal of a slot from an air carrier at O'Hare International Airport under section 93.223 of title 14 of the Code of Federal Regulations in excess of the total slots withdrawn from that air carrier as of October 31, 1993 if such additional slot is to be allocated to an air carrier or foreign air carrier under section 93.217 of title 14 of the Code of Federal Regulations.

TITLE IV

AMTRAK ROUTE CLOSURE AND REALIGNMENT

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Amtrak Route Closure and Realignment Act of 1997''.

SEC. 2. THE COMMISSION.

(a) ESTABLISHMENT.—There is established an independent commission to be known as the ''Total Realignment of Amtrak Commission'' (in this Act referred to as the ''Commission'').

(b) APPOINTMENT.—The Commission shall be composed of eleven members as follows:

(1) Three individuals appointed by the President, including—

(A) the Secretary of Transportation;

(B) one representative of a rail labor union; and

(C) one representative of a rail management.

(2) Four individuals who collectively have expertise in rail finance, economic analysis, legal issues, and other relevant areas, of which three shall be appointed by the Majority Leader of the Senate and one shall be appointed by the Minority Leader of the Senate.

(3) Four individuals who collectively have expertise in rail finance, economic analysis, legal issues, and other relevant areas, of which three shall be appointed by the Speaker of the House of Representatives and one shall be appointed by the Minority Leader of the House of Representatives.

Appointments under this subsection shall be made within 15 days after the date of the enactment of this Act. Individuals appointed under paragraphs (2) and (3) shall not be employees of the Department of Transportation or representatives of a rail labor union or rail management.

(c) CHAIRMAN.—Within 10 days after the 15-day period described in subsection (b), or the appointment of the last member of the Commission under such subsection, whichever occurs first, a majority of the members of the Commission may elect a chairman from among its membership. If a chairman is not elected within such 10-day period, the President shall select a chairman for the Commission from among its membership.

(d) MEETINGS.—(1) Each meeting of the Commission shall be open to the public.

(2) All the proceedings, information, and deliberations of the Commission shall be open or available, upon request, to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate, and to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives.

(e) PAY AND TRAVEL EXPENSES.—(1)(A) Each member, other than the Chairman, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable 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.

(B) The Chairman shall be paid for each day referred to in subparagraph (A) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(C) Notwithstanding subparagraphs (A) and (B), officers and employees of the Federal Government shall not be paid under this paragraph for service on the Commission.

(2) Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(f) DIRECTOR OF STAFF.—The Commission shall appoint a Director, who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(g) STAFF.—(1) Subject to paragraph (2), the Director, with the approval of the Commission, may appoint and fix the pay of not more than 5 additional employees.

(2) The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(h) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(i) INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of that department or agency shall furnish that information to the Commission to the extent otherwise permitted by law.

(j) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(k) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(l) EXPERTS OR CONSULTANTS.—The Commission may procure by contract, to the extent funds are available, the temporary or

intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(m) TERMINATION.—The Commission shall terminate 30 days after transmitting a report under section 3(e).

SEC. 3. DUTIES.

(a) ECONOMIC PERFORMANCE RANKINGS.—The Commission shall examine economic data for Amtrak's system and develop system-wide performance rankings of all routes based on long-term economic loss.

(b) IDENTIFICATION OF CANDIDATE ROUTES FOR CLOSURE OR REALIGNMENT.—(1) The Commission shall identify routes which are candidates for closure or realignment, based on the performance rankings developed under subsection (a) and on the following principles:

(A) The system which remains after closure and realignment of routes shall not be required to be a national, interconnected system.

(B) Federal operating subsidies for Amtrak shall be assumed to decline over the 4-year period to the point of zero Federal operating subsidy by the year 2002.

(C) The rail labor protection costs of Amtrak shall be calculated both—

(i) at the level required under rail labor laws as in effect when the Commission is identifying routes under this subsection; and

(ii) at the level which would be required if amendments to rail labor laws were enacted that—

(I) limit to a maximum of 6 months any wage continuation or severance benefit for an employee of Amtrak whose employment is terminated as a result of a discontinuance of intercity rail passenger service; and

(II) permit Amtrak to require any employee whose position is eliminated as a result of such a discontinuance to transfer to another part of Amtrak's system.

(2) The Commission shall specifically examine ridership forecasts and other assumptions supporting continued service on the Northeast Corridor, particularly with respect to the continuation of the electrification of the Northeast Corridor between New Haven, Connecticut, and Boston, Massachusetts.

(c) CONSIDERATION OF QUALITY OF LIFE FACTORS.—(1) Each route identified under subsection (b) as a candidate for closure or realignment shall be reviewed to determine whether there are important social, environmental, or other quality of life factors which should be considered in determining whether to close or realign the route. The commission shall also consider the effect on airport congestion and the availability of alternative modes of transportation, especially in rural areas, before recommending any closure or realignment.

(2) The Commission shall hold public hearings to obtain testimony from State and local officials, and other interested parties, with respect to factors described in paragraph (1).

(d) OPTIONAL USES FOR ABANDONED RAIL LINES.—The Commission shall also examine optional uses for abandoned rail lines.

(e) RECOMMENDATIONS.—The Commission shall, within 120 days after the election or selection of its chairman under section 2(c), transmit to the Congress and the President a report on its activities under this Act, including recommendations developed under this section for the closure and realignment of routes in Amtrak's passenger rail system.

SEC. 4. MAKING APPROPRIATIONS FOR THE COMMISSION.

There are appropriated $1,000,000 for carrying out this title.

POINTS OF ORDER

The CHAIRMAN. Are there any points of order to the remaining portions of the bill?

Mr. SHUSTER. Mr. Chairman, I raise a point of order against section 331.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SHUSTER. Mr. Chairman, I raise a point of order against section 331. This provision violates clause 2 of rule XXI because it establishes criteria involving distance from a hub and subsidy for passengers that have the effect of excluding some small communities from eligibility for subsidized air service under the essential air service program.

□ 1545

The communities excluded are those that are eligible for service under subchapter 2 of chapter 417 of title 49. Changing the eligibility rules constitutes legislation on an appropriations bill in violation of House rules.

The CHAIRMAN. Does any Member wish to be heard on the point of order?

If not, the Chair would rule. Section 331 of the bill explicitly waives existing law and therefore constitutes legislation in violation of clause 2(b) of rule XXI. The point of order is sustained and section 331 is stricken from the bill.

Are there further points of order?

Mr. SHUSTER. Mr. Chairman, I make a point of order against title IV.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SHUSTER. Mr. Chairman, I raise a point of order against page 53, line 3 through page 65, line 6.

This provision violates clause 2 of rule XXI because it establishes an independent commission called the Total Realignment of Amtrak Commission to renew Amtrak's route system and identify candidates for closure or realignment similar to the commission established to close military facilities. This constitutes legislation on an appropriations bill in violation of House rules.

The CHAIRMAN. Does the gentleman from Virginia wish to be heard on the point of order?

Mr. WOLF. I do, Mr. Chairman.

Mr. Chairman, I concede the point of order. I understand why the gentleman from Pennsylvania is doing it. I appreciate the concern.

I would urge the Congress to work and support the efforts of the gentleman from Pennsylvania [Mr. SHUSTER] to reform and change Amtrak, because as we are putting all of the money into Amtrak, if there is no reform and GAO and IG has looked at it, it has continued getting worse and it is, in essence, perhaps this is not an apt example, but putting money down a rathole.

I think what the gentleman from Pennsylvania [Mr. SHUSTER] is doing with regard to the restructuring is very, very important. I would have hoped that this language could have stayed in, but it is important that the Congress pass legislation, because I think we are going to see dwindling support if some restructuring is not done.

I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order and the matter included in the bill as title IV is, in fact, entirely legislative. The point of order is sustained, and that matter is stricken from the bill.

AMENDMENT OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FILNER: Page 22, line 1, strike ''loan guarantee'' and all that follows before the period on line 2 and insert the following:

loan guarantee subsidy shall be made in excess of $490,000 during fiscal year 1998.

Mr. WOLF. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Virginia reserves a point of order.

Mr. FILNER. Mr. Chairman, I rise today to introduce an amendment that is critical to the economic development not only of San Diego, my own district, but other communities throughout this Nation.

My amendment will appropriate $490,000 for the section 511 railroad loan guarantee program in order to leverage approximately $10 million in private sector loan guarantees necessary to help reestablish and rehabilitate small regional freight railroads like the San Diego & Arizona Eastern Railroad.

I repeat, this is a loan guarantee which leverages approximately 20 times that amount of private sector funding. Reestablishment of this railroad is on the top of everyone's priority list in San Diego and enjoys wide bipartisan support. Several colleagues from San Diego County on the other side of the aisle support this, as do the city of San Diego, the County Board of Supervisors, the San Diego Association of Governments, the Port of San Diego, the Greater San Diego Chamber of Commerce and the San Diego Economic Development Corporation. All agree that reestablishing this rail link is the area's highest priority for economic development.

Many of our Nation's regional and short line railroads find it difficult to obtain private financing because of high interest rates and short terms. Government assistance in the form of loan guarantees often becomes the only viable means to rehabilitate these vital links in our transportation infrastructure. I believe that the section 511 program, because it is not a grant program, it is not even a loan program but a loan guarantee to leverage private sector loans, is precisely the type of public-private partnership this Congress ought to encourage. Unfortunately, this program does not receive any funding in the bill before us.

Mr. Chairman, the economies of communities like San Diego and others would be greatly helped by rehabilitation of these small freight railroad

lines, and they need help now. I hope my colleagues can support this investment in economic growth.

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

Mr. FILNER. I yield to the gentleman from Alabama.

Mr. BACHUS. Mr. Chairman, I rise in support of this amendment. I think it is important for all of us in Congress to understand what the loan guarantee program is and what it provides assistance to. What it provides assistance to are the short line railroads in our country.

Most of us in this Congress do not know what those short line railroads are. They have no appreciation for them. They do not know of their importance to the community. If they did, we would be providing funding for or we would be providing these loan guarantees.

In this bill, we have provided assistance for our airlines, for aviation, we have provided assistance for highways, for our motor freight carriers, we have provided assistance for our waterways and for passenger railroad. The one area that we have not addressed is our railroad system. We heavily subsidize all forms of transportation and transport except our freight railroads. Today within the freight railroads, there is definitely a segment that needs some assistance and recognition from the Federal Government. That is our short line railroads.

Mr. Chairman, I will tell my colleagues about one short line railroad in my district. A short line railroad in my district is 52 miles long. Over 4,000 employees work for small plants on that railroad. That railroad has not turned a profit for 4 years. It has had two washouts. If that short line railroad goes defunct, it will result in over 2,000 blue-collar workers being laid off in my district. That is only one of over 300 short line railroads. Most of them are minimally profitable or marginally profitable or not profitable at all.

I would simply appeal to the Committee on Appropriations and to the Transportation chairman and to this subcommittee to learn more about this important segment. These are the have-nots of the freight railroads. These companies, they are sort of the grassroots, they are the fingers and the toes.

The CHAIRMAN. The time of the gentleman from California [Mr. FILNER] has expired.

(By unanimous consent, Mr. FILNER was allowed to proceed for 5 additional minutes.)

Mr. FILNER. Mr. Chairman, I continue to yield to the gentleman from Alabama.

Mr. BACHUS. Mr. Chairman, I want to address my remarks to the entire body and specifically about the short line railroads.

The short line railroads are the result of the Class I railroads. There used to be over 30 Class I railroads. In certain areas, the density of the track, the amount of freight over those lines was insufficient for them to operate. So what those large railroads did is they tried to abandon that track in most cases. But State and local governments came in and Federal agencies and said that you cannot abandon that track because it is necessary for the economic vitality of a certain region. These short line railroads came in and are now operating those tracks.

As I have said, people's jobs, people's welfares, communities' existence depend on these railroads. Wherever we have large agricultural areas, grain roads, the farmers depend on those roads to get their crops out. In high industrial areas, they depend on those small railroads. Those railroads may not be known, they may not be appreciated by Members of this body, but they are absolutely critical to those communities, and they are absolutely critical to the economic welfare of our country. To me it is a sad day that probably because of simply a lack of understanding, a lack of knowledge about where these railroads are, what factories they serve, what they mean to the people they serve and the fact that if we do not continue these loan guarantee programs, these railroads will go out of existence, and with them factories and jobs.

I do plan to have some conversations with members of the Committee on Appropriations. I plan to ask them, among other questions, do they know how many factories are served by short line railroads? How many of those short line railroads are profitable? How many employees work for those plants that are served by those short line railroads? And whether or not they feel that this minuscule amount of money that the Committee on Transportation and Infrastructure had authorized and urged the Committee on Appropriations to set aside, if they think that that was too much money for the livelihood of over 2 million American workers that depend on these short line railroads for a paycheck every Friday. It is something that we ought to ask ourselves. These workers are blue-collar workers, they are in industries that sometimes are competing fiercely with foreign companies, and by jerking this loan program, we will put people out of business, we will cause people to lose their jobs, we will cause some of these 16,000 small businesses, not the railroads, but the 16,000 small businesses to declare bankruptcy and go out of business to foreign competition. I am just sad that we have made this decision.

I am going to vote for the bill on the whole, and I know that this was not willfully done, I know it was not intentionally done, but when we vote through this bill and it does not have these loan guarantees in, we are putting at jeopardy over 2 million jobs, over 16,000 factories in this country.

The CHAIRMAN. Does the gentleman from Virginia continue his reservation?

Mr. WOLF. Yes, I do, Mr. Chairman.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California. Let me take a little different tack. On a bipartisan nature, both Republicans and Democrats in the California area, when the Federal Government induces or causes a problem or at least contributes to it, then it should have that responsibility to take care of those problems.

With the advent of the border States and NAFTA, especially along the Mexican border, the infrastructure and our highway and transportation system have been beaten to death by trucks, cars, and additional travel. The gentleman's amendment would ease that problem.

Second, that the interstate transportation along a border State with a major port like San Diego actually enhances the economy of this great country with the Asian markets in which we have a current deficit, so it helps reduce that deficit. The gentleman has given a lot of thought to this amendment. We have not received the support that we think that it should receive.

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

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. BILBRAY. Mr. Chairman, there was a lot of discussion here about the problems and the opportunities of NAFTA on this floor, but this is a situation where we need to recognize that with all the hand-wringing and the complaints about NAFTA not creating enough jobs in the United States or pulling jobs away from the American worker, here is a project that has the opportunity to make NAFTA, at least in some part, a major positive in job generation. Here is a possibility of bringing jobs into the United States by having the proper infrastructure to be able to capitalize on the opportunity of the United States to be part of the export network from Mexico into Asia. This gives the capability to creating jobs in the Southwest that would not exist without this infrastructure and without NAFTA, frankly.

I would just ask that all my colleagues who feel that NAFTA has not gotten the job done for the workers of America to recognize that though there are problems, there are also opportunities, and with those opportunities comes Federal obligations to take advantage of those opportunities and create the jobs, not just sit here in the House and say, well, the jobs just are not there, it is not working out, and complain.

□ 1600

But then look at these opportunities, as my colleague from California has pointed out, to build the infrastructure, to create the jobs, to make the opportunities so that the private sector can do what it does all too well, and that is to create the opportunities for those jobs.

And I want to point out about border control, Mr. Chairman, I do not think anyone who sat on the House floor in the last 2 years has been more vocal than I have about border control. I think those of us who want to see border control need to recognize that there are rights and responsibilities of the Federal Government along this border. We need to control the border, but we also need to encourage the good things. We need to stop the illegal activity but also encourage the legal commerce that will make the border a prosperous opportunity for America rather than the problem that we have seen for all too long.

Mr. CUNNINGHAM. Reclaiming my time, Mr. Chairman, before I yield back the time, I mention just one more benefit from this, not only the Federal Government's responsibility for helping create jobs in NAFTA, not only in our rail but other rails, but to take a look at the environmental concerns when we put trains on and take heavy trucks and transportation off of our highways, the environmental and the pollution with EPA and so on is also benefited.

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

The CHAIRMAN. Does the gentleman from Virginia [Mr. WOLF] wish to continue his reservation of objection?

Mr. WOLF. I do, Mr. Chairman.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not going to speak on this because it is clear that the committee is and the chairman of the committee is prepared to execute his reservation against any of these loans, loan guarantees for short-track rail, and therefore it is not necessary to take a vote on this, on this issue. But I do want to, since my colleagues, the gentleman from California [Mr. CUNNINGHAM] and the gentleman from California [Mr. BILBRAY] and the gentleman from California [Mr. FILNER] have spoken about the prospects for this guaranteed program with respect to a San Diego to points east rail line, I thought it was important to come out and just say a few things about that specifically.

First, there is a broken down railway between San Diego and points east that goes mainly and starts out in the district of the gentleman from California [Mr. FILNER], goes mainly through in terms of mileage, through my district going east, but I do not think that is really relevant, whose district it goes through.

I think what probably is more relevant is the commentary that was elicited recently from the gentleman from Texas [Mr. REYES] who is one of our esteemed Members of Congress, former Border Patrol chief in El Paso. And if my colleagues walk through this problem with him with respect to border control problems, that is, having a short-track rail line that actually goes into Mexico. This is the area in Mexico where we are now having fire fights between border patrolmen and smuggling elements on the other side of the border; goes into Mexico, goes through about 50, 60 miles of rugged country, comes back along a series of precarious canyons, and then comes back into the United States. The gentleman from Texas [Mr. REYES] has made a couple of statements with respect to that railroad that I think should be considered by any Member of Congress before they pass this thing.

First, he said that this railroad will be vulnerable to robberies, just like the railroad in El Paso which was robbed 600 times last year. The gentleman from Texas [Mr. REYES] himself in an interview, a television show that I did with him, mentioned he himself was in a gunfight between train robbers on the other side of the border and American Border Patrol agents on our side. In recent weeks we have had a series of fire fights, very brief fire fights, across the border where Border Patrol agents were shot at in some cases; in the first case, actually shot by drug agents on the other or by drug operatives on the other side, forced to return fire, and we have actually had more fire back and forth across the southwest border in the San Diego region than we have had in Bosnia in the same period of time. It is a very dangerous area.

I would suggest that the gentleman from Texas [Mr. REYES] should be listened to when he says, ''First you should get the guarantee of the government of Mexico that they will, in fact, patrol that area on the Mexican side. Otherwise,'' he said, ''you're not going to have control.'' He said we should do that before we rehabilitate that rail line.

Second, he showed several areas where in remote areas we are going to have problems. Now we had over 600 robberies in 1 year with the rail line in El Paso. We had it with the rail line that comes into Laredo, we had over 36,000 illegal aliens pulled off that rail line last year, and the President of Southern Pacific in that area asking the President of the United States for the entire increase in border patrol for the Nation. That is 500 new border patrolmen going just to protect his railroad.

Now the happy talkers in San Diego say that will never happen to us, and that is all they say. They do not offer any experience that is any better than the gentleman from Texas [Mr. REYES] who was chief of the Border Patrol for some 20 years, who was in fire fights on the border, who understands across-border crime problems. They just say it will not happen, and I would just suggest to my colleagues we have had a vote on this thing before. It was overwhelmingly defeated because we do not have that guarantee of security for Mexico, we do not have that guarantee from the Clinton administration that they have an extra thousand Border Patrol agents to put 500 in south Texas just to guard one railroad and to put another contingent similar to that in southern California.

Right now, our eyes should be on the ball. The ball is border control. We are building fences, we are building roads, we are building lights, and we are putting more border patrolmen at the border, and the last thing we need to do is complicate the security situation by weaving a railroad in between this situation on rickety tracks across precipitous canyons and inviting at least in the words of, in the opinion of probably the best expert on border control in this Congress, and that is the gentleman from Texas [Mr. REYES], at least the complexity in border patrol.

The CHAIRMAN. Does the gentleman from Virginia [Mr. WOLF] wish to continue his reservation of objection?

Mr. WOLF. I do, Mr. Chairman.

Mr. GILCHREST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand that there is a point of order raised against this amendment and the amendment may be withdrawn. I would like to speak from the perspective of my congressional district in somewhat reference to the reservations of the gentleman from California [Mr. DUNCAN HUNTER] about precipitous railroad tax and dangerous canyons for the shortline railroads to run across the border to Mexico and to be used or abused, and I recognize the problems that he has in his congressional district.

In my congressional district the shortline railroads are absolutely indispensable, and I think that the Federal Government, when we subsidize the automobile industry, the airport industry, and just name it, I think if we target with these loan guarantees, and this is not a direct subsidy, it is not a direct appropriation; this is a loan guarantee program. The shortline railroads in my district haul stone for roads, they haul grain for livestock, they haul manufactured goods. They are an absolutely indispensable, very important part, a critical part of the infrastructure of the economic base of my congressional district, and I am sure that they are a critical part of a whole range of congressional districts around this country.

This is not a subsidy that we want to prop up an industry that has no value. This is an interest in an industry that is virtually, in my judgment, indispensable for the economic health of this country via those small areas, whether they be urban areas, suburban areas or rural areas, to provide the important link between the major rail systems in this country.

So I am not sure what is going to happen in the next few minutes, but I strongly urge this Congress today or tomorrow to deal very effectively with this vital link, this vital part of our infrastructure, this vital link of our economic base.

The CHAIRMAN. Does the gentleman from Virginia wish to be heard upon his reservation of objection?

Mr. WOLF. Mr. Chairman, I yield to the gentleman from California [Mr. FILNER] first.

Mr. FILNER. Mr. Chairman, I am very grateful for the support from people from both sides of the aisle and different parts of the country. I hope the chairman and the ranking member would seriously consider these aspects in coming years. I understand the pressures they are under, the debate that we see here, especially with the San Diego situation.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

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

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from California [Mr. FILNER] is withdrawn.

Are there further amendments to the bill?

The Clerk will read.

The Clerk read as follows:

This Act may be cited as the ''Department of Transportation and Related Agencies Appropriations Act, 1998''.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. GILCHREST] having assumed the chair, Mr. BEREUTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 2169), making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes, pursuant to House Resolution 189, he reported the bill, as amended pursuant to that rule, back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were— yeas 424, nays 5, not voting 5, as follows:

[Roll No. 302]

YEAS—424

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (FL)

NAYS—5

Campbell
Dingell
Hostettler
Paul
Sanford

NOT VOTING—5

Graham
Pallone
Schiff
Stark
Young (AK)

□ 1639

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO ADJOURN

Ms. DELAURO. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. ROGAN). The question is on the motion offered by the gentlewoman from Connecticut [Ms. DELAURO].

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

RECORDED VOTE

Ms. DELAURO. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 279, not voting 33, as follows:

[Roll No. 303]

YEAS—122

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Berman
Berry
Bishop
Bonior
Boswell
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Carson
Clay
Clayton
Clyburn
Costello
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dingell
Doggett
Engel
Eshoo
Evans
Farr
Fazio
Filner
Flake
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hinchey
Hoyer
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kilpatrick
Klink
Lampson

Levin
Lewis (GA)
Lipinski
Lowey
Maloney (NY)
Manton
Markey
Matsui
McCarthy (NY)
McGovern
McNulty
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pascrell
Pastor
Payne
Pelosi
Pickett
Rangel
Rodriguez
Rush
Sabo
Sanders
Sandlin
Sawyer
Sisisky
Skaggs
Smith, Adam
Snyder
Spratt
Stokes
Strickland
Tauscher
Thompson
Tierney
Torres
Towns
Turner
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Yates

NAYS—279

Aderholt
Allen
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Bilbray
Bilirakis
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boyd
Brady
Bryant
Bunning
Burr
Burton
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crapo
Cubin
Danner
Davis (FL)
Davis (VA)
Deal
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fattah
Fawell
Foglietta
Foley
Forbes
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilliard
Hinojosa
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lantos
Largent
Latham
Lazio
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lucas
Luther
Maloney (CT)
Manzullo
Mascara
McCarthy (MO)
McCollum
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Moran (KS)
Morella
Murtha
Nethercutt
Neumann
Ney
Northup
Nussle
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Salmon
Sanchez
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Spence
Stabenow
Stearns
Stenholm
Stump
Stupak
Sununu
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Traficant
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wynn
Young (FL)

NOT VOTING—33

Bateman
Bliley
Buyer
Christensen
Clement
Conyers
Crane
Cunningham
DeLay
Doolittle
Ensign
Ford
Fowler
Frank (MA)
Ganske
Graham
Hilleary
Holden
Kasich
LaTourette
Leach
Martinez
McCrery
Myrick
Norwood
Oxley
Pallone
Schiff
Serrano
Slaughter
Souder
Stark
Young (AK)

□ 1659

Ms. ROYBAL-ALLARD and Messrs. BONO, WYNN, and SCARBOROUGH changed their vote from ''aye'' to ''no.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2160, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 193 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 193

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 2160) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: page 56, line 18, through line 24; and page 68, line 12, through line 16. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. No further amendment shall be in order except amendments printed before July 22, 1997, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII, the amendments printed in the Congressional Record and numbered 21, 22, and 23 pursuant to clause 6 of rule XXIII, and the amendment by Representative Obey of Wisconsin pending when the Committee of the Whole rose on July 22, 1997. Each amendment shall be considered as read and shall be debatable for ten minutes (except as otherwise provided in section 2 of this resolution) equally divided and controlled by the proponent and an opponent. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be fifteen minutes. After a motion that the Committee rise has been rejected on a day, the Chairman of the Committee of the Whole may entertain another such motion on that day only if offered by the Chairman of the Committee on Appropriations or the majority leader or their designee. After a motion to strike out the enacting words of the bill (as described in clause 7 of rule XXIII) has been rejected, the Chairman of the Committee of the Whole may not entertain another such motion during further consideration of the bill. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The time for debate on the following amendments shall be thirty minutes:

(1) The amendment by Representative Obey of Wisconsin pending when the Committee of the Whole rose on July 22, 1997, which shall be debatable for thirty minutes notwithstanding the time consumed on the amendment on July 22, 1997;

(2) the amendment numbered 17;

(3) the amendment numbered 3; and

(4) the amendment numbered 21.

MOTION TO ADJOURN

Ms. JACKSON-LEE of Texas. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore [Mr. ROGAN]. The question is on the motion to adjourn offered by the gentlewoman from Texas [Ms. JACKSON-LEE].

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

RECORDED VOTE

Ms. JACKSON-LEE of Texas. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 105, noes 311, not voting 18, as follows:

[Roll No. 304]

AYES—105

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Berry
Bishop
Bonior
Boswell
Boucher
Brown (FL)
Brown (OH)
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dingell
Doggett
Engel
Eshoo
Evans
Farr
Fazio
Filner
Flake
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hinchey
Hoyer
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kaptur

Kennedy (MA)
Kennedy (RI)
Kennelly
Kilpatrick
Klink
Lantos
Levin
Lewis (GA)
Lowey
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McGovern
McNulty
Meehan
Meek
Millender-McDonald
Miller (CA)
Mink
Moakley
Nadler
Neal
Oberstar
Obey
Olver
Owens
Payne
Rangel
Rodriguez
Rush
Sabo
Skaggs
Slaughter
Smith, Adam
Snyder
Tauscher
Thompson
Tierney
Torres
Towns
Turner
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NOES—311

Aderholt
Allen
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boyd
Brady
Brown (CA)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
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Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
Diaz-Balart
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Dicks
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Doolittle
Doyle
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Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
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Everett
Ewing
Fattah
Fawell
Foglietta
Foley
Forbes
Ford
Fox
Franks (NJ)
Frelinghuysen
Gallegly
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Gibbons
Gilchrest
Gillmor
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Goode
Goodlatte
Goodling
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Goss
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Green
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
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Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lucas
Luther
Maloney (CT)
Manzullo
Martinez
Mascara
McCarthy (MO)
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Menendez
Metcalf
Mica
Miller (FL)
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Molinari
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Traficant
Upton
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (FL)

NOT VOTING—18

Archer
Bateman
Crane
DeLay
Fowler
Frank (MA)
Ganske
Leach
Manton
Norwood
Pallone
Pelosi
Sanders
Schaffer, Bob
Schiff
Snowbarger
Stark
Young (AK)

□ 1724

Mr. THUNE and Mr. HOUGHTON changed their vote from ''aye'' to ''no.''

Mr. DINGELL changed his vote from ''no'' to ''aye.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2160, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The SPEAKER pro tempore [Mr. ROGAN]. The gentleman from Washington [Mr. HASTINGS] is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I appreciate the gentleman yielding before he begins his formal remarks, because it is a little unclear to me and to many of the Members regarding the proceedings that are about to ensue.

May I ask the gentleman a couple of questions to clarify how this rule that we will be debating differs from the rule under which we were operating last evening.

Mr. HASTINGS of Washington. Mr. Speaker, I would just advise the gentlewoman when I finish my remarks, perhaps the questions that she has will be answered. If not, then maybe we can engage in a colloquy at that time. If she allows me to finish my remarks, I will point out what is in the rule, then we can proceed from there.

Ms. KAPTUR. Will the gentleman point out how this is different from the open rule under which we were debating last evening?

Mr. HASTINGS of Washington. Mr. Speaker, if the gentlewoman will let me finish my remarks, then she can ask me, and if there is any question specifically, I will be more than happy to respond.

Ms. KAPTUR. Will the gentleman cover which Members will not be allowed to offer amendments under this rule?

Mr. HASTINGS of Washington. I think that is pointed out in the rule because in the rule all amendments that were preprinted are in order.

Ms. KAPTUR. That were preprinted. But there were several amendments where Members under the open rule would have been permitted to offer their amendments but now they cannot. Will the gentleman list which amendments those are?

Mr. HASTINGS of Washington. There are three amendments that have been made in order. Taking back my time, if the gentlewoman will let me finish my remarks, and then if she has any questions, I will be more than happy to respond.

During consideration of this resolution, Mr. Speaker, all time yielded is for the purpose of debate only.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, the Committee on Rules had no intention of reporting a rule on H.R. 2160, a bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. Indeed, the Committee on Appropriations requested no rule and brought this bill to the floor as a privileged resolution, open to amendment at any point.

Regrettably the decision by certain Members of this body to engage in an extended series of delaying tactics by offering dilatory motions has required us to offer this rule governing debate on this bill in order that the House may move forward with its legislative business in a timely and responsible fashion.

Accordingly, the Committee on Rules reported last night a modified closed rule. The rule waives clause 2 of rule XXI prohibiting unauthorized and legislative provisions in an appropriations bill and clause 6 of rule XXI prohibiting reappropriations in an appropriations bill against provisions of a bill except as otherwise specified in the rule.

The rule provides that no further amendments shall be in order except those amendments printed before July 22, 1997 in the CONGRESSIONAL RECORD; the amendments printed in the CONGRESSIONAL RECORD numbered 21, 22 and 23; and the amendment by the gentleman from Wisconsin [Mr. OBEY] pending when the Committee of the Whole rose on July 22, 1997.

□ 1730

The rule provides that each amendment made in order shall be considered as read and shall be debatable for 10 minutes except as otherwise specified in section 2 of the rule, equally divided and controlled by a proponent and an opponent.

The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce voting time to 5 minutes on any postponed question if the vote follows a 15-minute vote.

The rule also provides that after a motion that the committee rise has been rejected on a day, another such motion on that day may be entertained only if offered by the chairman of the Committee on Appropriations, or the majority leader, or their designee.

The rule provides that after a motion to strike out the enacting words of the bill has been rejected, the Chairman of the Committee of the Whole may not entertain another motion during further consideration of the bill.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, let me reiterate what I said in my opening remarks, that the Committee on Rules regrets that the rule now pending before the House is, in fact, before us. But it was necessary, and I urge its passage so that the House may move forward with the important business it must complete prior to the August recess, week after next.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HALL of Ohio asked and was given permission to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, I want to thank my colleague from Washington, Mr. HASTINGS, for yielding me the time. This is a modified closed rule which will allow for further consideration of H.R. 2160, which is a bill making appropriations for agriculture, rural development, Food and Drug Administration and related agencies in the fiscal year 1998. The rule was opposed by the minority during the Committee on Rules consideration because the rule denies House Members full and fair debate over the bill.

Mr. Speaker, hunger and malnutrition are a constant threat to hundreds of millions of people throughout the world, and despite the riches of our Nation, millions of Americans face hunger on a regular basis. We have made many inroads to reducing hunger and malnutrition, but we can do more. The bill provides funding for lifeline programs that feed hungry people both in the United States and abroad, and I want to commend the members of the Committee on Appropriations for crafting this bipartisan bill which supports adequate funding for many of these programs.

However, I believe this bill can be improved. Therefore I will be supporting an amendment offered by the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentlewoman from Texas [Ms. JACKSON-LEE] to increase funding for the food stamp program, and I also support the amendment offered by the gentleman from Wisconsin [Mr. OBEY] which would increase funding for the WIC Program which provides nutritional food for poor mothers and their children. These two amendments are consistent with the goals of H.R. 1507 which is the Hunger Has a Cure Act of 1997, and I am among the 86 cosponsors of this bipartisan bill to reduce hunger in the United States.

Mr. Speaker, as important as this bill is, the rule we are now considering is unnecessary, it is arbitrary, and it is overly restrictive. The rule is unnecessary because the bill can be brought up without a rule, and, in fact, it was brought up last week for general debate, and the amending process is already underway.

The bill contains no extraneous or controversial riders, it complies with the rules of the House, but the rule is arbitrary because it makes in order only those amendments that were printed in the CONGRESSIONAL RECORD before July 22, with four exceptions. Members were not given the customary advanced notice that the Committee on Rules would restrict the rule. In fact, the Committee on Rules was suddenly called into session late last night, making it difficult for Members to testify about the rule.

This rule is also overly restrictive. By permitting only those amendments printed in the CONGRESSIONAL RECORD, Members may not offer new striking amendments to eliminate what they consider wasteful or unnecessary spending, and this process is an important part of almost all the appropriation bills.

And furthermore, the time limits for debate on the amendments are too restrictive. We all know about the series of events that led up to this rule, but there is another way to avoid the continued breakdown between the majority and the minority parties. I regret that by forcing the rule on the House, the majority party chose not to negotiate but escalate the confrontation. The result is more than denying House Members of both parties full and fair debate over the agriculture appropriation bill. It is a deep mistrust between the parties.

I must oppose the rule, as the Members in the minority on the Committee on Rules will do, and with this statement of opposition I make the plea for leaders of both parties to seek negotiation, not confrontation, in resolving our difficulties. I would urge colleagues to vote against the rule and against the policy to tighten debate restrictions as a response to misunderstandings between the parties.

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

Mr. HASTINGS of Washington. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Speaker, I thank the gentleman for yielding this time to me.

I support this rule. I think it is unfortunate we must have a rule at this time, but under the circumstances we need to have this rule. I like to think of this as a very sweet rule, and, speaking about sweet rules, one of the amendments made in order is 30 minutes of debate time on a bill, on an amendment to reform the sugar program in this country. It is only incremental change in the sugar program, but it is very important.

Last year when I tried to present a sugar repeal program, unfortunately I had a very difficult time getting a rule made in order that would allow that amendment under freedom to farm, so I am very pleased that it was made in order today. Even though I prefer more than 30 minutes, I think 30 minutes will give us enough time for both the proponents and the opponents of this program because the sugar program is a very complex program, it is a cartel-type arrangement in this country where the price of sugar is kept at twice the world price of sugar so that in Canada, Mexico, Australia, other countries that have a free market of sugar, sugar sells for half the price it does in the United States.

Mr. Speaker, it has been that way for years. It was not reformed. In the freedom to farm bill last year, there was no change in the sugar program of any significance, just minor changes, and that is unfortunate because last year's freedom to farm bill was truly historic legislation. We really did make some meaningful changes in the farm programs of this country, but because the fact sugar was not changed, we are not getting full credit for all the reforms that were put through last year.

This cartel arrangement works such that we cannot grow enough sugar to supply the demand in the United States so we must import sugar into the United States, and what the cartel is allowed to do with the Federal Government is restrict imports. By restricting the imports, we constrain the supply of sugar, thus the demand kept; demand is greater than the supply, and the price is forced up, and that is what happens with this program.

And what I am proposing in this legislation and this amendment is the incremental change which is only addressing the nonrecourse loan, only the nonrecourse loan which does not go to farmers, it goes to processors, and what it does is it gives the incentive to the Federal Government. Because the nonrecourse nature, the Federal Government does not want to repossess sugar, they want to get paid for their sugar, the sugar loans. So the idea is let us do away with the nonrecourse part of the loan.

The sugar program is a bad program for consumers, it is bad for jobs, it is

bad for taxes, it is bad for the environment, and that is the reason we need to have some incremental changes, not total repeal. It is only addressing the issue of the nonrecourse loan.

The consumers get ripped off because of the cost of almost $1.4 billion a year, according to a General Accounting Office report. The jobs, because we pay such a high price for sugar, we cannot compete with companies, for example, in Canada. The classic illustration is Bob's Candy in Albany, GA, largest candy cane company in the United States, but the candy canes which use a lot of sugar can be produced a lot cheaper in Canada and a lot of other countries because we have to pay this outrageously high price for sugar.

The taxpayers get hit because of major purchases of food. It is estimated to be $90 million a year. We pay more as Federal taxpayers because of all the food purchases in the programs in the veterans area and the military and such.

And then we have the environment, environment so dear to us in Florida because of the Everglades, and the impact of the sugar program on the Everglades. What is happening is we are having to buy a lot of the land in the Everglades to help preserve the Everglades. In fact, this year's appropriation bills has $300 million for the Everglades. A lot of that is used to buy the land of the sugar companies.

And so a recent report from the administration shows we are going to spend an extra $100 million of taxpayers' money buying land because we have inflated the price, we have inflated the price of that land used for sugar, and we are growing far more sugar than this land can support down there.

I think I look forward to having a full debate on that issue, and I appreciate the opportunity, and I hope my colleagues will support this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, since last Friday, this House has been in a virtual stall on appropriations, and a lot of Members in both parties are asking why. I want to take this opportunity to try to explain why I think that is happening.

On the Committee on Appropriations on each of these bills except one, we have worked out a very effective bipartisan working relationship where we may have had very strong differences of opinion on all of those bills, but with the exception of the legislative appropriation bill, we have had tremendous bipartisan cooperation and goodwill.

The problem is that when those bills have moved out of the Committee on Appropriations, they have then gone to the Committee on Rules, and the Committee on Rules has imposed a partisan straightjacket on the debate for those bills, and it has in the process turned those bipartisan products into partisan war zones.

Now I greatly regret that, but what has happened is that, first of all, the Committee on Rules has systematically attached nongermane amendments to be offered by Republican Members of the House, and at the same time they have systematically then denied alternatives to those amendments when the request was made to put those amendments in order by the Democratic managers of each of those bills.

It happened first to the gentlewoman from Ohio [Ms. KAPTUR], then it happened to the gentleman from Illinois [Mr. YATES], then it happened to the gentlewoman from California [Ms. PELOSI].

Now that unfairness has been recognized on the majority side of the aisle. We have had two Appropriations subcommittee chairs who have told me personally that they prefer to go to the floor with an open rule rather than going to the Committee on Rules because they, in their words, ''did not want the Committee on Rules to screw up bipartisan bills.'' And we have in the case of the Subcommittee on Foreign Operations, Export Financing and Related Programs, for instance, we have had an excellent bipartisan bill produced. We have had the Chair of that foreign operations subcommittee perfectly willing to take a bill to the floor without a rule to avoid the attachment of extremely divisive, nongermane authorization language to that bill, and he has been supported in that effort by those of us on this side of the aisle.

So there have been no differences in working relationships between members of the committee. But because the Committee on Rules has imposed a partisan grip on these bipartisan bills, we have been engaged in a protest to try to get the Committee on Rules to change its mind.

Now instead of responding to that in the way that a majority party has responsibility to respond, by trying to work out those differences, what has happened instead is that the majority leader has evidently chosen to impose an even more draconian rule on this bill. As a result, the gentleman from Massachusetts [Mr. MEEHAN] will be able to debate a major tobacco amendment for exactly 5 minutes. The gentlewoman from Oregon [Ms. FURSE], who has a legitimate amendment, would not be allowed to offer the amendment at all. And the committee will even be precluded from the traditional ability of any Member of this House to strike spending items in the bill. That is so out of line that the Taxpayers for Common Sense oppose the passage of this rule, as I understand it.

Now there is not much we, the minority, can do to persuade those in the Committee on Rules and in the majority party leadership to reconsider this rule. What I would say to each and every rank-and-file Member on both sides of the aisle is that all we are asking is that the Committee on Rules respect the bipartisan work which has been done, night and day, by virtually every subcommittee on the Appropriations Committee. Let us work our way through to common ground. That is what is being prevented by the actions of the Committee on Rules. I deeply regret it, because it turns this House into a needlessly partisan battle zone.

We all have an obligation to our parties to define differences.

□ 1745

But after those differences are defined, we also have an obligation to try to overcome those differences and find a resolution on behalf of all the taxpayers we represent.

In my humble judgment, the Committee on Rules is continuing to get in the way of that obligation and that process. Until it ceases to do that, we will have this needless dragging out of the process, which does neither party any good and certainly does not serve the interest of taxpayers.

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. OBEY] may be allowed to proceed for 5 more minutes.

The SPEAKER pro tempore [Mr. ROGAN]. The time is controlled by the gentleman from Ohio [Mr. HALL].

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say, a lot of us regret being here for different reasons. I would agree with the gentleman that the Committee on Appropriations has worked very closely in trying to work these things out on a bipartisan basis, but unfortunately, the reason we are here is because of tactics that were by others, starting last Friday, because on a bipartisan basis this bill was supposed to have been done last Friday. Unfortunately, it did not because there were numerous motions to rise, which slowed down the process. We had the same process yesterday.

Because the House wants to complete its business before the August recess, and I know Members on the gentleman's side of the aisle share that, as do we, we felt, regrettably, regrettably, that we had to have a rule, which is one of the responsibilities of the Committee on Rules, in order to expedite the process. But we made every amendment that was offered, that was printed, in order, plus three others.

So I regret, as does the gentleman, that this happens. We just come at it from different ways. We want to expedite the process.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS], a member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my distinguished associate, colleague, and friend, the gentleman from Washington, a member of the Committee on Rules, for yielding to me.

Mr. Speaker, I want to confirm that we do not have the unanimous-consent request approved, which would be contrary to the rules. Can the Speaker

confirm that to me, that we do not have a unanimous-consent request for an additional 5 minutes?

The SPEAKER pro tempore. The gentleman is correct.

Mr. GOSS. Obviously, Mr. Speaker, I am here rising in support of this rule. I have listened very closely to what the distinguished gentleman from Wisconsin [Mr. OBEY] has to say.

This rule provides ample debate on all amendments and major issues in the bill that were pending as of yesterday. I realize that leaves a few out. But I want to make sure that Members are clear what has happened to this bill.

Simply, this bill has been hijacked because of a series of unrelated issues and agendas. I think really the underlying question seems to be, who is in the majority in the House of Representatives. I think the majority is trying to operate under bipartisanship, but I do not think the majority is prepared to let the minority hijack the majority.

The majority, in the great spirit of our former colleague, Mr. Natcher, and I should say bipartisan spirit, attempted to bring forward the fiscal year 1998 agriculture appropriations bill without a rule, actually letting Members offer amendments and conduct debate under the standing rules of the House. Some of our newer Members may not be aware of the fact, but actually it is within the regular order of the House to move appropriations bills without a rule. There was a time I guess when it was done. I commend Chairman SKEEN for his hard work in crafting a bill that could come forward under what was standard practice in this House.

Unfortunately, in this case we soon found that some Members had different plans for the proceedings on the floor, unrelated, as it seems, to the bill; that they felt it more important to use the agriculture bill to make points about a larger set of issues that in my view really have nothing to do with the issues in the agriculture spending bill. We heard as much from those Members today during 1-minute remarks on the floor, when one of our colleagues on the other side of the aisle informed us of the ''bigger picture relating to the supposed rights of ranking members.''

We believe very much in cooperation, goodwill, yes. That is what we are trying to do in a bipartisan way. But special rights that somehow are coming forth for ranking members? This is something that is not provided for. We do not know about that. If there was a proposal to do something like that I would suggest that an offer be made. But again, I do not believe that it is fair to say that some special rights are being denied. It seems to me that perhaps a hijacking of the bill is going on under the false flag, in this case, of bipartisanship.

I must say that I, too, am disappointed that we had to bring the agriculture bill under a rule. I would have preferred not to. It would be my hope that Members could conduct an open and unstructured debate on the substance of our national agriculture programs in a responsible way, without getting sidetracked or bogged down, allowing for the completion in an orderly manner.

We have tobacco, peanuts, sugar, and a whole bunch of other stuff out there we are all interested in and want to get to, not to say the fact that we have domestic situations and social disorders in our country that are affected by this. It is unfair to keep these people waiting, just like it was unfair to keep the flood victims waiting. Now we are being held up by what is clearly a political problem on the other side of the aisle.

We saw that this could not be the case in the environment, that we have to go forward in a bipartisan manner, so sometimes, as happens in the House, the Committee on Rules, which is provided for in the House rules, properly stepped in to restore order to the process.

Any Members who are offended by the rule must first look to their own decisions and actions over the past several days for an explanation of how we have gotten to this point. The House has work to do on the Nation's business and it is vital business. We are not going to let the deliberative process be derailed. The majority's responsibility is to proceed. Dilatory tactics are provided for in the procedures. We all know it. There are ways to trump dilatory tactics, and there are ways to expose dilatory tactics. Those are provided for as well.

I hope Members are going to support this rule. Regrettably, we had to come forward with it. But the majority is bringing forth this rule to exercise the overall priority responsibility we have not to become bogged down in nonsense by those who disagree with our politics or want to derail our responsible agenda.

Yes, there are casualties, yes, there are consequences for actions, and I would suggest that the gentlemen or the gentlewomen who are left out in the process go to those on the other side of the aisle who have caused us to take this step of restoring order to the rule in this case, because therein lies their problem.

PARLIAMENTARY INQUIRY

Ms. KAPTUR. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman may state her inquiry.

Ms. KAPTUR. When the gentleman from Washington [Mr. HASTINGS] made his opening statement, Mr. Speaker, he granted me the right to ask me a few questions. When he completed his remarks, he called on other Members. I wonder if he would be willing to answer the few questions that I have at this point. Would that be appropriate?

Mr. HASTINGS. Mr. Speaker, I would be more than happy——

The SPEAKER pro tempore. The gentleman will suspend. That is not a proper parliamentary inquiry. The gentlewoman certainly has the right to make inquiry if the gentleman would yield time when he is controlling time.

At this time, the gentleman from Ohio [Mr. HALL] is recognized.

Ms. KAPTUR. Mr. Speaker, could I ask unanimous consent that the gentleman be allowed to yield time to me or answer my questions at this point?

The SPEAKER pro tempore. The time is already controlled by both the majority and the minority. At this time the gentleman from Ohio [Mr. HALL] is recognized.

Ms. KAPTUR. Would the gentleman yield for a question?

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized.

Ms. KAPTUR. Mr. Speaker, I feel like I am being silenced, just as our amendments are being silenced here.

The SPEAKER pro tempore. The gentlewoman will suspend.

Ms. KAPTUR. Mr. Speaker, may I make a parliamentary inquiry?

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. KAPTUR] will suspend.

Ms. KAPTUR. May I make a parliamentary inquiry?

The SPEAKER pro tempore. The gentlewoman will suspend.

At this time, the gentleman from Ohio [Mr. HALL] is recognized. Following that, the gentleman from Washington [Mr. HASTINGS] will be recognized. He controls time for the majority. If the gentlewoman wishes to inquire of the gentleman from Washington [Mr. HASTINGS] when he is recognized, she may do so to see if he wishes to yield time.

With that having been said, if the gentlewoman has a legitimate parliamentary inquiry, she may state it at this time.

Ms. KAPTUR. Mr. Speaker, I want the opportunity to engage with the gentleman, and I will wait until after the gentleman from Ohio [Mr. HALL] makes his statement. Then I will ask for the opportunity for the gentleman to speak to answer my questions.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio [Mr. HALL].

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I rise in strong opposition to this unfair rule. As a member of the Committee on Rules, I am angry. The Committee on Rules passed this rule late last night with virtually no notice to the members of the Committee on Rules. In fact, I did not really know about it until this morning on my office answering machine, so I was not present, nor were the members of the committee of jurisdiction, the appropriators.

I want my colleagues to know that this is a truly extraordinary rule. Buried within it is language that limits the rights of the minority to move that the committee rise, so Members can no

longer use that procedure to protest the majority's repeated failure to make in order key amendments on majority bills. I am willing to stand corrected, Mr. Speaker, but I recall no time as a majority member on the Committee on Rules when we made a rule that restricted the minority's right to procedural motions.

As the former minority leader, Robert Michel, once said, ''Procedure has not simply become more important than substance; it has, through a strange alchemy, become the substance of our deliberations.''

The Committee on Rules has fallen into a pattern that does not bode well for the future of the democratic process within this House. This Congress is supposed to operate under procedures that allow for full and fair debate of the legislation we consider, and that permit all sides to be heard. But instead, this committee has repeatedly refused to permit Members, not just Members but ranking members, to offer key amendments. While it may not be written in the rules that all ranking members may have amendments, it has certainly been a courtesy of this House.

This has happened in several instances in this Congress. The Committee on Rules refused to make in order an amendment to the defense authorization bill regarding the B–2 bombers that was presented by the ranking member, the gentleman from California [Mr. DELLUMS]. Indeed, they took off the name of the gentleman from California [Mr. DELLUMS] and stuck it onto another amendment, which he objected to strenuously. They relented later, as I pointed out, but they put his name on.

The gentlewoman from Ohio [Ms. KAPTUR] who is trying so hard to speak here today, the ranking member on the Committee on Appropriations, had an amendment to restore WIC funding which was taken away from her altogether and given to another Member of the House, but later reversed.

The gentleman from Illinois [Mr. YATES], an august Member of this House and a ranking member of the Subcommittee on the Interior, just recently was disallowed offering an amendment to the Interior appropriations bill, where he has served with distinction for a number of years, to restore the NEA funding. And just last week the Committee on Rules refused to make in order an amendment regarding international family planning to the foreign operations appropriations requested by the gentlewoman from California, Ms. NANCY PELOSI, the ranking member on the Subcommittee on Foreign Operations, Export Financing and Related Programs.

This is certainly more, Mr. Speaker, than a pattern. The majority's determination to subvert the right of the minority to offer these amendments is not a matter of procedural maneuvering, it is substantive. It is not merely discourteous, it is undemocratic.

I might add that the majority's actions are profoundly disrespectful to these ranking members, who have earned through their years of service in this institution the right to offer an amendment. But, in the middle of the night last night, the majority apparently decided that even cutting off the minority's ability to offer key amendments to legislation was not enough.

Now with this rule, not only are they limiting the amendments that we can offer, but our right to offer procedural motions on the floor is limited as well. In other words, not only can we not offer amendments that we need, but now we cannot even use the procedural motions to protest the procedures. We are effectively muzzled. I urge my colleagues in the strongest possible terms to defeat this rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. CALLAHAN], chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, certainly I have all respect for the gentleman from Washington [Mr. HASTINGS] as well as the gentleman from Florida [Mr. GOSS], as well as all of the members of the Committee on Rules. Sometimes we get so caught up in personalities, and we get so caught up in passions, that we lose sight of where we are going.

I happen to agree with the minority. I think they should have had a different rule. I was there for most of the time during the Committee on Rules. I saw what transpired. I saw what transpired in the back when the Greenwood amendment was presented in a different fashion from the manner in which the gentlewoman from California wanted. So what? Big deal. It disappoints her. So why should she not, as the ranking member of this committee, who has worked in a bipartisan fashion to establish a bill that could be passed by this House, and this is a very difficult bill to handle under the best of circumstances. So I have no quarrel with the gentlemen, and I have no quarrel with them. I think she has a right to be heard on an issue that she is tremendously interested in.

Where are we at this point? We are at a stalemate. Now they are disappointed. They think that they should have the right to be heard. Incidentally, Mr. Speaker, we are talking about 10 minutes. We are not talking about a 3-day debate. She wanted the opportunity to present her amendment and she wanted 10 minutes to talk about it. So, big deal? We have wasted 10 hours because of the controversy.

□ 1800

I have no fault with the Committee on Rules. I do not care when you bring my bill up. There is not a single person in Alabama that is going to lose a single night's sleep if we do not pass the foreign aid bill. So I do not care whether we pass one or not.

The administration has sent me a request and they have said, SONNY, why do you not give us about, they wanted $16 billion, and I crafted a bill and convinced the Democrats that we are not going to give them $16 billion. We are only going to give them $12 billion. We are going to cut last year's appropriation. We are going to be below the budget allocation. We are going to be $4 billion below the President's request. And lo and behold, I think that is a pretty good day's work. The people of Alabama would like that.

So now we are involved in a controversy that I have no jurisdiction over. I sit on the floor sometimes and I listen to the chairmen of the authorizing committees chastising the Committee on Appropriations. What is wrong with you idiots, they say. How in the world can you possibly put authorization language in your bill. Maybe they are right. We ought not be doing that.

So I tried to comply with those requests. And now here I am, faced with the proposition where the chairman of the authorizing committee is insisting that I pass authorization language. I do not want to pass authorization language. I am not an authorizer. I am an appropriator. I think we should be debating the appropriation bill.

There is nothing wrong with this ag bill. I do not know of too many Members in the House that are disappointed with the ag bill. I think it is going to pass by a pretty good vote. Why do we not bring it up and pass it? If there is that much controversy on my bill, why do we not just bring up my bill without a rule? I do not care whether I have a rule or not.

I respect what you all are doing, respect why you are doing it, but I really do not care. If you do not want to bring my bill up until September, I do not care either. I will go home and tell the people from Alabama that I have not given foreign aid any money. They are not going to throw me out of Congress for that, I will assure you. But we must work in a harmonious situation in order to resolve this dilemma that we are in.

I would suggest that rather than go through all of these dilatory tactics, rather than cause further disharmony between the two parties here in the House, that we bring up the appropriations bills, that we have general debate. There is no problem on the rule or no problem with anybody in the House that I know of on general debate.

We give every Member the opportunity to stand and talk about the bill. And when we get done with general debate we rise. What is wrong with that? I do not know anything wrong with it. I think it certainly would be a response and a favorable response from the minority side if we would do that. It

would be a step in the direction of trying to create some harmony in the House.

But once again, I am a team player. I am a Republican. I am in the majority now. You all have to remember that. You have to understand that. I am going to go along with my leaders on this side.

But I am just here to say to my leaders on this side that I think there might be a smoother way to do this. If we work out a solution to this, if we can just delay all of the controversial part of the foreign operations bill, then that is the way we ought to proceed.

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, let me just say to my good friend, you are talking about an issue that is controversial and it is very, very important before this body. It is a question of the pro-life position and the pro-choice position. It is extremely important to those that carry strong feelings about it on either side. You have those on your side that feel the same.

Now, when it comes to my good friend the gentlewoman from California [Ms. PELOSI], when she came before our committee, see if I can recall exactly what she said, and I would then ask her to go upstairs, if she would care to, and examine the record, but I recall her saying specifically, If, however, the Rules Committee chooses to make legislative amendments in order, I would request that I would be allowed or someone would be allowed, listen to that now, I would be allowed or someone would be allowed to offer a perfecting amendment to the Smith amendment, in particular, again, if Mr. Smith's amendment imposes the Mexico City language.

I recall saying to her specifically, The question of abortion, however, will have to be dealt with. If it is dealt with, if CHRIS SMITH, if he has an amendment that is made in order, certainly there will be an amendment for the alternative viewpoint made in order as well.

The gentlewoman from California [Ms. PELOSI] I recall saying, Thank you, Mr. Chairman.

That is what happened.

Now, we did exactly as we were requested, trying to be as fair as we could to both sides. I have attempted to do that at all times in the Committee on Rules.

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

Mr. SOLOMON. No, I will not yield right now.

Then the question arises, I happen to be over in my office for the first time all week trying to sign some mail and take care of some constituent business and I hear my good friend, the gentleman from Wisconsin [Mr. OBEY] saying this is the first time ever that the ranking members have ever been denied the ability to offer an amendment.

Well, I have had staff go back halfway through the 103d Congress, during 1993, 1994, and 1995. On the Campaign Finance Reform Act, no ranking Republican was allowed to offer his substitute. On the National Voter Registration Act, no ranking Republican, the gentleman from California [Mr. THOMAS], was allowed to offer his substitute. On the Independent Counsel Reauthorization Act, Mr. Fish, ranking member, was not allowed. And it goes on and on and on.

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

Mr. SOLOMON. No, I will not yield until I am through, and then the gentlewoman can get some time and I will be glad to respond.

We have made a vow in the Committee on Rules for the last 3 years that we will be at all times more fair to the minority than we were ever treated when we were in the minority. I sat there for 10 years suffering under that kind of arrogance and, believe me, nobody feels more for the minority than I do.

I am going to insist that when we have amendments filed with the Committee on Rules that we are going to make in order Republican amendments and we are going to make in order Democrat amendments and try and be as fair as we can. That is my job, even though I am criticized by some in my own party and some in your party for doing that because they want the rules closed down on both sides of the aisle. We are going to try to keep them as open and fair as we possibly can.

I would say to the gentleman, he has a right to stand up here and defend the Committee on Appropriations. But the gentleman knows that this issue on abortion cuts both ways. It is terribly important. I will assure the gentleman it is going to be dealt with in this piece of legislation or this piece of legislation is never going to see the light of day. The gentleman can count on it.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I just would like to respond briefly to my good friend and colleague from New York [Mr. SOLOMON], just following up on what the distinguished chairman of our committee has said, rather than go backward, Mr. Speaker, rather than talk about what happened and what did not happen, I think what our distinguished chairman, the gentleman from Alabama [Mr. CALLAHAN] wants to do is move forward. Our bill is ready. The appropriation bill is ready to go on the floor.

The discussions and the differences of opinion have to do with authorizing language. Our distinguished chairman is just saying, we have a bipartisan solution. Let us move it. Let us make that determination now and let us do it. Otherwise, if we do not resolve this now, we are going to be having great differences of opinion for the next week and not get our business done.

I would just respectfully suggest and request of the chairman that either we bring this bill to the floor without a rule or that the leadership has the responsibility to put a rule together.

I would say to my distinguished friend, the gentleman from Florida [Mr. GOSS], the issue is not the agriculture bill. The issue is that the Republican leadership can put together a rule in a bipartisan way to move the foreign operations bill forward.

Mr. HASTINGS of Washington. Mr. Speaker, may I inquire of the Chair how much time remains on both sides?

The SPEAKER pro tempore (Mr. ROGAN). The gentleman from Washington [Mr. HASTINGS] has 6½ minutes remaining, and the gentleman from Ohio [Mr. HALL] has 16½ minutes remaining.

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

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

Mr. KENNEDY of Massachusetts. Mr. Speaker, I think it is interesting, anybody that has ever taken their first drag off a cigarette knows they can make you gag, but I never thought that the power of that cigarette would force the entire Committee on Rules to gag the House of Representatives.

It is not just tobacco that is being gagged here today. It is also the tactics that we have seen in just the last 20 minutes or so. We heard a very reasonable presentation by the gentleman from Alabama on what it seems to me is a fair and evenhanded way of handling the kind of disputes that we are elected to have out here on the floor of the House of Representatives.

There is an issue pertaining to abortion. Have it out on the House floor. Let Members talk about what is dividing them. Let us come together and vote on those issues but not have the rules of the House of Representatives turned into mush up in some back room and take away the intent of the individuals that offer amendments.

All this comes down to is not all the yakking that we are hearing on the floor of the House of Representatives. What it comes down to is the fact that the gentlewoman from California [Ms. PELOSI] had an amendment that was changed in the Committee on Rules and was told to her was the same amendment that she had initially offered. That is all that this comes down to.

Mr. SMITH of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. KENNEDY of Massachusetts. No, I will not yield.

I want to come back to what I came down on the House floor to discuss, which is the fact that we have got courageous Members of Congress like the gentleman from Massachusetts [Mr. MEEHAN] and the gentlewoman from New York [Mrs. LOWEY] who have come

out here on this ag bill to try to shut down the tobacco lobby once and for all, to try to deal with the fact that there are 3,000 kids that are going to be addicted to smoking today because we are unable to defeat the tobacco lobby. We are not even able to have a discussion about the power of the tobacco lobby here in the Congress of the United States because if we did so, maybe that would be exposed and maybe we would actually take action to stop smoking in this country, at least stop subsidizing those individuals that are making money off of this product which is killing so many of our children.

It is time that we had an open debate, that we shut down smoking. Stand up for the Members that have the courage to shut down smoking in America.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I would just like to say on the record what happened in the Committee on Rules with the gentlewoman from California [Ms. PELOSI] since she is not here to speak for herself. The gentlewoman from California [Ms. PELOSI] did come to the Committee on Rules and say, if the Smith amendment was made in order she would like another amendment made in order. She did not have one of her own. I want to be clear on that. She did not offer an amendment.

However, the gentlewoman from California [Ms. PELOSI] believed that the amendment that would be offered was one put in by the gentleman from Pennsylvania [Mr. GREENWOOD]. The Greenwood amendment was then changed and another amendment was written by the gentleman from California [Mr. CAMPBELL] and I believe the gentleman from New York [Mr. GILMAN] and the gentleman from Illinois [Mr. HYDE], AFTER THE GENTLEWOMAN FROM CALIFORNIA [MS. PELOSI] had left the room.

Recognizing that this was not the amendment the gentlewoman from California [Ms. PELOSI] was talking about, I then requested that the gentlewoman from California [Ms. PELOSI] be allowed to put forth the Greenwood amendment as the ranking member and that was denied.

So I want to have the record perfectly straight on what happened in the Committee on Rules that evening.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me the time.

I just want to say something, because I have served in this House for 15 years. I say to the gentleman from Washington [Mr. HASTINGS], I never would have done to you what you just did to me. You said to me that you would yield me time and then you did not do it, as a representative of your committee. It made me extremely angry that you said it to me twice. It is right in that record.

I am the ranking member on this committee. I have to say no to our Democrats that cannot bring amendments up because of the rule that you have filed. I have to say no to the gentlewoman from Oregon [Ms. FURSE]. I have to say no to the gentleman from Maryland [Mr. WYNN]. I have to say no to the gentleman from Ohio [Mr. HALL]. I have to say no to Members who are not going to be allowed to bring their amendments to the floor.

I have a responsibility to the Members on my side just like you have a responsibility to the Members on your side. And I am very angry. I am glad the gentleman from New York [Mr. SOLOMON] is here on the floor because I do not think you are calling the shots here. I think they are being called above your pay grade in this House by the leadership. And when I, as a ranking member, was denied the right to offer my WIC amendment and it was given to the gentleman from California [Mr. RIGGS] on your side of the aisle, he is not even on our committee, and I have the experience, I thought, well maybe I am a woman, they kind of ignored me. Then you did it to the gentleman from Illinois [Mr. YATES] ranking member on the Subcommittee on Interior and now it is being done to the gentlewoman from California [Ms. PELOSI], ranking member on the Subcommittee on Foreign Operations, Export Financing and Related Programs.

□ 1815

So it is a pattern. I can recognize a pattern. And I am embarrassed for the other side of the aisle as a party that they will not allow us to conduct decent debate on this floor. So I stand here today being sorry for them.

I have never said this, maybe three times on the floor in my 15 years have I really felt outraged, and I am sorry that I have to say this to the gentleman in public, but my feelings are hurt. I would never have done to the gentleman what he has just done to me. And it is in that RECORD.

So I want to say to my good friend the gentleman from Illinois [Mr. YATES] and to my good friend the gentlewoman from California [Ms. PELOSI] and now to myself, we are all in the same boat. I do not know whether it is the Speaker, [Mr. GINGRICH], I do not know if it is the gentleman from Texas [Mr. ARMEY], I do not know who is doing this, but we have always brought the Agriculture bill to the floor in a bipartisan way. We have agreed. It has been usually under an open rule. We have had a good debate.

Mr. HASTINGS of Washington. Mr. Speaker, will the gentlewoman yield?

Ms. KAPTUR. I would say to the gentleman that nobody yielded to me; I refuse to yield to him, and that is the problem with the way things are operating in this House today.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself 30 seconds, and I would like to respond to my friend from Ohio.

The gentlewoman asked me very respectfully if she had some questions, if I would respond, and I said, and I remember saying this because I did not want to use my time, that if she wanted to ask me a question on her time I would be more than happy to respond if my remarks, if my remarks regarding the rule did not answer all her questions.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, I rise in opposition to this rule. I have an amendment that is a very important amendment, very important not only to this House but very important to young people all across America. It is a bipartisan amendment that gives the FDA the resources it needs to effectively inform retailers of what they need to be doing; namely, carding potential consumers of tobacco.

Now, I had 24 Members who were ready, willing, and able to come up and speak on this particular amendment. And after this rule came out of the committee at 11:30 last night, I only get 5 minutes to try to discuss this very, very important and critical amendment.

We are at a critical and historic juncture in this country on tobacco. At the Federal level we have a unique opportunity to protect our children from nicotine addiction and tobacco-related disease. There is no better time to act than now.

Attorneys general from all across America have been negotiating for months an effort to try to give the FDA the regulation and the teeth they need in order to protect America's children. All across America there has been a dialog in the health care community about the effects of tobacco on children, and here we are with the unique opportunity to fund the FDA, to help them protect America's children, and we do not want to debate. We give 5 minutes to an issue of critical importance.

This particular rule is an outrage. No Member in good conscience should vote for this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in opposition to this rule which unfairly curtails debate in the House of Representatives.

I have worked hard on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies and at the full Committee on Appropriations to make a strong case for strong measures to curb smoking amongst our children.

This is about saving lives. That is what the Meehan amendment is all about.

I am disturbed that we are not going to be able to have a full and open debate about this issue in the people's House. The American people deserve to have a debate on the Meehan amendment, a debate about whether or not to back efforts to prevent our kids from using tobacco or, in fact, to provide more money and more commissions to crop insurance agents that is needed.

This is wrong. Our current system clearly is not working to keep cigarettes and chewing tobacco out of the hands of children. Selling tobacco products to minors is illegal in 50 States. Nonetheless, 13 studies showed that children can buy tobacco 67 percent of the time in this country. Three thousand young people under the age of 18 will begin to smoke each day; a third of them will die. They will join the ranks of the 400,000 people who die each year from tobacco related illnesses.

Passing the Meehan amendment, fully funding the anti-tobacco program outlined by the FDA, will ensure that the FDA can enforce laws against tobacco sales to minors, also to conduct the needed outreach and education efforts. This has got to be a priority for all of us.

I urge my colleagues to adopt the Meehan amendment, let us provide the $34 million to prevent young people from starting to smoke.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise in strong opposition to this closed rule which would severely restrict debate on several very important and complex issues.

I will be offering an amendment shortly to eliminate federally subsidized crop insurance for tobacco. It makes no sense that we spend almost $200 million each year on programs designed to prevent the terrible health effects of smoking and then we turn around and spend millions of dollars more to encourage the growth of tobacco. My amendment will simply make our tobacco policy more consistent.

Now, whether Members support my amendment or oppose it, this rule denies all of us the right to debate the issue fully.

I will be the first to admit that some of my very good colleagues on both sides of the aisle disagree with me on the issue of tobacco subsidies, and many more of my colleagues agree with me. All of us deserve to be heard on this matter, but few of us will have that opportunity.

Last year we spent more than 7 hours having a thorough debate on these issues. This year we will spend a fraction of that. There are new amendments, new facts, new Members that deserve much more than this rule gives them. I have a list of more than 25 Members that want to speak on this amendment.

Mr. Speaker, I urge all of my colleagues, no matter whether they support or oppose the amendments, to oppose this restrictive rule. These issues deserve to be heard and to get a full hearing.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in opposition to this unfair rule. Before stating my reason for that let me just commend, first, the chairman, the gentleman from New Mexico [Mr. SKEEN], because this action is not a part of his doing. He has been fair and open and cooperative, and certainly he has been a friend to the farmer.

I also want to recommend and commend not only the dignity but the depth of our subcommittee's ranking minority member, the gentlewoman from Ohio [Ms. KAPTUR], for her persistence and her independence in standing up to unfairness.

Now, there are differences on the amendment that the gentlewoman from New York [Ms. LOWEY] will put, but I still think we need more time for this. Some of us know that when these amendments are considered, 15 minutes is not sufficient time to hear the pros or the cons.

I happen to believe it is unfair, unfair to take the great decision about whether children should smoke or whether that is a public policy, and address it to the American farmer. That is a cheap shot. The other side may feel good about that, but that is not the way to do public policy. We are really making the most vulnerable people in the society responsible for all the acts we should hold others responsible for.

That amendment will have nothing to do about keeping kids from smoking. It will have absolutely nothing to do about morality or mortality. The death of those 400,000 people should be addressed, but keeping insurance from small tobacco farmers simply means we remove the opportunity for them to make a decent living.

If we want to make it illegal for them to smoke, that is a different question, but my colleagues I cannot let our consciences go unchallenged. We are doing nothing to keep children from smoking. We will do nothing to end the great mortality that is caused by smoking.

So if we are to have this discussion, hopefully we will be fair. The question should be about fairness and access to opportunity.

PARLIAMENTARY INQUIRY

Mr. HEFNER. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. ROGAN). The gentleman may state his parliamentary inquiry.

Mr. HEFNER. Mr. Speaker, is a motion to adjourn in order at this time?

The SPEAKER pro tempore. No, there has already been one motion pending the rule.

Mr. HEFNER. Was that in this rule that we are considering now, Mr. Speaker?

The SPEAKER pro tempore. That is correct.

Mr. HEFNER. But this rule we are considering now is not passed yet.

The SPEAKER pro tempore. There was previously a motion to adjourn once this rule was brought up, so a motion to adjourn at this time is not in order.

Under clause 4 of rule XI, there may only be one motion to adjourn during the pendency of a rule. There was previously a motion made to adjourn. That motion was defeated. So a motion at this time would not be in order.

Mr. HEFNER. I thank the Chair.

Mr. HALL of Ohio. Mr. Speaker, how much time is remaining on each side?

The CHAIRMAN. The gentleman from Ohio [Mr. HALL] has 5 minutes remaining and the gentleman from Washington [Mr. HASTINGS] has 6 minutes remaining.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, I rise in strong opposition to this unfair gag rule.

This rule was written in the middle of the night, midway through debate on this bill, and it blocks me and others from offering amendments that the Subcommittee of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations had known about for over a week.

The amendment I planned to offer would have saved the American taxpayer over $11 million. It would have reduced a sweetheart deal with the Western livestock industry and the animal damage control program. We were told originally that no preprinting of the amendment was required, yet this rule, which happened last night, has barred any amendment that was not preprinted on Monday or earlier. That is great. It means that as of last night at midnight, when Members first heard of this rule, they were already too late to comply with the rule.

The argument for this gag rule is that Members are merely being obstructionist in offering frivolous amendments. Let me tell my colleagues that the American people do not think it is frivolous to save $11.3 million, their dollars. What is more, it is no secret that I intended to offer this amendment. I had sent out four ''dear colleagues'' including one bipartisan letter signed by six Members.

The Committee on Rules has chosen to gag me and other Members. I say to my colleagues, if they do not like my amendment, so be it, they are free to vote against it. But under this rule they will not be given the opportunity, the opportunity to save the American taxpayer $11.3 million. Maybe they would have liked that opportunity.

And I say to my colleagues, if they want to vote ''yes'' for democracy, vote ''no'' for this unjust rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, for the 17 years that I have been a Member of Congress, abortion advocates have often let the Republican abortion advocates offer pro-abortion amendments. It has played well with the press, it is contrarient, 80 percent of our caucus is pro-life, and the gentleman from Pennsylvania [Mr. GREENWOOD], the gentleman from California [Mr. CAMPBELL] and the gentleman from New York [Mr. GILMAN] certainly have pro-abortion credentials. They were among 7 members of our caucus who voted against the partial-birth abortion ban.

Let me just make it very clear that when the gentlewoman from California [Ms. PELOSI] appeared before the Committee on Rules, and I listened intently to every word she said, she said that either she or someone else would be allowed to offer a perfecting amendment. That someone else is the so-called pro-choice Republicans.

Their perfecting amendment, let it be very clear, absolutely guts the Smith–Hyde-Oberstar-Barcia amendment. It is a totally gutting amendment. So they get their opportunity, which makes me wonder about this whole proceeding that we are watching.

I also wanted to make the point that the gentleman from Alabama [Mr. CALLAHAN] said he does not want to deal with legislative policy language on an appropriations bill. Then do not authorize the appropriation itself. At some point there will have to be a waiver. Let there be no waiver; let the authorizing committees do both, the funding and the policy.

□ 1830

The SPEAKER pro tempore [Mr. ROGAN]. Does the gentleman from Washington [Mr. HASTINGS] seek recognition at this time?

The gentleman reserves his time to close.

Mr. HALL of Ohio. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] has 3 minutes.

Mr. HALL of Ohio. I wanted to inquire of the gentleman from Washington [Mr. HASTINGS], there was a possibility of a change in the rule of an amendment that could be offered to the rule; and actually, that is what I have been kind of waiting for, to see if they are willing to make the change. Because I am willing to speak to the amendment and, at least from my portion, to accept on this particular amendment a change in the rule. It is very necessary. But I am waiting for them to make the motion.

Mr. HASTINGS of Washington. Mr. Speaker, we are waiting for this to be drafted. Does the gentleman have some time that maybe perhaps he would like to yield.

Mr. HALL of Ohio. Mr. Speaker, I would be glad to explain it. I yield myself such time as I may consume.

The problem with the rule and the situation that we have today, when we had the rule on the floor, originally the Agriculture appropriations bill, the gentleman from California [Mr. COX] had an amendment, and I had a perfecting amendment to his amendment. His amendment, I felt, went way too far, because what would happen is it would cut off all humanitarian aid to North Korea.

I amended that, with his support, saying that no food aid, no humanitarian aid should go to the government or to the military of North Korea but do not deny, do not deny humanitarian aid to the people, the innocent people. These are always the people that get the short end of the stick.

So, as a result of that, as a result of passing this modified closed rule, I am prohibited from offering a perfecting amendment to the amendment of the gentleman from California [Mr. COX]. Therefore, what we will have is an amendment that really does injustice and great harm to a lot of innocent people that are now facing famine. And this is the problem with the rule that we now have before us.

So what is needed is a change in the rule. It is my understanding that the gentleman from New York [Mr. SOLOMON] or the gentleman from Washington [Mr. HASTINGS] was going to offer a change in the rule that they could offer an amendment to change the rule to accept a compromise amendment from Cox-Hall, which would be acceptable to me. That is about the best explanation I can give.

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

Mr. HALL of Ohio. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would just say to the gentleman, he has explained exactly what we would like. We would just as soon do it by unanimous consent.

Also, the gentleman from Wisconsin [Mr. OBEY] had mentioned to me that there was a possibility of a Wynn compromise as well, and I believe that they would be willing to accept that over here, too, either with a unanimous consent request. So I just offer that to the gentleman in the spirit of comity and trying to cooperate.

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

Mr. HALL of Ohio. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, for Members that are not privy to what my colleagues are doing, that are not familiar with the Committee on Rules, what have you, is there any way that the membership watching in their offices, or wherever, might know what these amendments are going to be, what they are going to say that you are going to amend here on floor?

I have never seen this happen before, a rule amended on the floor. Could we know what is in the Cox amendment and the one so-called Wynn amendment. I do not know what they are.

Mr. HALL of Ohio. Mr. Speaker, do we have any time remaining?

The SPEAKER pro tempore. The gentleman from Ohio has 15 seconds remaining.

Mr. HALL of Ohio. Mr. Speaker, I ask unanimous consent to be able to speak for 5 additional minutes on this. Can I do that?

The SPEAKER pro tempore. It would be appropriate for the gentleman to ask for both sides to have an additional 5 minutes.

Mr. HALL of Ohio. Mr. Speaker, I ask unanimous consent that both sides have an additional 5 minutes.

The SPEAKER pro tempore. Does the gentleman from Washington yield for that purpose?

Mr. HASTINGS of Washington. Mr. Speaker, I yield to the gentleman from Ohio.

The SPEAKER pro tempore. Without objection, the gentleman from Washington [Mr. HASTINGS] and the gentleman from Ohio [Mr. HALL] each will be recognized for an additional 5 minutes.

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

Mr. HALL of Ohio. I am glad to yield to the gentleman from North Carolina.

PARLIAMENTARY INQUIRY

Mr. HEFNER. Mr. Speaker, I would like to know, I have not heard what is in these amendments. This is like we are marking a bill here and somebody has offered an amendment nobody has seen. It has not been printed. I would just like to know what it entails. I am pretty sure that a lot of Members that are watching would like to know what we are doing here.

Mr. HALL of Ohio. There is an amendment that has been printed in the RECORD by the gentleman from California [Mr. COX]. That is, there is an amendment and it is amended by myself. I believe the amendment is with the Clerk at this particular time. I have explained the amendment.

What it has to do with is cutting off humanitarian aid to North Korea. That has already been printed in the RECORD Except for aid going to the military. There will be no humanitarian aid going to the military of North Korea, but humanitarian aid will not be cut off to the other people.

All I am trying to do is get that amendment in order so that we will have a chance once the bill comes up to debate it.

Mr. HEFNER. I do not know if I want to make a parliamentary inquiry or if we need more than 5 minutes here. Because if we are going to correct this rule and allow amendments that are not in the rule, why do we not have several amendments here that allow some of these and clear up some of the things the gentleman from Alabama [Mr. CALLAHAN] was talking about where we can go ahead with all of this and get it over with and not waste a lot of time here.

It seems to me we are amending a rule here and nobody knows what we are doing. I do not know what is in the amendment. Was not the amendment

that the gentleman wanted to offer, was it not made in order by the rule and we are correcting that now? Is that what we are doing? Was Mr. COX not in order?

Mr. COX of California. Mr. Speaker, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from California.

Mr. COX of California. My amendment is in order under the rule.

Mr. HEFNER. Parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will suspend.

Mr. HEFNER. The gentleman's amendment is not in order.

The SPEAKER pro tempore. The gentleman will please suspend.

The Chair reminds all Members that the gentleman from Ohio [Mr. HALL] controls time. Does the gentleman from Ohio wish to yield to the gentleman from California?

Mr. HALL of Ohio. I am glad to yield to the gentleman from California [Mr. COX].

Mr. COX of California. I thank the gentleman for yielding just to clarify a point that I think my colleague has already made, and that is that the Cox amendment is made in order by this rule unamended, but that the minority and the concerns especially represented by the gentleman from Ohio [Mr. HALL] have offered a way to improve that that the author of the amendment accepts.

And so, out of deference to the minority, I would be happy, on the grounds that it would improve the amendment that is already made in order by the rule, based on suggestions from the other side, to accept a unanimous consent request to make that improved amendment in order. If that unanimous consent request is not accepted, then I would just go ahead and offer my amendment as permitted by the rule, which, to my understanding, is less acceptable to the minority.

Mr. HEFNER. This amendment is not in order until this rule passes.

The SPEAKER pro tempore. The Chair again reminds all Members that the gentleman from Ohio [Mr. HALL] controls the time.

Mr. HALL of Ohio. I would say to the gentleman from North Carolina [Mr. HEFNER] the Cox amendment is in order. My amendment to his is not in order. The only way for my perfecting amendment to make his amendment acceptable to most of us on this side is for them to change the rule.

This is a very awkward situation. It is terribly awkward. Because what we are doing is amending the rule on the floor of the House, and the problem is if we do not amend the rule at this particular time, what my concern is is that with Mr. COX's original amendment, which is in order, cuts off all aid to North Korea, and that goes against everything that this country is all about. With Ethiopia, Angola, we never cut off humanitarian aid to innocent people. We cut off aid to the military.

So that is what our compromising amendment does. Both sides are caught in a very awkward situation. And if we do not pass this amendment, what could happen is a very odious thing, a lot of innocent people will lose out on medicines and foods.

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

Mr. HALL of Ohio. I yield to the gentleman from North Carolina.

Mr. HEFNER. Well, if you can do that with the Cox amendment, why can you not amend it to allow these other Members to offer their amendment? It does not make any sense to me. It seems that this is something that you can do, you can tie that to the Cox amendment. I just do not understand the procedure.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. HALL] has expired.

PARLIAMENTARY INQUIRIES

Mr. OBEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. OBEY. Mr. Speaker, it is my understanding that there is an effort being made or that there is an intention on the part of the chairman of the Committee on Rules to offer an amendment to the rule accommodating the amendment that the gentleman from Ohio was seeking and that there will be a rollcall on that issue followed by an effort on the part of the chairman of the committee to offer a unanimous consent request to allow the Wynn amendment to be made in order.

Could I ask, what is the proper method by which the gentleman can explain that to the House so Members know what they are voting on and we might be permitted to ask a couple questions of him about that?

The SPEAKER pro tempore. There is still debate time remaining with the gentleman from Washington [Mr. HASTINGS]. However, there is no amendment to the rule pending before the House at this time. The Chair is not privy of any negotiations between the Members and the parties.

Ms. FURSE. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentlewoman from Oregon will state her inquiry.

Ms. FURSE. Would the Chair tell me how I might go about getting a unanimous consent request so that I too could have my amendment made possible?

The SPEAKER pro tempore. The manager of the rule must yield for a unanimous consent.

The gentleman from Washington [Mr. HASTINGS] is recognized.

AMENDMENT OFFERED BY MR. HASTINGS OF WASHINGTON

Mr. HASTINGS of Washington. Mr. Speaker, I hope we can have closure on this. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS of Washington:

Page 2, line 17, strike ''and'' and all that follows through ''1997'' on line 19, and insert in lieu thereof: ''the amendment by Representative OBEY of Wisconsin pending when the Committee of the Whole rose on July 22, 1997, and one amendment by Representative COX of California regarding assistance to the Democratic People's Republic of Korea''.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

This amendment cosponsored by the gentleman from California [Mr. COX] and the gentleman from Ohio [Mr. HALL] is intended to be a substitute for the Cox amendment published in the CONGRESSIONAL RECORD on July 15, 1997. It is a compromise fashioned by the gentleman from California [Mr. COX] and the gentleman from Ohio [Mr. HALL] to address the critical issue of food aid delivery for North Korea.

I stress that it is a bipartisan amendment, and I urge its adoption.

Mr. OBEY. Mr. Speaker, will the gentleman yield for a question?

Mr. HASTINGS of Washington. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I ask that question so that the Members might understand what is about to transpire. Is it correct that the gentleman is offering this amendment, that this amendment will be subjected to a rollcall vote, and that after the vote on that amendment, the gentleman from New York, or the bill manager, I am not sure which, will then offer a unanimous-consent request to also place in order the Wynn amendment? Could I ask if that is the understanding of the gentleman from New York? I do not know if there is general concurrence in that or not.

Mr. HASTINGS of Washington. Mr. Speaker, I would just say to the gentleman that those negotiations are going on as we speak.

Mr. Speaker, if I may, to indulge the gentleman, since we have time, I yield 3 minutes to my friend, the gentleman from Colorado [Mr. MCINNIS]. And maybe at the end of that time, we can have closure on this.

□ 1845

Mr. MCINNIS. Mr. Speaker, there are a few things that I think we should clarify. I am glad to see that the floor has settled down. It seems that both sides here are attempting to negotiate. But I do think it is important to discuss what the function is of the Committee on Rules. The primary function of the Committee on Rules is to manage bills on the House floor.

In doing that, of course we did have a Committee on Rules when the Republicans were in the minority, and that was run by the Democratic Party. In fact, during that period of time when the minority, which was the Republicans, had a motion to recommit, they were not allowed at times to offer that motion to recommit with instructions. We changed that. The Republicans changed that because we wanted to see more fairness on the floor, more openness on the floor.

When we took office, what we did is we always guaranteed the minority a motion to recommit with instructions. What does that mean? That means that the minority has the right to be heard. Under the type of governmental system that we have in this country, the majority has the right to rule, but the minority has a right to be heard, and that is exactly what that motion to recommit does.

We have heard from a couple of people, frankly from the State of Massachusetts, who complained about the fact that the tobacco amendment was not going to be heard. In fact, it is going to be heard. It has got as much time or more time than any other amendment that is going to be on there. But the fact is that both of these gentlemen on a continuous basis talked about how important it is that we immediately hear the tobacco amendment, that we not be evasive, that we put this to the forefront, and then they continue to vote for motions to adjourn.

The reason we went to the Committee on Rules last night is because we in good faith, the Committee on Rules, determined not to put a rule onto this bill, go ahead, put the bill out on the floor and let it run its course. Well, what happened is we ran into delay tactic after delay tactic. I hope now that these negotiations calm the floor down, allow us to pass this rule and allow us to get on with the business of the House, which is the business of the people that we represent. This time that we are wasting is precious time that we cannot recover.

We have a lot of major issues, including the tax cut that is sitting out there, the children's tax credit, the education tax credit, the capital gains reduction, the death tax exemption, raising up the exemption. Instead of addressing issues like that, we see people up here continuing to delay and delay. I do not know how many motions we have had to adjourn or motions to rise, which of course takes a half-hour to an hour each time that is made and a vote is requested upon it.

It is important for us to remember that when that Committee on Rules met last night, it was not because it was a regularly scheduled Committee on Rules. It is because we were forced by a few individuals who wanted to do delay, delay, delay, and that is why we met, to bring some order to the floor. This Committee on Rules meeting was not held in the middle of the night, not at all. It obviously was an open meeting. The minority had their chairman up there. In fact, we sat in our chairs up there waiting for 30 or 40 minutes for the printing process to be done. So last night when our committee met, it was forced to meet.

I used to be a police officer. I would see somebody speeding. Most of the time if the speeding was not egregious, I would give a warning. Time after time after you give somebody a warning, at some point you have got to do something. In this case, you give them a ticket, and then the person that gets the ticket is complaining.

Here is what has happened in the last few days. We have warned and warned this body. The Committee on Rules has determined that the business of this House must move forward. The American people are demanding we do something, quickly, on this tax cut. We need to move on these appropriations bills. It is important for the lives of the people that we represent. And if some Members out there continue to stall and stall and stall, we will have to adjourn, we will have to go upstairs to the Committee on Rules, have an open committee hearing where the minority is represented as well as the majority, put out a rule which manages this bill, and that is exactly what happened. It is not unfair. It is certainly not unnecessary. It became necessary as the result, frankly, of abuses that we observed here on the floor.

Now, that meeting, and I want to stress this because it came up several times. I heard that somebody called it the mesh meeting. Somebody called it in a dark room in the Capitol. Somebody said it was unannounced. One member of the committee itself said, we wondered why they were not there, they said they did not get notice. They sure did get notice. Everybody on the Committee on Rules got notice. It is necessary.

Again, I want to soften my comments by saying that the comity that we are now seeing on the floor, frankly it is about time. The Republicans feel it is very important for us to move forward with this business. The Republicans feel very strongly about this tax cut that we want to deliver to the American people. In order for us to deliver a tax cut to put money back into the taxpayers' pocket, we need to get on with the House's business. I urge my colleagues to support the rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the amendment.

The SPEAKER pro tempore (Mr. ROGAN). The question is on ordering the previous question on the amendment.

Does the gentleman also move the previous question on the resolution?

Mr. HASTINGS. No; just on the amendment.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 160, not voting 5, as follows:

[Roll No. 305]

YEAS—269

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

NAYS—160

Abercrombie
Ackerman
Allen
Andrews
Baesler
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop

Blumenauer
Bonior
Borski
Boucher
Boyd
Brown (CA)
Brown (OH)
Capps
Cardin
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Danner
Davis (IL)
DeFazio
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Gordon
Green
Gutierrez
Hall (TX)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Jefferson
John
Johnson, E. B.
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran (VA)
Neal
Oberstar
Obey
Olver
Owens
Pascrell
Payne
Pelosi
Peterson (MN)
Pickett
Poshard
Price (NC)
Rangel
Reyes
Rodriguez
Roemer
Rothman
Roybal-Allard
Sabo
Sanchez
Sanders
Sandlin
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Stabenow
Stenholm
Stokes
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Visclosky
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NOT VOTING—5

Barton
Pallone
Schiff
Stark
Young (AK)

□ 1914

Messrs. COYNE, BLUMENAUER, and DAVIS of Illinois changed their vote from ''aye'' to ''no.''

Messrs. RILEY, DELLUMS, FRANK of Massachusetts, and VENTO, Ms. JACKSON-LEE of Texas, Messrs. BOSWELL, FORD, CUMMINGS, KANJORSKI, SMITH of Texas, DELAHUNT, DICKS, HOYER, Mr. JACKSON of Illinois, and Ms. RIVERS changed their vote from ''no'' to ''aye.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

MODIFICATION TO THE AMENDMENT OFFERED BY MR. HASTINGS OF WASHINGTON

Mr. HASTINGS of Washington. Mr. Speaker, I ask unanimous consent that the amendment on which the previous question has just been ordered be modified in the form that I have placed at the desk and be considered adopted.

The SPEAKER pro tempore (Mr. ROGAN). The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment, as Modified, Offered by Mr. HASTINGS of Washington: Page 2, line 17, strike ''and'' and all that follows through ''1997'' on line 19, and insert in lieu thereof: ''the amendment by Representative Obey of Wisconsin pending when the Committee of the Whole rose on July 22, 1997, one amendment by Representative Cox of California regarding assistance to the Democratic People's Republic of Korea, and the amendment printed in the Congressional Record and numbered 35 pursuant to clause 6 of rule XXIII''.

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

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution, as amended.

There was no objection.

The SPEAKER pro tempore. The question is the resolution, as amended.

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

RECORDED VOTE

Mr. BONIOR. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 226, noes 202, not voting 6, as follows:

[Roll No. 306]

AYES—226

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

NOES—202

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

NOT VOTING—6

Barton
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Schiff
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Young (AK)

□ 1934

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2203, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1998

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 105–198) on the resolution (H. Res. 194) providing for consideration of the bill (H.R. 2203) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution (H. Res. 196) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 196

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

Committee on Banking and Financial Services: Mr. Redmond.

Committee on National Security: Mr. Redmond.

Committee on Small Business: Mr. Pitts.

Committee on Veterans' Affairs: Mr. Redmond.

The resolution was agreed to.

A motion to reconsider was laid on the table.

URGING MEMBERS TO VOTE AGAINST THE RULE ON THE AGRICULTURE APPROPRIATIONS BILL

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

Ms. KAPTUR. Mr. Speaker, I rise as the ranking member on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations, which means I am the lead Democrat, and to protest the action of the Committee on Rules last night in putting a tourniquet on the debate that was to have occurred on our bill.

Yesterday we had that bill on the floor, and generally it comes to the floor under an open rule. I might remind the membership that agriculture is America's most important industry. It provides our most positive balance-of-trade figures, and is an exceedingly important bill to our farmers, our food processors, our people involved in the fiber industry, the forestry industry, the fuel industry. This is not an unimportant bill.

Yet, because of anger for other reasons, for other reasons, because Members like the gentlewoman from California [Ms. PELOSI], the gentleman from Illinois [Mr. YATES], and myself, the gentlewoman from Ohio [Ms. KAPTUR], as ranking members of our respective committees were summarily blocked in prior weeks from bringing our amendments to the floor on other bills, we are now being punished by putting a tourniquet on the debate on the agriculture bill today.

As ranking members, we have not only been blocked from offering the amendments, but our amendments have then been given to Members of the other party. This is outrageous. In past years, I can assure you agriculture appropriations bills moved to the floor with bipartisan support. They were not the victim of "gag" rules. They were not used to send messages to the minority that they better behave or be punished.

So now, our agriculture bill is being forced to be debated under such limited time, that key provisions will be given short shrift, not even allowing time to explain their full meaning to the Members.

For example, on the important subject of youth tobacco prevention, the time allowed for debate is 10 minutes—to be divided 5 minutes on each side. On important commodity programs on which our families' livelihood depend—sugar, peanuts, tobacco—debate will be limited to 15 minutes per side. This is ludicrous.

Further, the rule retroactively denies many Members the ability to offer their amendments—for example, Representative FURSE of Oregon on Animal Damage Control; Representative WYNN of Maryland on Civil Rights Enforcement; Representative HALL of Ohio on food assistance to Korea; and Representative MEEHAN of Massachusetts is allotted 5 minutes only to discuss the important Youth Tobacco Prevention initiative.

This is not the way to legislate.

I urge my colleagues to vote "no" on the rule. It truly is unfair.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STARK (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of a family medical emergency.

Mr. BARTON of Texas (at the request of Mr. ARMEY), for today after 7 p.m. and 8:30 p.m. on July 24, on account of attending a funeral.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. TIERNEY) and to include extraneous matter:)

Mrs. MALONEY of New York.
Ms. ESHOO.
Mr. PRICE.
Mr. RAHALL.
Mr. MILLER of California.
Mr. BLAGOJEVICH.
Mr. REYES.
Mr. HAMILTON.
Mr. VENTO.
Mr. DAVIS of Illinois.
Mr. LANTOS.
Mr. OBEY.
Mr. FATTAH.
Mr. STARK.
Mr. KUCINICH.
Mr. UNDERWOOD.
Mr. BERMAN.
Mr. STRICKLAND.

(The following Members (at the request of Mr. WALSH) and to include extraneous matter:)

Mr. SHAW.
Mr. BASS.
Mr. PITTS.
Mr. FAWELL.
Mr. GILMAN.
Mr. LIVINGSTON.
Mr. HOUGHTON.
Mr. BOB SCHAFFER of Colorado.
Mrs. KELLY.
Mr. LEWIS of California.
Mr. DREIER.

ADJOURNMENT

Mr. WALSH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Thursday, July 24, 1997, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4321. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Brucellosis in Cattle; State and Area Classifications; Iowa [Docket No. 97–036–1] received July 21, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4322. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Brazil, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

4323. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Revised Requirements for Designation of Reference and Equivalent Methods for PM 2.5 and Ambient Air Quality Surveillance for Particulate Matter [AD–FRL–5725–6] (RIN: 2060–AE66) received July 17, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4324. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's "Major" final rule—National Ambient Air Quality Standards for Particulate Matter [AD–FRL–5725–2] (RIN: 2060–AE66) received July 17, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4325. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's "Major" final rule—National Ambient Air Quality Standards for Ozone [ADA–95–58; FRL–5725–3] (RIN: 2060–AE57) received July 17, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4326. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Nonresident Aliens and Foreign Corporations [Revenue Ruling 97–31, I.R.B. 1997–32, dated August 11, 1997] received July 22, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 194. Resolution providing for consideration of the bill (H.R. 2203) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–198). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. DEFAZIO (for himself, Ms. FURSE, Ms. HOOLEY of Oregon, Mr. BLUMENAUER, Mr. DELLUMS, Mr. BONIOR, Mr. BROWN of California, Mrs. MALONEY of New York, Mr. BARRETT of Wisconsin, Mr. HINCHEY, and Mr. TRAFICANT):

H.R. 2222. A bill to amend the Federal Water Pollution Control Act relating to Federal facilities pollution control; to the Committee on Transportation and Infrastructure.

By Mr. HAYWORTH:

H.R. 2223. A bill to amend the Act popularly known as the Recreation and Public Purposes Act to authorize transfers of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools, and for other purposes; to the Committee on Resources.

By Mr. ACKERMAN:

H.R. 2224. A bill to amend title 10, United States Code, to extend commissary and exchange store privileges to veterans with a service-connected disability and to certain dependents of such veterans; to the Committee on National Security.

By Mr. ENSIGN (for himself and Mr. GIBBONS):

H.R. 2225. A bill to designate the Federal building and United States courthouse to be constructed on Las Vegas Boulevard between Bridger Avenue and Clark Avenue in Las Vegas, NV, as the ''Lloyd D. George Federal Building and United States Courthouse''; to the Committee on Transportation and Infrastructure.

By Mr. FAWELL (for himself, Mr. PAYNE, and Mr. GOODLING):

H.R. 2226. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify treatment of investment managers under such title; to the Committee on Education and the Workforce.

By Mr. LAZIO of New York:

H.R. 2227. A bill to amend the National Flood Insurance Act of 1968 to reauthorize the national flood insurance program, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. MILLER of California (for himself, Mr. MARTINEZ, Mr. FORD, Mr. STARK, Mr. OBERSTAR, and Mr. FALEOMAVAEGA):

H.R. 2228. A bill to increase the number of qualified teachers; to the Committee on Education and the Workforce.

By Mr. PASCRELL:

H.R. 2229. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act with respect to penalties for powder cocaine and crack cocaine offenses; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PITTS:

H.R. 2230. A bill to amend the Congressional Budget Act of 1974 to establish a point of order that precludes raising revenues to enforce the bipartisan budget agreement if there is a revenue shortfall in any of fiscal years 1998 through 2002; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. PRYCE of Ohio (for herself, Mr. PORTMAN, Mrs. JOHNSON of Connecticut, and Mr. CHRISTENSEN):

H.R. 2231. A bill to amend the Internal Revenue Code of 1986 to provide a sound budgetary mechanism for financing health and death benefits of retired coal miners while ensuring the long-term fiscal health and solvency of such benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ROYCE:

H.R. 2232. A bill to provide for increased international broadcasting activities to China; to the Committee on International Relations.

By Mr. SAXTON (for himself and Mr. ABERCROMBIE):

H.R. 2233. A bill to assist in the conservation of coral reefs; to the Committee on Resources.

By Mr. SCHUMER (for himself and Mr. GONZALEZ):

H.R. 2234. A bill to amend the Electronic Fund Transfer Act to eliminate confusion about consumer liability for unauthorized transactions involving debit cards that can be used like credit cards, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. RAHALL (for himself, Mr. MILLER of California, Mr. VENTO, Mr. ROMERO-BARCELO, Mr. KENNEDY of Rhode Island, Mr. DEFAZIO, Mr. ABERCROMBIE, Mr. PICKETT, Mr. ORTIZ, Ms. CHRISTIAN-GREEN, Mr. FALEOMAVAEGA, and Mr. HINCHEY):

H. Con. Res. 119. Concurrent resolution expressing the sense of the Congress that the health, safety and general welfare of the residents of the Nation's coalfields should continue to be enhanced by the implementation of the Surface Mining Control and Reclamation Act of 1977 by State and Federal regulatory authorities, and that Congress hereby reaffirms the goals of the Act on its 20th anniversary, August 3, 1997; to the Committee on Resources.

By Mr. GILMAN (for himself, Mr. HAMILTON, Mr. BEREUTER, Mr. PORTER, Mr. FALEOMAVAEGA, Mr. BERMAN, and Mr. LEACH):

H. Res. 195. Resolution concerning the crisis in Cambodia; to the Committee on International Relations.

By Mr. HASTINGS of Washington:

H. Res. 196. Resolution designating majority membership to certain standing committees of the House. Considered and agreed to.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. DICKEY and Mr. SHAYS.
H.R. 45: Mrs. LOWEY.
H.R. 125: Mr. WICKER.
H.R. 176: Mr. CLEMENT, Mr. HORN, and Mr. DAVIS of Illinois.
H.R. 192: Mr. LEWIS of Georgia.
H.R. 230: Mr. GORDON.
H.R. 339: Mr. GIBBONS.
H.R. 372: Mrs. MORELLA, Mr. RAHALL, Mr. BROWN of California, Mr. FOX of Pennsylvania, Mr. BONIOR, Mr. DAVIS of Virginia, Mr. BORSKI, Mr. CUMMINGS, Mr. FRANK of Massachusetts, Mr. SANDLIN, Mr. ACKERMAN, and Mr. FATTAH.
H.R. 450: Mr. FRANKS of New Jersey.
H.R. 551: Mr. LEWIS of Georgia.
H.R. 631: Mr. FOX of Pennsylvania and Mrs. EMERSON.
H.R. 687: Mr. KIND of Wisconsin, Mr. STRICKLAND, and Mr. EVANS.
H.R. 696: Mr. RUSH and Ms. WOOLSEY.
H.R. 774: Mrs. LOWEY and Mr. DAVIS of Illinois.
H.R. 777: Mr. BERMAN, Mr. BORSKI, Mr. GORDON, and Mr. MORAN of Virginia.
H.R. 857: Mr. HUTCHINSON, Mr. HALL of Texas, Mr. PETERSON of Minnesota, and Mr. KIM.
H.R. 859: Mr. PAUL.
H.R. 875: Mr. SANDLIN, Mr. SHIMKUS, Mr. HINCHEY, and Mr. RODRIGUEZ.
H.R. 916: Mr. GRAHAM, Mr. SABO, and Mr. SHERMAN.
H.R. 967: Mr. GIBBONS, Mr. SAM JOHNSON, Mr. MCINTOSH, Mr. SPENCE, Mr. ROYCE, Mr. HUNTER, and Mr. SHADEGG.
H.R. 977: Mr. BOEHLERT.
H.R. 992: Mr. SOLOMON.
H.R. 1054: Mr. KIM, Mr. BURR of North Carolina, and Mr. LEWIS of Georgia.
H.R. 1126: Mr. PRICE of North Carolina and Mr. DAVIS of Illinois.
H.R. 1232: Mr. ROHRABACHER and Mr. POSHARD.
H.R. 1285: Mr. PASTOR.
H.R. 1296: Mr. EHLERS.
H.R. 1350: Mrs. EMERSON and Mr. CAMPBELL.
H.R. 1398: Mr. HOEKSTRA.
H.R. 1427: Ms. KILPATRICK, Mr. COYNE, Mr. MEEHAN, and Mr. SAXTON.
H.R. 1440: Mr. TIERNEY.
H.R. 1493: Mr. HUNTER and Mr. TRAFICANT.
H.R. 1507: Mr. ANDREWS, Ms. KILPATRICK, Ms. BROWN of Florida, Mr. NADLER, Mr. SAWYER, Mr. BROWN of Ohio, Mr. WAXMAN, and Ms. ESHOO.
H.R. 1541: Mr. SHAYS.
H.R. 1542: Mr. SISISKY and Mr. DEAL of Georgia.
H.R. 1544: Mr. SENSENBRENNER, Mr. STARK, and Mr. WICKER.
H.R. 1578: Mrs. MORELLA.
H.R. 1579: Mrs. MORELLA.
H.R. 1619: Mrs. EMERSON.
H.R. 1679: Mr. DEUTSCH.
H.R. 1680: Mr. FROST, Mr. SNYDER, and Mr. SOUDER.
H.R. 1719: Mr. CHRISTENSEN.
H.R. 1814: Mrs. LOWEY and Ms. FURSE.
H.R. 1839: Mr. COX of California, Mr. RUSH, Mr. WISE, and Mr. WHITFIELD.
H.R. 1903: Mr. WELDON of Pennsylvania and Mr. LAMPSON.
H.R. 1970: Mr. RUSH.
H.R. 1984: Mr. BAESLER, Mr. GOODLATTE, Mr. BLUNT, Mr. MORAN of Kansas, Mr. RYUN, Mr. SOUDER, Mr. BARR of Georgia, Mr. HASTINGS of Washington, Mr. COLLINS, Mr. BUYER, Mr. PITTS, Mr. STUMP, Mr. GOODE, Mr. TURNER, and Mr. GRAHAM.
H.R. 1993: Mr. MCGOVERN.
H.R. 2003: Mr. ROEMER.

H.R. 2005: Mr. LOBIONDO.

H.R. 2023: Mr. DAVIS of Illinois.

H.R. 2064: Mr. BRADY and Mr. SESSIONS.

H.R. 2120: Mr. KANJORSKI, Mr. SCHUMER, Mr. VENTO, Mr. UNDERWOOD, and Mr. STARK.

H.R. 2125: Mr. SAXTON.

H.R. 2129: Mr. FRANK of Massachusetts, Ms. FURSE, Mr. FROST, Mr. REGULA, Ms. KAPTUR, Mr. JOHNSON of Wisconsin, Mr. LIPINSKI, and Mr. MASCARA.

H.R. 2153: Mr. LAFALCE.

H.R. 2163: Mr. MCINTOSH.

H.R. 2185: Ms. ROYBAL-ALLARD.

H.R. 2200: Mr. SERRANO and Mr. TORRES.

H.R. 2202: Mr. MCCOLLUM, Mr. STARK, Mr. COOK, Mr. SESSIONS, Mr. SHAYS, Mr. BENTSEN, Mr. HOBSON, Mrs. KELLY, Mr. GONZALEZ, Mr. DAVIS of Florida, Mr. WALSH, Ms. STABENOW, Mr. MCDERMOTT, Ms. PRYCE of Ohio, Mr. MARKEY, Mr. DAVIS of Illinois, Mr. CARDIN, Mr. SKEEN, Mr. CLYBURN, Mr. BILIRAKIS, Ms. MCKINNEY, Mr. GEKAS, and Mr. FATTAH.

H. Con. Res. 13: Mr. GUTIERREZ and Mr. OBEY.

H. Con. Res. 55: Mr. ROGAN and Mr. DAVIS of Illinois.

H. Con. Res. 111: Mr. BOYD, Mr. KUCINICH, Ms. LOFGREN, Ms. HARMAN, Mr. DREIER, Mr. CLYBURN, Mr. LEVIN, Mr. ETHERIDGE, Mr. HINCHEY, Mr. CANADY of Florida, Mr. SCOTT, Mr. GORDON, Mr. CLEMENT, Mr. LAMPSON, Mr. MARTINEZ, Mr. GILMAN, Ms. STABENOW, and Mr. EHLERS.

H. Con. Res. 112: Mr. WATTS of Oklahoma, Mr. KENNEDY of Massachusetts, Mr. MARKEY, Mr. KING of New York, Ms. KAPTUR, and Mr. MCNULTY.

H. Con. Res. 116: Mr. BROWN of Ohio, Ms. SLAUGHTER, Mr. LANTOS, Ms. WOOLSEY, Mr. COX of California, and Mr. DEFAZIO.

H. Res. 37: Mrs. EMERSON, Mr. GUTIERREZ, and Mr. BARRETT of Wisconsin.

H. Res. 139: Mr. THUNE.

H. Res. 182: Mr. STUPAK, Mr. KENNEDY of Rhode Island, and Mr. MARKEY.

H. Res. 190: Mr. HUNTER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2003: Mr. EDWARDS and Mr. ENGLISH of Pennsylvania.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2159

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 53: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. (a) None of the funds appropriated in this Act may be made available directly to the Government of Cambodia.

H.R. 2159

OFFERED BY: MR. OBEY

AMENDMENT NO. 54: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SENSE OF CONGRESS ON THE PALESTINIAN AUTHORITY

SEC. 572. (a) SENSE OF THE CONGRESS.—It is the sense of Congress that the Palestine Liberation Organization (hereafter the ''P.L.O.'') and the Palestinian Authority should do far more to demonstrate an irrevocable denunciation of terrorism and to ensure a peaceful settlement of the Middle East dispute and in particular we condemn—

(1) the withdrawal of the Palestinian Authority from the joint security arrangements provided by the Oslo Peace Accords;

(2) the pursuing of the death penalty for Arabs who sell land to Jews, and;

(3) the misuse of funds by officials of the Palestinian Authority.

(b) the Congress directs the Secretary of State to prepare and submit a report to Congress within 120 days of enactment of this Act which addresses the degree of progress made in addressing the concerns expressed in subsection (a), and in addition addresses:

(1) the Palestinian Authority's cooperation with Israeli security forces;

(2) repeal of the Palestinian Covenant;

(3) steps taken to expunge from all official documents and publications of the Palestinian Authority depiction of a Palestinian state which does not acknowledge the presence of a sovereign state of Israel;

(4) the Palestinian Authority's honoring of extradition requests from the United States, Israel and other countries;

(5) the Palestinian Authority's progress toward repealing edicts imposing the death penalty on anyone who sells land to a Jew;

(6) whether senior Palestinian officials involved in any way with terrorist operations affecting the state of Israel;

(7) and, provide a detailed accounting of all U.S. assistance provided to the Palestinian Authority or its representatives, affiliates, and agents.

H.R. 2160

OFFERED BY: MS. FURSE

AMENDMENT NO. 36: Insert before the short title the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS.—Not more than $1,900,000 of the funds made available in this Act for the Animal Damage Control Program may be used for livestock protection efforts in the western region of the United States.

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided by this Act for salaries and expenses with respect to the Animal Damage Control Program under the heading ''ANIMAL AND PLANT HEALTH INSPECTION SERVICE'' is hereby reduced by $11,300,000.

H.R. 2203

OFFERED BY: MR. GIBBONS

AMENDMENT NO. 2: Page 19, line 11, strike the colon and all that follows through the period in line 20 and insert the following: ''Of the funds appropriated under this paragraph $1,500,000 may be provided to the State of Nevada solely to conduct scientific oversight responsibility pursuant to the Nuclear Waste Policy Act of 1982 and $6,175,000 may be provided to affect local governments as defined in such Act to conduct appropriate activities pursuant to such Act.''.

H.R. 2203

OFFERED BY: MR. GIBBONS

AMENDMENT NO. 3: Page 35, insert before the short title the following:

SEC. 502. None of the funds appropriated in this Act for ''Nuclear Waste Disposal Fund'' may be used for interim storage of nuclear waste materials.

H.R. 2203

OFFERED BY: MR. PETRI

AMENDMENT NO. 4: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used to pay the salary of any officer or employee of the Department of the Interior who plans, authorizes, or implements the acquisition of land for, or construction of, the Animas-La Plata Project, in Colorado and New Mexico, pursuant to the Act of April 11, 1956 (43 U.S.C. 620 et seq.) and the Colorado River Basin Project Act (43 U.S.C. 1501 et seq.).

H.R. 2209

OFFERED BY: MR. ROEMER

AMENDMENT NO. 1: Page 8, insert after line 5 the following new section:

SEC. 106. Of the funds appropriated in this Act for ''HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—MEMBERS' REPRESENTATIONAL ALLOWANCES'', any amount remaining in a representational allowance of a Member of the House at the end of the session of Congress or other period for which the allowance is made available shall be returned to the Treasury, to be used for deficit reduction.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, WEDNESDAY, JULY 23, 1997 No. 105

Senate

The Senate met at 9 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Sovereign Father, as we begin this new day filled with responsibilities and soul-sized issues, we are irresistibly drawn into Your presence by the magnetism of Your love and our need for guidance. We come to You at Your invitation; in the quiet of intimate communion with You, the tightly wound springs of pressure and stress are released and a profound inner peace fills our hearts and minds.

We hear again the impelling cadences of the drumbeat of Your Spirit calling us to press on in the battle for truth, righteousness, and justice. Our minds snap to full attention, and our hearts salute You as Sovereign Lord. You have given us minds capable of receiving Your mind, an imagination able to envision Your plan and purpose for us, and a will ready to do Your will.

Help us to remember that no problem is too small to escape Your concern and no perplexity is too great to resist Your solutions. We know You will go before us to show us the way, behind us to press us forward, beside us to give us courage, above us to protect us, and within us to give us wisdom and discernment. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator COATS, is recognized.

SCHEDULE

Mr. COATS. Mr. President, for the information of all Members, this morning the Senate will be in a period for morning business until the hour of 11 a.m. By consent, at 11 a.m., the Senate will begin consideration of S. 1033, the Agriculture appropriations bill. The majority leader has indicated that it is his hope that the Senate will be able to complete action on the Agriculture appropriations bill during today's session of the Senate. Therefore, Members can anticipate rollcall votes throughout today's session of the Senate. However, as was announced last evening, no votes will occur prior to the hour of 4 p.m. today. Also, as previously announced, the Senate may begin consideration of the Commerce, Justice, State appropriations bill upon disposition of the Agriculture appropriations bill.

I thank my colleagues for their attention. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER [Mr. COATS]. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under a previous agreement, the Democratic leader, or his designee, is recognized to speak for up to 60 minutes.

TAX CUTS

Mr. DORGAN. Mr. President, a number of us this morning want to visit about the issue of tax cuts. We are having a debate—I was going to say a dispute, but it is more a debate—in Congress, between the House and the Senate and between Members of both parties, about how taxes should be cut. It is clear now from the votes in the House and the Senate that there will be a tax cut. We do have bills in conference that call for a tax cut in a number of different ways—cuts in the income tax, cuts in estate tax, cuts in capital gains and a range of other areas. But there is substantial debate about who gets what.

Mr. President, the debate is not idle, and it is not just political. I suppose there is some partisanship involved in this as well, but when you say that the Federal Government has the capability of reducing taxes for the American people, the question then is, for whom and by how much and with what purpose? The stakes are fairly large because we are talking about a fairly substantial tax reduction, and the question is how to divide that.

There has been a dispute on the floor of the Senate about what the numbers show and who puts together a chart that shows what part of the population will get how much in tax relief. There have been editorials written about that in the Washington Post, New York Times, and others and a substantial amount of analysis of these charts.

One thing to me is certain, however. There are impulses in Congress to define how we provide a tax cut in a narrow way in order that the tax cut ends up providing substantially greater benefits to those at the upper end of the economic ladder than those at the lower end of the economic ladder. I happen to come from a part of the country that largely believes that the economic engine in this country comes from work, from people who go out and work and toil all day. That represents the economic engine that keeps this country going. They earn a wage and they have a view about the future in this country.

If their view is optimistic, if their view is positive, then they make decisions with the money they have earned. They perhaps buy a washer or dryer, buy a car, buy a home, take a vacation. If their view is pessimistic or if their outlook is less than positive, they make decisions to defer those purchases. They don't buy a washer or dryer. They defer it. They don't buy a

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

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car. So our economy really rests on a cushion of confidence.

You can talk to all the economists in the world, you can talk to the best trained people in this country in the field of economics, and it doesn't matter what they say. What matters is that the American economy rides on a pillow of confidence. If it exists, the American economy does well; if it doesn't, the American economy retracts.

People in this country generally feel pretty good today. The economy is generally moving in the right direction. Unemployment is down, inflation is down, the deficit is down, way down. People feel pretty good. Economic growth is up. The result is we have more revenue coming in to the Federal coffers, and the decision by Congress is to give some back in the form of tax cuts. Then the question is, to whom?

I come from a town of about 400 people, when I left. It is now 300 people. If, in my hometown making this decision, a local community decision, we had proposed what is proposed in terms of the distribution now in Congress of this tax cut, I think it would cause some real consternation.

Let's think just a moment about my hometown of 400 people. When there is a meeting, they put a little sign in the middle of Main Street, because there is not that much traffic and the sign won't be knocked down, that says, ''Meeting tonight, 8 o'clock, the Legion Hall.'' Then folks come to the meeting.

So they come to the Legion Hall, and 400 of them would come and we would say, ''All right, now we have some money we want to distribute here, and it comes from you because you pay taxes. The question is, How shall we give it back?'' And someone in the back of the room stands up and says, ''I have an idea. Why don't we give 60 percent of this money to those four people sitting up in the front row. Out of 400, we will take 4 of them. That is 1 percent. One percent of the people, those four people we propose should get 60 percent of what we are going to give back.''

Gosh, I think that would cause real trouble in that room. Let's assume they are all working now, all working, all paying taxes, but we say, ''Let's have the four people up in front get 60 percent of the tax cut.''

Then we say, ''Let's take the bottom 20 percent, let's take 80 people who make the least money in town. They are working, but they make the least money in town, the lowest wages. They are having the toughest time. Let's take those 80 people and have them move their chair over to the left side of the building, and we are going to give them one-half of 1 percent of the tax cut.'' Gosh, I don't think that is a decision my hometown would make in a million years, not if they are all working.

Yet, that is what is at the root of the proposals in Congress. It is to say, if we are going to give a tax cut, let's give it back only on the basis of taxes paid, sufficient so that we say let's have a child tax credit of $500 per child, but you don't get it if you don't make enough money. It's true if you are working, in two-thirds of the cases, the American workers are paying more in payroll taxes, yes, to the Federal Government, more in payroll taxes than they are paying in taxes. But those in the bowels of this decisionmaking process say, ''Payroll taxes don't count. We don't want to measure payroll taxes that you pay in terms of whether or not you should get a tax cut; it is only taxes.''

The result is this family. Lashawn Buckman is from Washington, DC. She works downtown as an administrative assistant in a hospital. She is expected to earn about $25,000 this year. She has a child aged 3 and a child aged 7. She will pay about $3,250 in income and payroll taxes this year, and under the bill that was passed by the House of Representatives, despite the fact that it advertises a $500-per-child tax credit, she will get no income tax cut. She will get no tax cut at all, because she doesn't quite earn enough money. She pays a substantial amount of payroll taxes, works hard, but she is defined as ineligible.

To those of us who think she ought to be eligible, we are told by those who oppose it that we are proposing welfare. No, we are proposing giving some taxes back to someone who works who pays substantial payroll taxes.

Here is another family. Elisa Garcia lives in Fairfax County, VA, and works for a technology firm. She makes about $10 an hour, works 40 hours a week. She works hard. She expects to earn about $20,800 this year. She has three children —George, Samantha, and Liz. They are 6, 10, and 15 years of age. She pays about $2,200 in taxes and payroll taxes, and under the tax bill passed both by the House and the Senate, she will receive no tax reduction. She works hard, she pays taxes, but because of the way we have defined it, we say it doesn't count. Unless you are paying a specific amount of income tax and unless you are in a specific income category, it doesn't count, you don't count as a taxpayer and, therefore, when it comes time to provide some tax relief, you don't get any.

The reason I mention this is we have a lot of occupations in this country. This is from Parade magazine describing the incomes of people that just get left out. This would not happen in my hometown, I don't think. I think if everybody came to a meeting in that town, and 400 people said, ''Let's decide how to divide up the tax cuts,'' they would say, ''Everybody is working and paying taxes, so let's have everybody get something back from this tax cut.''

Here is a store owner, $25,000. They are not going to get anything. They don't make enough money. A preschool teacher, $11,000; a medical technician, $13,000; an assistant store manager, a nurse, a policeman, they do not make enough money. They pay payroll taxes, but they do not make enough money to get a tax cut. I am sorry, that is wrong. And we have a chance to correct it.

The opportunity to correct it exists right now in that conference committee, the opportunity to say to this country that it is wrong to provide 60 percent of the tax cut to the top 1 percent of the American people.

It is right to decide that we ought not continue to decide that we should tax work and exempt investment. It is right to decide that we ought to have a fair distribution of the tax cuts so that all of the American people who are out there working are benefited by this proposed cut in taxes.

Mr. President, my colleague from New Jersey is here, and I appreciate him coming to the floor today to speak about this same subject. Let me yield the floor to him for as much time as he may consume.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I want to thank my colleague, the Senator from North Dakota, for his persistence on this issue and on issues of fairness altogether. His leadership on so many issues has been, frankly, the motivator for many here to take up causes that he so ably leads. And in this case, once again, he has indicated how important it is for us to be a fair society.

Mr. President, I was one of those privileged to be part of the negotiating team. I say ''privileged''—some days I am not sure—because the decisions were tough ones. But as we review the tax cuts that are going to be made in the reconciliation bill, the bill to put into place the elements of the budget that we prescribed as a direction, I want to talk about the importance of ensuring that any tax cuts that we make be principally targeted to ordinary middle-class families and that we not permit an explosion of the deficit in the future as a result of tax cuts.

Mr. President, we are coming off of a really good period for America. The economy is strong. People are working, inflation is down, and we are assured by the comments yesterday of the Chairman of the Federal Reserve that inflation still looks like it is going to stay down. It is the kind of scene that almost a writer could produce in terms of what you would like to see in an ideal world.

Our deficit was $290 billion when President Clinton took over, now predicted to be $45 billion for this fiscal year ending September 30. And it is believed that in the year 1998, if things continue as they are, that we will actually be at a zero deficit or perhaps even have a surplus in the 1998 year. That is a wonderful thing to be able to think about because one of the things that we want to do is relieve the burden from our children, our grandchildren in the future to have to pay off debts and

to pay the debt service that incurs with deficits.

But, Mr. President, despite all of the good news—and I come out of the corporate world. I spent 30 years of my life building a business. And I know lots of people who have been successful in business, and I still talk to them. And I have learned in my informal polling that lots of people who have been successful, corporate leaders, CEO's, chief operating officers, chief financial officers, marketing managers, they will say to me in public, ''FRANK, I don't need a tax cut. What I need is an America that's going in the direction that it is going, that people can count on jobs, where people can believe that inflation and that deficit growth will not be a burden to their children.'' That is hardly the legacy that we want to leave.

As I heard one CEO I had occasion to meet over this weekend describe, who runs a giant, giant company, with over 30,000 employees, he said, ''I don't need a capital gains tax cut and I don't need an income tax cut. We don't pay enough,'' he said—this is a corporate executive—''We don't pay enough in this country for the benefits we get out of this Nation of ours.''

And so as we talk about our tax cut, we know where we have to direct it. It has to go to the middle-class families. It has to go to the people who find that two of them have to work in order to do what one was able to do in the past, that they pay the price in many ways for their two-job requirements. They neglect their children, not intentionally, not the kind of neglect that comes with abuse, but they just do not have the time or the energy to put into their families when mother works and dad works and they meet only as they pass through the door.

I had occasion to meet with one of the service organizations across this country that does mentoring where they tie an adult and child and make sure that child has someone to answer to, someone to converse with. And I asked them about the profile of the children that they see. A lot of them are obviously from poor families, but not all. They said to me a lot of the kids that they are seeing are kids whose families are so beset with the need to earn a living that they do not have time for them. And the kids resort to strangers' encouragement to just get a lift and to get some attention.

So as we discuss these tax cuts, I plead with my colleagues, make sure that we put them in the hands of the middle class so people can talk to their kids about their education in the future and know very well that they have a chance to get out of the economic difficulties that they may see their parents in, that they can get the education they need, they can get the skills that they need.

These families love their children. They do not see them much. And they want to plan for their future. And we can help them, Mr. President. We can help them by directing these tax cuts primarily to the middle class so that they can help their kids with their education and provide for their own retirement. These are the people who need the tax relief.

But, unfortunately, these are not the people who are going to get the bulk of the relief in the House and the Senate tax bills. Those bills provide roughly 45 percent of their tax cuts to the top 10 percent of income earners in the country. And it is just not right. There is a better way, Mr. President. And President Clinton has shown us how. His plan provides many of the same types of tax cuts that are included in the Republican plan, and the total amount of tax relief is roughly the same but the provisions in the President's plan are structured differently to give most of the benefits to ordinary hard-working Americans.

Under the President's plan, the middle 60 percent of income earners receive two-thirds of the tax cuts, the middle 60 percent get two-thirds of the tax cuts. By contrast, under the Senate and House plans, the middle-income working families receive only one-third of the benefits—one-third.

The President's plan provides a $500 tax credit for children, but unlike the Senate and the House plans, it makes the credit available for working families with little or no tax liability. In fact, the Senate and the House plans deny the child tax credit to millions of hard-working families who pay taxes and earn less than $30,000 a year, the subject that the Senator from North Dakota was addressing just moments ago.

Some in Congress are claiming that providing tax breaks to teachers and police officers, firefighters somehow amounts to welfare. It is ridiculous and it is an insult to millions of hard-working American families.

The President's plan cuts capital gains taxes. It cuts estate taxes, and it provides new incentives for savings. But the President does it in a fair way that benefits primarily the middle class. And that is the key difference. Another advantage of the President's tax plan is its costs do not explode in the outyears, the years after those that we are talking about with our budget prescription now.

The Senate and House bills include several provisions with costs that increase substantially in the future. Why should we give a tax break today and have to pay for it doubly in the 5- to 10-year period after this?

Yesterday, the Treasury Department released an analysis showing that the House's capital gains rates balloon from $35 billion in the first 10 years to almost $200 billion in the subsequent 10 years—from $35 to $200 billion. And that is an exploding tax cut if there ever was one. There is no way for us to function.

Mr. President, I have heard it argued there is no way to cut taxes without disproportionately benefiting the wealthy. Some serious people make that argument, but it is an absurd argument. Surely, if we can plan to get to Mars and do all the great things that this country has the capacity to do, we can find a way to target tax cuts to the middle class. It does not take a rocket science. It is much simpler. It does take, however, a commitment not only from the head but from the heart as well. And President Clinton's plan proves it can be done.

So, Mr. President, I want to continue working with all of my colleagues to make the tax bill as fair as possible. I would like to cut the taxes for the middle class and working Americans, the people who need it the most. And I would like to see it done in a fiscally responsible way that does not burden future generations with the exploding deficits in the future.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

I have come this morning to join my colleagues in talking about the issue of tax fairness that this Congress is now working toward in the conference committee between the Senate and House, working with the White House, to move us toward the final parts of the budget reconciliation and tax package.

First of all, I want to say it is really incredible to me that I stand here today in the summer of 1997 talking about a tax cut. When I came to the Senate, back in 1992, I came at a time when we had a $300 billion deficit. And I remember campaigning back in that year, when Ross Perot was running around the country showing us his charts of the exploding deficit, and for all of us who were elected in that year and since that time our No. 1 goal has been to come here to balance the budget.

As one of those people who came here in 1992, with a $300 billion deficit, I have continually told my constituents, the families that I represent, the people that I work for, that my No. 1 goal here is to get to a balanced budget, and that although I agree that tax cuts are a good thing to have, that we need to do it in a rational way and we should not do it until we get to a balanced budget.

I remember back in 1993, when we passed our first budget here, it was a budget that we all remember well, that passed by one vote here in the Senate, that began us on the road today to where we are now in the summer of 1997 able to talk about a tax cut because we made a tough decision 4 years ago to work us toward that balanced budget.

We now have a deficit that is less than $70 billion. And in fact, some predict that without Congress doing anything, we will be at a balanced budget within a year because of the tough votes that we have taken over the last 5 years. Because of the Members here

who were willing to say no to many of the special interests who came to us and wanted more and more, we were able to say no. And we have worked very, very hard to get ourselves to this point.

Having said that, I am a member of the Budget Committee. I have worked very hard since the beginning of this year to put together the budget reconciliation package, to work with my fellow members on the Budget Committee, to work with the White House, to work through the conference, to get to the point of having a balanced budget to present to this country.

As part of that agreement, we do have a tax cut package. Because I have worked hard on that, because I am committed to the reconciliation package that the Budget Committee agreed to, I did vote for the tax cut package that came out of the Senate.

That tax cut is now being debated by the conference committee again between the Senate and the House and the President, the White House, and I think the most important thing we can do at this point as we work to the final negotiation of this package is make sure we do the right thing for this country.

When I fly home to my State of Washington 2,500 miles away from here, every weekend I spend time attending town hall meetings, going around to small communities in my State. Where I get the best input is when I go to the grocery store on Sunday afternoons with my family and people walk up to me and talk to me about what they are hearing about what is happening in Congress. Time and time again I have young people coming to me—a young teacher this past Sunday, a policeman, a young family—and their question is the same as every other American: What am I going to get out of the tax cut? What will I get? I hear the Members of this Senate and this body asking the same question as well: What am I going to get out of this tax cut?

I think the important question is not what am I going to get out of this tax cut, but what will this tax cut do to strengthen the America that we all worked so hard here for, and what can we do so that 10, 15, 20 years from now we are not having another Ross Perot run around the country with charts and graphs showing a deficit that is out of control.

As I talk to my constituents around my State, what I hear most often is that if we invest in our young people, invest in our children, we will do the right thing for the country's future. When I look at this tax package, those are the questions I ask. Are we doing the right thing so that young children, as they grow up and get out and start their own families, have the money they need to make sure that their children get a good education, that they have access to health care, that they are able to send their children to college. That is how we are going to make our country strong.

So when I look at this tax package that we are now debating, I see that the President's tax package will actually do the most for those young families, for that young teacher, for that young policeman, for that young law clerk, for that family that is just starting out, for those families who are earning less than $30,000 or $40,000 a year. That is why I believe so strongly that the refundable tax credit has to be part of this package.

I see my colleague on the floor, Senator LANDRIEU, who is new here, from Louisiana, who has worked very hard to ensure that the tax cut is refundable. Yet, I hear this being debated, I hear it characterized as the people who are on earned income tax credit, those who are earning less than $25,000 or $30,000 a year, if we give them a tax credit, it is giving tax credits to people who are on welfare. Nothing could be further from the truth. These are working families. They go to work every day. They are struggling to make ends meet. They are paying for day care. They are working to make sure they have nutritious food on the table. They are trying to save a few dollars for their children to go on to higher education so they can contribute to our economy. Those are the people we need to help. Those are the people that the President's tax cut really goes to, and that is what we have an obligation as a Senate and a Congress today to make sure that we take care of in the future.

We will do the wrong thing if we pass a tax cut that merely inflates the income of those at the top, that gives away tax dollars to people who are already able to send their children to college, who are already able to take vacations in exotic places, who are already able to ensure that their family has a good home and a safe neighborhood to live in. We will do the right thing if we make sure that the tax cuts we pass help those young families who are struggling today, because if we lift them up and make sure that their children are healthy and well-educated and secure and that they have a good quality of life, then this country will be stronger in the future.

I urge my colleagues to step back from this big debate about who is going to benefit and how the tax package will be put together, and say, what do I want this country to look like 10, 15, 20 years from now? Do I want to see it strong? Do I want to see a lot of young people with hope in their eyes who know they will be able to go to college? Do I want to see young families who are saying, I can save enough to buy a home and feel secure? Do I want to see a country where children have the nutrition that they need, that have the health care that they need? If that is the country we want, we will ensure that we move toward the President's tax cut, that we have a refundable tax credit in here, that we put our tax cuts where they will make the most difference.

That is why I support the President's tax cut plan and urge my colleagues to do the same. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Thank you, Mr. President.

I am happy to be here this morning to join my colleague from Washington State and so many of our colleagues to talk about the issues regarding this tax package and the budget that we are debating.

I will be setting up in just a moment a picture of a family, Mr. President, from Shreveport, LA, the Meyers family. It is Lois and Scott Meyers, their son, Clayton, and Jessica, their daughter, who is 17. Their son Clayton is 5, the same age as my son Connor. This family works very hard, Mr. President. They only make, however, $17,000 a year. She, Mrs. Meyers, has a master's degree, but she works at a homeless shelter as a counselor. He has a $7-an-hour job. Of course, it is not full-time, but he also is a counselor and does not work a full 40 hours, but under contract has a flexible schedule. They are struggling hard to raise these two children.

If we do not make this change that so many of us have talked about, expanding this $500 tax credit, this family in Louisiana, the Meyers family, and so many families like them in your State, in the State of Washington, in Texas, in South Carolina, will simply be left out. I believe, as so many of our colleagues do, that everyone in America, frankly, deserves a tax break. I really believe that, and I believe there are ways for us to provide tax breaks for those at the higher end, for those at the middle end, and for those working hard and struggling to make ends meet at the lower income levels. This family is not a welfare family. They are a hard-working, lower income family.

In Louisiana, 95 percent of the people in my State—95 percent—make less than $75,000. Ninety-five percent of the households in Louisiana make less than $75,000. As their Senator, it is my job to argue that all of them, I believe, deserve some sort of tax relief. If we do not make this child credit stackable against the earned income tax credit, families like this, the Meyers family, will simply be left out. I just think that is not right. I believe they need to have tax relief.

Now, this family, at $17,000 income, is frankly not going to be able to take much advantage of the capital gains tax relief, although I support capital gains tax relief. They are not going to take advantage of the estate tax relief. Their estate is not anywhere close to $600,000 in assets. They will be able to take advantage of, hopefully, the HOPE scholarship for Jessica as she gets ready to go into college, but if they don't get the $500 tax credit, they will not be a part of this tax plan.

Now, it is true that they did only pay $200 in income tax last year because of the earned-income tax credit. They received a credit of about $1,200, but this

family paid approximately $1,300 in payroll taxes, and that is what is important—for them to get this child tax credit against their payroll taxes, as well as the credit against the income tax.

The President is fighting very hard, along with many, many of the Democrats. I hope some of the Republicans will join us in saying that we want tax relief for these families.

In other States, the average schoolteacher salary, preschool and kindergarten teacher, is $18,700. The average sales occupation in America today is $24,000. Bookkeepers and accountants make on an average $20,000. Dental assistant, about $18,000. If this tax credit is not corrected in the way we believe it should be in conference, all of these families that I have mentioned—firefighters, bookkeepers, teachers, and this Meyers family—will not get the tax relief I think they deserve.

I am here this morning to speak for them. They are not able to speak on this floor. They are only able to write letters and to call in. I am here this morning, along with many of my colleagues, to speak for these families, to say, ''Let's make this tax package fair.''

We also need, as you know, Mr. President, and so many of our colleagues, to make sure that we move toward a balanced budget, that we do it in a fair way, by giving tax relief broadly in the ways that we can, also cutting back where we can to make sure that we are running this Government in a very fiscally responsible way that promotes growth, that promotes job development, but also promotes fairness.

When we can give a tax cut, let's give it to the families that deserve it. This is a hard-working family. They are not on welfare. They never have been on welfare, and they deserve a break today.

Another subject of the tax bill that is important to me and so many on both sides of the aisle is the provision for a tax exemption for the State-sponsored savings plans. Florida has an extensive plan: 450,000 families have been able to join the Florida prepaid tuition plan. Senator GRAHAM has been very supportive of this provision.

In Louisiana, before I was elected to the Senate, as State treasurer I helped to institute a Start Smart plan, where families of all incomes up to $100,000—which includes just about everybody in Louisiana—would be able to set aside a small amount of money, as much as they were able to, sometimes as little at $10 a week, into a savings plan, and in our State, our general fund in Louisiana matches. For every $1 that a family is able to put up—it can be a parent, a guardian, a grandparent, a corporation can set up a savings plan for a child so they could go to college—whatever amount they are able to save, the State general fund matches that savings. For those at the lower income level, as the Meyers family, $18,000 to $20,000, the State makes a greater match, but the State gives some help or match to families making up to $100,000 on a progressive scale.

The bottom line, in our conference, we have a possibility, which I understand the President supports—and I hope the American people will support this, too—to give tax-exempt status to those savings plans. We want more children, Mr. President, to be able to go to college. We want everyone to have the education they need to compete in a world very different than the world we grew up in. They need those technical skills. If they are not able to go to a 4-year college or a 2-year community college to at least get the technical training, post high school—12 years of education is no longer what is required. They need to go the extra 2 or 4 years to get the education they need to compete. Families need to be able to save.

One of the other great provisions in this tax bill, but it is not a done deal yet, another great provision, which will cost about $1 billion, but it will be the best $1 billion we will ever spend, is leveraging the great will and great hope and great aspiration that families have to be able to have their children and grandchildren do better than themselves, to enable them to set up these savings accounts. I hope we will urge the President and urge the Republicans and Democrats to support this one provision in this tax bill that will make these savings plans tax exempt, encourage more States outside of Florida and Louisiana—and only a few others have set up these programs—urge them to set them up.

This is supported by the National Treasurers Association, which has been a very strong advocate for this savings plan. This is not a handout, Mr. President. This is a handup. This says to families, if you are willing to set aside $10 a week or $50 a month or even $100 a month, we will match that effort, we will allow that fund to grow, tax exempt, so you will have that money.

Mr. President, $500 a year, $17,000 a family would be able to save, almost $30,000 under a savings plan, even a modest savings plan, which is a good amount of money, actually a very large amount of money to be able to have that young person attend school. Also, this is for adults who set up in Louisiana this savings plan which allows them to go back to school to get the degree they need to have a higher salary and a more productive income level.

So, besides the $500 tax credit that we on this side feel so strongly about making fair, this provision that allows and actually encourages families to save and increases the savings rate of America—which any economist and any person that is involved in the financial sector will tell you, America's savings rate is too low. It is not good for our country.

So we do two things at once. We help families do the right thing by saving for their children. We also increase the savings rate for America, which helps our business to have more capital to invest. It is a win-win for everyone. I hope my colleagues will join me in supporting the change in the $500 child tax credit, as well as the provision for the statewide savings plans which would be so helpful to thousands, millions, of American families.

Mr. ROCKEFELLER. Mr. President, the next few days could make the difference between every working family getting the benefit of the child care tax credit in the budget—or the benefit of the child credit only going to families earning more than $30,000. The next few days could make the difference between whether or not more than 25,000 West Virginia families get the benefit of child tax credit or not. Nationwide we're talking about almost 5 million families who could get left out if we don't make the child credit fairer to all families. Democrats want all hard working families to get the benefit of the child credit—under the tax bills that passed the House and Senate they won't. As congress and the President try to wrap up the bipartisan budget deal and its family tax cuts, we need to improve the child tax credit so it helps American families that need it most.

The average family in West Virginia has an income of $27,500. What that means is that about 25,000 West Virginia families won't benefit from the Republican child credit plans under consideration unless we change the tax bills so that all working families share in the benefits of the child tax credit just like middle income families do. The President has a child tax credit proposal that benefits all working families.

We should adopt it as part of our tax cut package or too many West Virginians and lower-middle income families across the country will be left out.

For the average hard-working American family to get a direct, real benefit from this year's budget agreement, we need to make sure that all working families get the benefit of the $500 child tax credit.

Average American families don't have multi-million dollar estates, and they're not playing the stock market. They don't have enough money to invest in IRA's. They go to work every day, often both parents work full time, and they have a tough time paying their bills, putting food on the table, making the mortgage, and seeing to it that their kids grow up safe and healthy. Those are the families who I think this budget agreement should deliver for first and foremost—before we give the wealthy a chance to save tax-free, benefit a handful of the wealthiest Americans with big estates, or provide a capital gains tax cut.

Extending health care coverage to the children of working families who don't qualify for Medicaid is the other major benefit of this tax bill for working families.

Right now, we don't know if these families will get real health care coverage from the final agreement, with

health care benefits they can count or not. That is another major issue which could be decided in the next few days. I am here to tell my colleagues and the American people that there is simply no choice but for us to stand up for hard working American families and give them the family tax credit they were promised, and the health insurance coverage their children need.

It defies common sense to allocate $85 billion in net tax cuts—as called for under the bipartisan budget agreement—and leave out the working families who need it most. The President's proposal directly benefits families who work and who pay taxes—it is not welfare—it is the helping hand they need.

These families deserve to share in the benefits of the tax cut. These families are the families of a rookie cop in West Virginia, a public school teacher, a bank teller, or a fireman. Middle class families deserve a break, so do families who are lower-middle class, and we don't have to choose between them. Working families all can benefit from the child tax credit as it is constructed in the President's child tax credit proposal. It would treat the children of all working families equally—all the families who are working hard and pulling the proverbial wagon should benefit from the child tax credit.

The Children's Commission unanimously endorsed this kind of child tax credit. This tax bill is where we can deliver.

I am here to report that in the next few days or over the next few weeks as we complete our work on this historic budget agreement, I will not stop fighting for the families in West Virginia who deserve a child tax break, who deserve health care coverage for their kids, and who deserve our help, now.

FAIR TAX RELIEF FOR WORKING AMERICANS

Mr. KENNEDY. Mr. President, as the Clinton administration and the conferees on the tax cut bill work out their differences, we need to do all we can to guarantee that fair tax relief is delivered to the American people. The last thing Congress should do is enact a tax relief bill that offers plums to the wealthy and crumbs to everyone else.

Who deserves the tax relief? Is it the average hard-working family on Main Street, or the wealthy millionaire on Wall Street? Is it the rookie policeman walking the beat? Or is it the heirs of fortunes worth millions of dollars? Is it the nurse trying to raise a family on $27,000 a year? Or is it the financier buying and selling stocks and bonds?

That is what is at stake this week and next week, nothing less. There are two key questions: will Congress target the scarce funds available for tax cuts to working Americans in blue-collar shirts or to tycoons in designer suits? Will the amount of tax relief be responsible, or will it explode in the out-years and unbalance the budget we are trying so hard to balance?

Everyone at the negotiating table now agrees that $85 billion is a realistic figure for tax relief over the next 5 years. The debate is no longer about how much tax relief we should enact for that period. Now the debate is over who should benefit from that tax relief, and how much they should benefit.

Our Republican friends want to target the vast majority of the benefits of tax relief on those who have already benefited the most from the Nation's soaring economic growth—the wealthiest individuals and corporations in our society.

Clearly, this tax bill cannot close the widening income gap in our society. But just as clearly, it should not make the gap wider.

Over the last two decades, the rich have gotten richer, and everyone else has fallen behind. During the 1950's and 1960's, all income groups in the population participated in the economy's growth. We all advanced together. But, in the 1980's and 1990's, we grew apart. The benefits of economic growth have tilted heavily toward the rich.

Instead of reducing this inequality, the Republicans would add to it. Their tax cuts are weighted heavily to the rich. According to the Treasury Department, the House Republican tax plan would give two thirds—two-thirds—of its benefits to the richest fifth of the population.

And that estimate is conservative. Citizens for Tax Justice included the estate tax cuts and corporate tax cuts in their analysis and calculates that the richest fifth would get 80 percent of the benefits.

By contrast, under the President's proposal 83 percent of the tax cuts would go to working families and the middle class, and only 10 percent would go to the wealthy.

The largest tax breaks in the Republican plan are the lower tax rate on capital gains, the indexing of capital gains for inflation, the estate tax cuts, and the expansion of IRAs and other tax-preferred savings accounts. All of these provisions benefit the wealthy, not average Americans.

In addition, the Republican proposal opens the way for more tax loopholes and other special interest tax breaks. The changes to the corporate alternative minimum tax alone will make it easier for large corporations to earn billions of dollars in profits but pay little or no taxes.

The most unbalanced giveaway in the Republican bill is the capital gains tax cut. Under the Republican bill the rich will see their capital gains tax rate cut in half. The lowest bracket taxpayers will only see a reduction of one-third.

The Republican tax break on capital gains will be worth all of $6 to the average family with median income. But it will be worth over $7,000 to those in the top 1 percent of the population.

By contrast, under the President's proposal, everyone will get the same tax break of 30 percent on their capital gains. The President's proposal ensures that the same breaks granted to the rich are also given to every taxpayer. It is simple fairness that everyone should receive the same treatment.

Another unbalanced provision in the Republican proposal is the estate tax reduction. The Republican provisions are aimed at the top 2 percent of all estates. They help those who have done extremely well in recent years. Median income taxpayers will see no tax reduction at all from these provisions.

The Republicans claim that they are helping families with the $500 children's tax credit. But most families earning under $30,000 will not be eligible to receive the full benefits of the credit under the Republican plan, and many of these hard-working, tax-paying Americans will receive no benefit from the credit at all. The President's proposal is far fairer in enabling these families to take advantage of the credit.

Furthermore, no tax bill can be considered fair if it does not address the needs of low and moderate income families for affordable health insurance coverage for their children. Ninety percent of uninsured children are members of working families. These parents work hard—40 hours a week, 52 weeks a year—but all their hard work does not buy the insurance their children need for a healthy start in life.

The Senate bill offered a downpayment on this problem by providing $24 billion to help such families purchase affordable coverage. This coverage was financed, in part, by a 20-cent-per-pack increase in the cigarette tax. Whether to include this cigarette tax increase, and the additional $8 billion in funding for child health insurance it will buy, in the final tax bill is now in dispute. In view of the immense costs that smoking inflicts on society and the critical need for children's health insurance for low and moderate income families, it would be a travesty if big tobacco prevails and eliminates these provisions from the final legislation.

Finally, the Republican proposal has serious defects in the long run that make it irresponsible and that will cause the deficit to explode in future years. According to the Center for Budget and Policy Priorities, the Republican proposal will increase the deficit by $500 billion to $600 billion in the 10 years after 2007.

We went down this deficit road once before, with the excessive Reagan tax cuts of the 1980's. We should learn from that history, not repeat it. It is a pyrrhic victory if the budget is in balance in 2002, and then grossly unbalanced in the years that follow.

Democrats are proud to stand for responsible tax relief that is fair to the American people. The Republican alternative flunks the test of fairness, and it flunks the test of responsibility. The choice is clear and the people will judge Congress by how we respond.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

A TAX CUT FOR PEOPLE WHO PAY TAXES

Mr. GRAMM. Mr. President, I understand our Democratic colleagues have been out today to proudly unfurl the banner proclaiming ''redistribute the wealth.'' They have been looking at the tax cut that has passed the House and Senate, and they have discovered something that, to them, seems miraculous. I would like to take a few minutes this morning to address the issue. Our Democratic colleagues have discovered that the bottom 20 percent of all income earners in America do not get a tax cut under the tax bill that passed the U.S. Senate with 80 votes, and further that the top 20 percent of all income earners get a substantial tax cut. Our Democratic colleagues believe that this is grossly unfair and they want to do something about it.

Well, let me first set the record straight. It is true that, in our tax bill—at least the version that passed the House—the bottom 20 percent of income earners in America do not get much of a tax cut. It is also true that the top 20 percent of income earners will get a substantial tax cut.

But as Paul Harvey would say, let me tell you the rest of the story. The rest of the story is that, as a group, the bottom 20 percent of income earners in America pay no income taxes. The top 20 percent of income earners in America pay 78.9 percent of all the income taxes paid in America. So I do not understand why our Democratic colleagues are so shocked to learn that people who do not pay income taxes do not get an income tax cut when we are cutting income taxes. Nor can I understand why they are so shocked to learn that when 20 percent of the workers in America are paying 78.9 percent of all income taxes, it is that 20 percent which will benefit from a tax cut when we are talking about cutting income taxes.

Now, what our colleagues on the left would like to do, in following the President's proposal, is to take the tax cuts away from a working couple, both of them working full time, making a total of $54,000 a year, and instead give it to people who do not pay any income taxes. Their argument is, if you are a working couple in America and you make a total of $54,000 year, then you are rich and, therefore, you ought not to get a tax cut. Our colleagues on the left believe that we ought to take away your tax cut and give it to people who pay no income taxes.

I reject that. I reject it because it is not fair. It is not fair because a tax cut is for taxpayers. If you do not pay income taxes, then when we are cutting income taxes you should not expect to get a tax cut. Let me make it clear that I have voted for a lot of programs that provide benefits to people—over the past 15 years, we have substantially increased benefits to the very group that our Democratic colleagues have argued on behalf of here today. Let me just give you some figures. In 1981, the average payment that we were making to low-income workers—we actually give them money to work—was $285. Today, that figure has risen to $1,395. This is relevant because the last time we cut taxes on working families was in 1981. So our Democratic colleagues who have been out this morning talking about redistributing wealth say, look, we ought to take the tax cut away from families making $54,000 a year as a joint income, and we ought to raise this so called earned income tax credit.

My point is that the last time working families who pay taxes got a tax cut, the earned income tax credit, on average, was just $285.

Today the average beneficiary of this so-called earned income tax credit is getting $1,395. In other words, we have had almost a 500-percent increase in subsidies for low-income workers since the last penny of tax cuts was provided for people who actually pay income taxes in America. The best data we have on the refunded portion of the earned income tax credit and after-tax income of taxpaying families is the following: Since 1986, the paid out portion of what we call earned income tax credit, a direct Government subsidy to low-income workers—which, by the way, I have supported—has risen by 860 percent since 1986.

Do you know what has happened to the after-tax income of working, taxpaying families since 1986? It has fallen .2 percent—from $28,302 to $28,249. So, while this subsidy to low-income workers has exploded—the paid-out portion has risen by 860 percent in the last 11 years—we have not had a tax cut in the last 11 years for taxpaying families, and during that time the after-tax income of working families has actually gone down.

What we have heard all morning is that we should take money away from taxpayers and give more subsidies to people who are not paying income taxes.

I believe that it is not unreasonable once every 16 years to have a bill that helps people who pay income taxes. What we are trying to do is to give a modest tax cut—$85 billion in a $7 trillion economy—and we are trying to give it to people who are actually paying income taxes.

I can not think of a more reasonable proposition.

Finally, let me say that we have this game going on where the White House wants to make everybody appear richer than they are so that in the process they can claim that it is only rich people who they would deny the tax cuts. Let me tell you how it works.

According to the Joint Committee on Taxation and according to the Census Bureau, the top 20 percent of income earners have a threshold income of about $54,000 per family. But what the administration has done is they have inflated that income by over 70 percent. You think you are making $54,000 a year, but the administration says, ''Now, wait a minute. Do you not live in your own home? And you know, if you did not live in your own home, you could move out, live in a tent, and rent that house out.'' So they take what you could rent it for, and they add that to your income. They take unrealized gains, the cash buildup of your insurance policy, the value of your retirement program, private retirement programs, and they add all of that to your income. So your paycheck says, when you add yours and your wife's, that you made $54,000. You did not feel too rich, quite frankly, making $54,000. You are working hard to make ends meet. But the administration says your income is not $54,000. They say if you moved out of your house and rented it out, and if you looked at the buildup of your life insurance policy, if you looked at the internal buildup value of your retirement program, you would have found that actually your income was over $93,000, and that you are actually rich. Then they say, because you are rich, you do not deserve a tax cut so we are going to take it away and give it to someone who does not pay taxes.

Let me make two more points because I see several of my colleagues here who want to speak.

This whole debate pains me. I do not understand why, in America, anyone would try to pit people against each other based on their income. There is nothing more un-American, in my opinion, than trying to divide people up in classes based on how much money they make. We probably provide more generously than any society in history for people who are incapable of earning a living or people who are having trouble doing it. We are not debating those issues today.

What we are debating is when we finally, for the first time in 16 years, can afford to give reductions in income taxes, should those reductions go to people who pay income taxes, or do we have to pay tribute every time we try to help working families who pay income taxes by taking part of their tax cut and giving it to people who are not paying income taxes? That is the real debate.

Final point: If you are making $54,000 a year, husband and wife working, maybe somebody at the White House thinks you are rich. Maybe there are people in Congress who think you are rich. But basically we are talking about middle-class, working Americans struggling to make a mortgage payment, struggling to pay for food and shelter, struggling to try to lead a quality life. It is just outrageous and

totally unacceptable for us to be talking about taking that working families' tax cut away to give more subsidies to people who are not paying income taxes.

To me, that is what this whole issue is about. It never ceases to amaze me when we look at these polls to see that people believe that the President is right, and that, in fact, we are talking about redistributing wealth to the wealthy.

The Tax Code in America is more progressive today than it was the day Ronald Reagan was elected President. Higher income Americans are paying a larger percentage of the tax—bearing more of the burden of taxes today than they were the day Ronald Reagan became President. Lower income Americans are bearing a lower share of the tax burden.

For those who want to complain about payroll taxes, let us remember who made a proposal 3 years ago to almost double payroll taxes to pay for national health insurance. It sure was not me. I am happy to count myself among the number who killed that proposal. That proposal was made by the same President who today laments the burden of payroll taxes when in fact 3 years ago he wanted to almost double it.

I do not like engaging in these kinds of debates, I do not think they are very productive. We should be talking about creating wealth rather than redistributing it. But since some of our colleagues spent an hour this morning talking about redistributing wealth, I felt obliged to come out and join others in trying to set the record straight.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

CONGRATULATIONS TO THE FCC

Mr. KERREY. Mr. President, during the last several weeks, I have taken the floor to discuss my concerns about the approach the Department of Justice has taken on mergers among and between large telecommunications companies.

I was particularly disappointed with the decision of the Department of Justice to approve the Bell Atlantic/NYNEX merger without any conditions.

Today, I take the floor to congratulate the Federal Communications Commission for doing what the Department of Justice was unwilling to do. This weekend the FCC announced that it had concluded an 11-page letter of agreement with Bell Atlantic and NYNEX on pro-competitive conditions for its merger.

While I continue to question the underlying competitive merit of the Bell Atlantic/NYNEX combination, the efforts of the FCC certainly mitigate the decision of the Department of Justice to approve the merger. It is only unfortunate that the Department of Justice had not demonstrated the same commitment to competition.

The FCC negotiated a 4 year pro-competitive agreement with Bell Atlantic and NYNEX which includes the use of forward looking costs for competitive interconnection agreements, the use of uniform interfaces for interconnection, greater reporting requirements, access for competitors to efficient operating support systems, and performance guarantees. These commitments hold the promise of giving competition a chance to take root.

The use of forward looking costs within the 13 States which make up the Bell Atlantic/NYNEX region is especially significant in light of the Friday decision of the Eighth Circuit Court of Appeals to bar the FCC from setting interconnection prices. A nation grew from 13 colonies, perhaps a telecommunications revolution can grow from 13 States.

I applaud the FCC and Chairman Hundt for showing independence and a commitment to competition. The course of action chosen by the Commission highlights the importance of the FCC's political independence. As an independent regulatory body, the Commission was able to use its authority to protect the public interest to win pro-competitive concessions from Bell Atlantic and NYNEX, notwithstanding the failure of the Department of Justice to do so.

I urge my colleagues to give this case careful study as the Congress considers telecommunications policy. In the coming weeks and months, the Congress will consider confirming four new members of the Federal Communications Commission. At stake is whether the Congressional vision of competition and universal service which brings more choice, more investment, more jobs, and lower prices to the telecommunications market is fulfilled or not.

The success or failure of the Telecommunications Act of 1996 depends almost entirely on a new team of regulators at the Department of Justice and the FCC.

To succeed, they must have an unrelenting commitment to competition and universal service. Without that commitment, the act is doomed to failure. The result will be higher prices, greater consolidation and fewer choices.

Mr. President, I applaud the FCC for its action in this case. The Congress must assure that the new members of the FCC have the same courage to exercise their independence, as this Commission has done to protect the public interest.

Thank you, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

TAX CUTS

Mr. GRAMS. Mr. President, I come to the floor this morning after hearing some of my colleagues earlier talking and debating about the proposed tax cuts that is now in conference. The question is always: Who qualifies for the tax cut? How much is that tax cut going to be? Who is going to receive what share of that tax cut?

I would like to start out by saying that it is kind of ironic to hear some on the floor arguing about these tax cut packages because these are the same individuals who, along with President Clinton, just 4 years ago were on this floor arguing for the largest tax increase on Americans in history.

When we look at this major tax increase of just 4 years ago, I would like to relate to the comments made by the minority leader, the Senator from South Dakota, earlier this week when he argued that the $77 billion tax cut was not fair. That is what we have heard here this morning on the floor—it is not fair. While I don't believe it was fair in 1993 to raise the largest tax increase in history on Americans, they say, ''Well, it was only aimed at the rich.'' But let me tell you.

Let me remind my colleagues what happened in 1993. After campaigning on middle-class tax relief in 1993, President Clinton turned around and then raised taxes by $263 billion, again making that the largest tax increase in history. But he said it was only for the rich. But everybody paid more, including $114 billion in new income taxes, $24 billion in new gasoline taxes, $35 billion in new business taxes, and $30 billion in new payroll taxes. Then you add on top of that nearly $25 billion more in Social Security taxes. In other words, if you work, if you are retired, if you drove a car, if you owned a business, or if you paid any kind of income tax, you paid for the 1993 income tax increase.

I heard also this morning that what we are talking about today in this tax package is that about $77 billion so far of net tax relief is ''substantial'' tax relief. Well, when you get back only $1 on every $4 that was raised in 1993, I don't call this ''substantial.'' This is a meager tax package that we are talking about. The reason that it is not fair, in my opinion, is because there is not enough in this tax package to go around.

It does not take a mathematician also to calculate that if taxes raised were $263 billion 4 years ago and you get $77 billion back now, that is not a good deal. If you look at since the tax reduction that everybody blames for the deficits, and that is the Ronald Reagan tax cut in 1981, they say since that tax cut it has resulted in all these deficits: We have these deficits today because of the Ronald Reagan tax cut. In fact, we have had 10 tax increases since 1981—10, over $850 billion in new tax increases since 1981. And now we are talking about $77 billion. This is less than $1 on every $10 of tax increases over the last 10 years.

We also hear about, well, who is going to be getting these tax breaks?

The top 20 percent, they say, are going to get over 60 percent of the tax cut. And as we just heard the Senator from Texas say, the top 20 percent of wage earners in this country, which is $60,000 and over—and most people do not consider making $60,000 rich, but they pay 80 percent of income taxes in this country today.

I also heard about a couple of instances—and I did not have time this morning to bring to the floor pictures of families, but let me read a couple that were mentioned here today. They showed pictures of a young family making about $25,000 a year, and they said under the Republican tax plan they were going to get no tax cut this year. But for that family making $25,000 a year, they pay total, with two children, about $3,000 in income taxes and payroll taxes, but they receive $1,100 in EITC. EITC, that is earned income tax credit, an earned income tax credit that was passed in 1986, increased in 1993. So this family making $25,000 a year does receive a tax refund, a tax refund of $1,100, not zero but $1,100.

What they want to do is to add to that. Now, I will talk about that later. They also spoke about and had the pictures of a young family making $20,000 a year, and they said, under the Republican plan, they would get no tax refunds this year. But in fact that family making $20,000 a year will pay this year about $1,800 in payroll and income taxes, but they will receive a refund under EITC of over $2,150. So that family, granted, a hard-working middle-class family, but they are receiving some tax relief under the current system.

Let us go to the family making $31,000 a year. Say the husband is making $9 an hour, the wife $6, or vice versa, they are working 40 hours a week trying to raise a family of two children, have to pay child care, et cetera. And what does this family get? They are going to pay this year about $4,300 in payroll and income taxes and they receive zero under EITC. Now, those two children will not get, under this plan, any tax relief if they are 13 or 14 years old. So who is not getting the relief here?

And when they talk about making it fair, we do want to make this fair, but we want to make sure that those families making $31,000 to $60,000 a year are also going to join and also receive some kind of tax relief today.

Now, I would like to see every family get a $500 per child tax credit refund. That would be great. But if we are going to talk about fairness what we are going to have to do is make this pie larger. The $77 billion is not enough to make sure that all families will enjoy some kind of tax relief. Now, if we want to start talking about class warfare, and that is what we hear in the Chamber all the time, that is, we are going to give it to the rich but not the poor, that is not true. We want to make sure that all families are going to get some kind of tax relief.

So along with the tax relief already in the system under the earned income credit, we also need to expand that so other working families also are going to receive some kind of tax relief this year. Everybody needs to share, not only the low income but also middle-income working families. If my colleagues are serious, let us enlarge the tax cut.

When we talk about the $77 billion that is in this package, if you want to spread that over what this economy is going to generate over the next 5 years, a $7 or $8 trillion a year economy and we are saying, well, we are going to have this substantial tax package, it would be comparable to looking for a new car and the car dealer said, well, this is the sticker price, but I am going to take a penny off from that and I am going to make you a real deal on this car.

That is exactly about what the $77 billion is equal to when you put it into context of what this economy is going to do over the next 5 years. You are going to get a penny back on the purchase of a new car. So what makes the entire debate over what is fair and equitable in this tax relief package so ridiculous is that Washington is not willing to give up more of the money.

So I just wanted to come to the floor and talk a little bit about how we do not want to make this a class warfare issue, that we want to make sure all Americans receive some kind of tax relief. And again, as I said, since 1981, American families have seen their taxes go up 10 times—$850 billion in new tax increases in the last 16 years. Now we are talking about tax relief, and we want to make sure that tax relief is fair and it is broad based, and that those families making between $30,000 and $60,000 a year will also have an opportunity to share in some reduction in their tax burden.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Georgia.

Mr. COVERDELL. Mr. President, I rise in part to join my colleagues' reflections on what we heard this morning from the other side of the aisle and what we have been hearing basically as a definitional exercise from the White House in their attempts to define the congressional tax relief proposal and the congressional balanced budget act proposal.

I am encouraged in that it does appear we are making very rapid progress with regard to these two historic bills—a balanced budget act, which if signed by the President will be the first time in about 30 years, and the tax relief act, which if signed by the President would be the first in over a decade and a half. And, as has been noted here this morning, that following massive tax increases over the last 10 years.

To put this in some sort of historical perspective, I have only been here a short period of time, as has the Presiding Officer, and it has been a rather dramatic 4 years. Half the time was under the congressional leadership of the other side and half the time has been under our side, 2 years each, and they make an interesting comparison.

In the first 2 years under their side, we fought and lost the largest tax increase in American history. I remember the night very vividly. The Chair of the evening was Vice President GORE, who cast the vote to secure the victory for this huge tax increase, which was characterized by the Senator from Minnesota. The following year was spent, Mr. President, defending the Nation from Government-run health care which would have been the single largest expansion of Government in the history of the world. It would have surpassed the size of Social Security in 24 months, become the largest entitlement in the history of the world.

Well, the American people prevailed and by the narrowest of margins that was defeated.

So those 2 years were filled with large tax increases, large expansion of Government, and the view that Government was the ultimate solution and resolution to all America's needs and woes.

Now we come to the last 2 years. The leadership changed, and the discussion has been about balancing our budget, lowering the economic burden on American workers and families and restraining the size and growth of the Federal Government. And we are making progress, because we now have a President who has said the era of big Government is over and he has said he wants to support a balanced budget act and a tax relief act. And we have agreed on the general premises. We are getting very close now to crossing the ''t'' and dotting the ''i.''

I hope the President will come forward in a spirit of cooperation that was exemplified by what happened on these measures in the U.S. Senate. To watch the leadership of both parties vote for a balanced budget act and a tax relief act, to watch the leadership of the committees of jurisdiction on both sides, the Finance Committee and the Budget Committee, all vote for the balanced budget act and the tax relief act, and then, in almost unprecedented behavior, to have 73 of our 100 colleagues vote for the Balanced Budget Act and 80 join hands and vote for the Tax Relief Act—in all this debate about whether or not it is a fair form of tax relief, I would suggest the empirical evidence that it is is the fact that the leadership of both parties in the Senate and that 80 Members of the Senate could vote for this substantive piece of policy. It is just inconceivable, given that bipartisan, broad, huge majority, that the legislation could be anything less than fair. It almost demonstrates its broad nature and evenhandedness, to secure that kind of support. The President should take note of this.

The country needs to balance its budgets and American workers need relief. An average family in my State,

and I would say across the country, makes in the range of $40,000, often with both parents working, and after they pay their direct taxes and their cost of Government and their share of higher interest rates because of the huge national debt, because we have not had balanced budgets, they have barely half of their paychecks left to provide for their families. If the Founding Fathers were here today and discovered that Government in America had come to the point that it was taking over half the wealth of our workers away from them, they would be stunned. And I think they would be angered.

What this boils down to is that we are taking about $8,000 a year out of every average family's checking account, and we are making it very difficult for them to provide their fundamental responsibilities, which are getting the country up in the morning and raising it and getting it ready for stewardship. They can barely get that done because of Government policy removing those resources. This legislation goes in the right direction. It does not go as far as it should, I agree with the Senator from Minnesota, but it goes in the right direction. It equates to a refund of that last tax increase of about a third of it. We tried to refund all of it last year, but the President vetoed that. So he has now agreed to refunding about a third of it, and that is good policy. I am very hopeful that the White House will not politicize, ''partisanize,'' seek political gain and advantage over this policy for which so many on both sides of the aisle have come to agree in the Congress.

This is the right thing to do for America, and this is the time to do it.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Kentucky.

APPOINTMENT OF INDEPENDENT COUNSEL

Mr. MCCONNELL. Mr. President, I have never professed to be clairvoyant, but I was able to predict 8 months ago and subsequently authored an op-ed piece to this effect: that obfuscation and diversion would be the damage control strategy of the Clinton White House and its allies in Congress. They would be engaged in that kind of activity, Mr. President, in seeking to avoid the fallout from the Clinton campaign-DNC fundraising malfeasance in the last election.

This damage control strategy was to be expected from this White House, as wave upon wave of scandal has lapped up on the White House lawn these past 4 years. President Clinton's aides have become highly skilled at putting out press fires, lest, of course, the President be singed. I had hoped for better from Democrats here in the Congress embarrassed—I should hope mortified—by the evidence and admission of illegal conduct by the Clinton campaign-DNC fundraisers.

I thought my Democratic colleagues would step up to the plate, seek the truth and let the chips fall where they may.

A disappointing spectacle it has been to witness this collusion in a disingenuous effort to blur the truth, smear the innocent and protect the guilty, by saying everyone does it, and even trying to drag innocent private citizens before the committee.

We are all victims of the system, they say. What we need, they say, is campaign finance reform. Well, in fact, Mr. President, what we need is an independent counsel. That has been clear for a number of months—an independent counsel to remove the investigation from an obviously politicized Justice Department.

Bearing in mind the Attorney General's indefensible refusal to appoint an independent counsel, and the Justice Department's outrageous conduct in the past few weeks in which it has injected itself into partisan maneuvering regarding the granting of immunity for low-level but key witnesses, the inexplicable and entirely inappropriate action by a Justice Department political appointee to distance the administration from United States intelligence agency findings that the Chinese Government plotted to influence United States elections, Mr. President, there is simply no other recourse to ascertain the truth in a nonpartisan manner but to appoint an independent counsel.

That is why this law was passed some 25 years ago, for precisely these kinds of situations, in which you had a highly political investigation affecting covered employees—for example, the President or the Vice President—where it could be suspected that the Attorney General would be reluctant to pursue alleged claims of wrongdoing.

This episode over the last few months is precisely the fact situation which brought about and argued for the passage of the independent counsel statute.

Now, Mr. President, the truth is going to come out sooner or later. No one here should want to be seen in a position of trying to keep the truth from coming to the public. So the point I would like to make this morning very briefly once again, the Attorney General would appoint an independent counsel to investigate the fundraising abuses of the 1996 election, the violations of existing law that may have occurred—contributions from foreigners, money laundering, raising money on Federal property, all violations of existing law. The Attorney General of the United States is responsible for enforcing existing law, and in situations such as this when a clear conflict of interest is apparent, there is no other logical recourse other than the appointment of an independent counsel.

I call upon the Attorney General one more time, Mr. President, to appoint an independent counsel to complete this investigation.

Mr. COVERDELL. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. The Senator from Wyoming, Senator THOMAS, has the time until 11 o'clock.

Mr. COVERDELL. Mr. President, I yield the floor in deference to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

TWO IMPORTANT ISSUES FACING CONGRESS

Mr. THOMAS. Mr. President, I intend between now and 11 to be joined by several of my colleagues to talk about, I think, two of the issues the Senator from Georgia has talked about. One of them that is most important for us, tax relief—I appreciate his comments. The other currently is the hearings that are being held with respect to the illegal contributions for campaigns. These, I think, at least at the moment, are two of the most important issues that face the Congress, two of the most important issues, obviously, that face the American people.

TAX RELIEF

First, in terms of tax relief, which has been talked about, it just seems to me that we have the opportunity for the first time in 16 years to have meaningful tax relief for Americans who are the ones who pay the taxes that support the Government. That is fairly simple. That is a fairly simple concept. And I wish, frankly, we could make it a little more simple. Obviously, in this place whenever there are issues, the technique is to make them as difficult as possible, to make them as detailed as possible, to make them kind of hard to identify. This one really isn't very hard to identify. The issue here is between having more Government and more revenue and more spending as opposed to the idea of seeking to reduce the size of Government, to reduce the spending, to reduce the burden on the taxpayers. And those things do go together.

We talk a lot, importantly, about the idea of balancing the budget. But I think we have to keep in mind you can balance the budget in a couple of ways. One of them is to have the highest tax increase in the history of the world and continue to grow in spending. The other is to seek to reduce spending, to seek to involve the States, to seek to return more government to local government and, therefore, reduce the size of government and the demands on taxpayers. Frankly, I think that is what we have tried to do in the last couple of years. I am very proud of the record of the Congress in the last 2 or 3 years, simply because we have changed the debate 180 degrees.

Three years ago we were talking about not how to reduce spending, not how to balance the budget, but simply, what new programs do we need? What do we need to do to continue spending? We were talking, then, about increasing taxes and did, in fact, increase

taxes—the largest that has ever been done. Now we are talking about how do you reduce the size of Government. There is no debate about balancing the budget. It is just, how do you do it? When do you do it? That is a complete turnaround. That is a complete change. We are talking, now, more about how do you block-grant to the States so they can make the decisions as to how best spend the money that goes there. Surely, the concept of the closer to the people served that government is, the more effective it will be, is correct—is correct.

So I am very delighted that we have turned that thing around. Even though we continue to hassle, even though there will continue, always, to be debate about it, because, frankly, there is a legitimate difference of point of view. There are those who believe more Government is better. That is a legitimate point of view. It is not one that I subscribe to and I think, fortunately, not one that is subscribed to by the majority of the Members of Congress, but it is a legitimate viewpoint and it will continue to be argued—and it should be.

ILLEGAL CAMPAIGN CONTRIBUTIONS

The other thing, it seems to me, that is very important currently is the debate that goes on about illegal campaign contributions. Here again, it seems to me when you are out in Wyoming and you are listening to the TV or you listen to radio, you kind of get the notion that the whole thing is about campaign finance reform. In the broad sense, it is. But the fact is, there is a difference between reforming campaign finances on the one hand and talking about illegal contributions on the other. Those are two different things.

I think the Congress has a responsibility to have oversight hearings. The Congress has a responsibility to look into allegations of illegal contributions, and that is what the Thompson committee is primarily assigned to do. There is a difficulty in doing it, as we have seen take place here.

The idea of having the Justice Department involved makes it more difficult. Their unwillingness to give immunity to witnesses to testify so you can arrive at the facts has been a completely difficult issue. And I understand. One reason for the idea of the Congress doing this oversight is that, obviously, agencies have allegiance to the people who have appointed them and they become very edgy when you get into this whole wilderness of allegations of wrongdoing on the part of people who are affiliated to the people you work for. I understand that. That is the reason for having Congress do it. That is the reason for having independent counsels do it. As the Senator from Kentucky a few moments ago mentioned, it is clear there is a reluctance on the part of Justice to get into what they perceive to be a political kind of activity.

That is their task. The way they do it is to appoint an independent counsel. For some reason, the Attorney General has refused to do that. So what we are talking about, then, is having a hearing in which the truth about those allegations can be determined. I think that is, indeed, a responsibility of the Congress. It is something that we ought to be responsible to the American people to do, and I am delighted that it is happening. I only wish that it were less inhibited. I wish there were less constraints being imposed by the minority in this particular committee, less constraints being imposed by the Justice Department. We ought to know what the truth is, in these instances.

I happen to be chairman of the subcommittee on Asia and the Pacific rim. Yesterday, we had a hearing for the nomination of the Assistant Secretary for the Asia-Pacific area, which we need very much, and a very learned person has been nominated whom I am sure we will support. But just to give you some idea of the involvement there, with regard to this investigation, of course the activities with respect to China influencing elections, foreign policy, has been talked about. President Clinton has said:

> [I]t would be a very serious matter for the United States if any country were to attempt to funnel funds into one of our political parties for any reason whatsoever.

Likewise, the Secretary of State said that, if true, the allegations that China had launched a major effort to illegally influence United States elections ''would be quite serious.''

I asked that question yesterday of the Secretary: Do you agree? And, of course, he said yes. The follow-up question, then, was both Republican and Democrat members of the Governmental Affairs Committee agree that there was Chinese involvement and a plan to move money into congressional elections.

So I asked, I think quite legitimately, what is the plan, then? How does this affect our foreign policy with respect to China? And the answer was, well, we just don't know whether these are true. We don't know whether that's there. We haven't made any accommodation, which only leads me to believe that it is even more important for this committee to arrive at what the facts really are. If these allegations are true, what will it do to our policy? It ought to have some impact on policy, certainly. But, yet, the response from the administration is, well, we just don't know.

We don't know either, but we ought to find out. And that is what the system is about. That is what the hearings are about. That is why there is such concern about the obstacles placed in the way of the committee by the Justice Department, by the Attorney General, by the administration—frankly, by our friends on the other side of the aisle, as to how we come to those decisions.

So, I think we are involved in a very serious issue here. It is serious because it has to do with process. It has to do with the obligations of the Congress to determine if, in fact, in this case, there were illegal activities carried on. That's our job.

Mr. President, I now am joined on the floor by the Senator from Arizona. I am very pleased to yield 10 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank my colleague from Wyoming for obtaining time this morning to speak on this important issue.

PRIVILEGE OF THE FLOOR

Mr. KYL. Mr. President, I would like to begin by asking unanimous consent that a staff member of mine, an intern, Kristine Kirchner, be granted the privilege of the floor during my presentation.

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

TIME TO APPOINT AN INDEPENDENT COUNSEL

Mr. KYL. Mr. President, the confidence of the American people in the American political system, in our Government here in Washington has been eroding in recent months, a subject that numerous pollsters and pundits have been writing about. One of the reasons that I believe this exists is that they believe people in high places can get away with things and they are, in effect, above the law, unlike the average American citizen, and that neither the Congress nor the administration has the ability, under that circumstance, to adequately track down perpetrators of crimes and pursue them to appropriate conclusion.

One of the aspects of this that is most troubling to me right now has to do with the Justice Department's purported investigation of people and events surrounding various contributions, allegedly illegal contributions, to the Democratic National Committee, to the Presidential and Vice Presidential campaigns. Attorney General Reno has, after numerous requests, steadfastly refused to appoint an independent counsel to look into these matters, and I had literally hundreds of requests from constituents to make the point to Attorney General Reno that they think this is wrong, or questions asked by constituents as to how this could be when there is such an obvious conflict of interest, at least to the average American citizen.

As a member of the Judiciary Committee, I joined in an effort with other members of the committee to follow a statutory procedure of writing to the Attorney General, asking her to either appoint an independent counsel or explain to us the reasons why she could not do so. She refused to make the appointment and gave her reasons. At the time, I thought they were relatively unconvincing. But since that time, irrespective of whether it has been appropriate up to now, Mr. President, a

couple of events have occurred that I think has made it crystal clear that the time has come for the Attorney General to appoint an independent counsel, because the integrity of her office is literally in question as a result of actions taken in connection with the Congress' investigation of these same matters.

In June, the Senate Governmental Affairs Committee announced its intention to grant immunity to 18 witnesses. They are very low-level witnesses against whom no prosecution is believed ever to be pursued or will be pursued. They were the straw donors who contributed money to the Democratic National Committee and were reimbursed by others, including one Charlie Trie, who apparently has fled the country and is currently hiding in China. Charlie Trie is a very close friend and fundraiser for President Clinton, who appointed Trie to membership on a governmental commission on U.S. Pacific trade and investment policy.

Fifteen of these eighteen witnesses that the Governmental Affairs Committee wanted to grant immunity to were Buddhist clerics who have taken vows of poverty and yet contributed funds to the Democratic National Committee at fundraisers in substantial amounts.

One was a Buddhist fundraiser in Los Angeles attended by Vice President GORE, who, of course, is a covered person under the independent counsel law; in other words, one of the people with whom there may be a conflict of interest as a result of which the Attorney General is supposed to appoint an independent counsel.

Since June, the committee has announced its intention to immunize two additional witnesses in connection with these Buddhist fundraisers. Most of the 17 Buddhist witnesses have had immunity requests pending with the Justice Department since March of this year, and yet the Justice Department has not been able to visit with these people—most of them—or to take proffers of evidence from them or declare them for immunity for the Senate Governmental Affairs Committee.

The Justice Department's policy on this is clear. Their policy is not to prosecute low-level people such as this, low-level straw donors or conduits who merely launder campaign contributions at the requests of others. So the Justice Department should have had no problem in quickly clearing immunity for these witnesses, the 18 original witnesses and the 2 additional ones.

On Wednesday, June 11, the day before the markup at which the committee was to vote on this immunity request, both the minority and the majority counsel on the committee spoke with Justice Department officials who were conducting this probe, and these officials expressed no objection to granting immunity for 17 of the 18 witnesses. But the next morning, June 12, the New York Times had a front-page story declaring that Vice President GORE had knowledge about this temple fundraiser.

Just a little bit later that morning, at about 10:30, the Senate minority leader held a press briefing in which he said all of the minority members on the committee would oppose the granting of immunity during the markup later in the day. Of course, since it takes two-thirds of the committee to grant immunity, without some Democratic support, at least two Democrats on the committee, the Republican majority would never be able to get immunity for a witness.

Shortly after the minority leader made his statement, the committee minority counsel informed the majority counsel that he, the minority counsel, had spoken with the Justice Department and it now objected to immunizing 15 Buddhist clerics. You had a direct connection here between the minority counsel on the committee and the Justice Department as a result of which the Justice Department flip-flopped.

Mr. SANTORUM. Will the Senator from Arizona yield for a question?

Mr. KYL. I will be happy to yield.

Mr. SANTORUM. I want to make sure I understand this. What you are suggesting is, prior to this story in the New York Times that Vice President GORE knew, was involved and had knowledge, of this fundraising activity, that the Justice Department was not objecting to allowing witnesses to come and be granted immunity before the committee, and there seemed to be a recognition that these people were not the target of the investigation—they were called conduits—and, as a result, should be able to come to the committee and testify under immunity; that was the state of play before this article.

Mr. KYL. The Senator from Pennsylvania is entirely correct, Mr. President. That is the exact chain of events, according to the committee's majority counsel, whose word has never been questioned on this. It was only after the front-page story.

Mr. SANTORUM. After the front-page story that morning, the story that implicated the Vice President with respect to knowledge of the fundraising scheme, Senator DASCHLE came forward and said, ''You're not going to get any support for allowing these people to testify under a grant of immunity,'' and then what? The Justice Department changed its mind overnight.

Mr. KYL. The Senator from Pennsylvania is correct. And there is an additional factor that makes this even more troublesome, and that is that it was the committee's minority counsel, not in conjunction with majority counsel, which is the normal way——

Mr. SANTORUM. Democratic counsel; minority counsel is the Democrats' counsel.

Mr. KYL. That is right, minority counsel represents the Democratic members of the committee; majority counsel represents Republican members of the committee. In the past, they had dealt with the Justice Department together as counsel for the committee. On this occasion, the minority counsel, the Democratic counsel, made contact with the Justice Department, immediately after which the Justice Department position was announced as having been changed——

Mr. SANTORUM. Your sense of the timing of the Democratic counsel's contact with the Justice Department was after the New York Times article——

Mr. KYL. The Senator from Pennsylvania is correct.

Mr. SANTORUM. Once they understood that the Vice President could be implicated in this testimony, he called the Justice Department, not the Justice Department called him; is that your understanding?

Mr. KYL. The minority counsel apparently made contact with the Justice Department.

Mr. SANTORUM. And the Justice Department, as a result, I assume, of this conversation changed its mind as far as allowing these witnesses to testify under a grant of immunity.

Mr. KYL. The Senator from Pennsylvania is correct, and as a direct result of that, the Democratic members of the committee denied immunity to the witnesses. Only one of the Democrats on the committee supported immunity for two of the witnesses, but none of the witnesses, the remaining witnesses, was granted immunity because of the solid vote of the Democratic members of the committee.

Mr. SANTORUM. Did the Justice Department give any other rationale for changing its mind, other than the fact that what we know is the Vice President was implicated in this, directly now implicated, with knowledge of this fundraising scheme at this Buddhist temple?

Mr. KYL. I have to say to the Senator from Pennsylvania that I am not aware of all of the conversations that members of the Justice Department may have had with people regarding the position that they have taken. Publicly, there have been a couple of different points made: One, that it takes a long time to visit with all of these people. Well——

Mr. SANTORUM. Wait a minute. The Justice Department said it was OK to give immunity. The only thing we are aware of, that has been talked about, intervening between the Justice Department saying yes to 17 of the 18 monks to be able to come up here and testify and then countermanding that was information then presented to the public that the Vice President had knowledge of what was going on at that event?

Mr. KYL. Well, Mr. President, if I can say to the Senator from Pennsylvania, there is an old Latin phrase that is used in law, ''post hoc, ergo propter hoc,'' meaning ''after this, therefore because of this.''

It seems fairly obvious that if, on June 11, the Justice Department has no objection to granting of immunity, and then there is a big headline in the newspaper on the following morning, and immediately after that the minority leader announces that all of the Democrats will oppose immunity—now, there obviously had to be some kind of a meeting at which this was discussed or he could not have confidently spoken of how the minority members would react—and then a minority counsel talks to the Justice Department and announces that their position has been changed, the only conclusion that one, I think, can legitimately draw from this is that the intervening events caused the change of policy at the Justice Department. If that is true—and, of course, none of us know whether it is true—but if that is true, that clearly injects politics into this investigation in a way which makes it crystal clear that the Attorney General does not have the credibility to continue the investigation of this matter and must appoint an independent counsel. The law requires in a conflict of interest that that be done.

What I am saying here this morning is that this chain of events clearly suggests that result. There is no other explanation that has been proffered. To the Senator from Pennsylvania, I say your questions are right on the mark in trying to get to the bottom of this entire matter.

Mr. President, I know time is short. Might I ask how much of the remaining time I have?

The PRESIDING OFFICER. Five minutes.

Mr. KYL. Fine. Let me then continue with another aspect of this that is important. Again, just to summarize this, it is not at all uncommon in law enforcement in order to be able to make the case against the people who are masterminding a crime, for example, to get the little fish to talk. And the way you do that is to say, ''We will not prosecute you if you will tell us under oath everything you know and that information is useful in our ability to make a case against the bigger fish.'' That is the way it works in law enforcement.

With respect to these Buddhist nuns and monks who have taken vows of poverty, it is clear that nobody wants to prosecute them. They were used. They were abused in this process. I don't think anybody thinks they were criminals or that they had criminal intent. But what is alleged to have occurred is that somebody brought a lot of money in and gave it to them and said, ''Now, tomorrow, when the Vice President is here, we want you to write a check in this same amount to the Vice President or to his campaign.'' That is called laundering money.

The way you make the case against the people who were behind that is to get the people who were the conduits to talk. That is why the Governmental Affairs Committee wants to grant immunity to these people, to bring them forward so that the American people can see what has happened here, and the law enforcement people can get on with their job about getting these prosecutions completed.

So far we hear nothing from the Justice Department. Mr. President, none of us want to jeopardize prosecutions, and when the Attorney General came before the Judiciary Committee, I accepted her explanation that, in effect, she was saying, ''Trust me, we have professional investigators pursuing criminal prosecutions and we will do that to the appropriate end.''

I can do nothing but trust the Attorney General when she makes that kind of statement, and none of us want to jeopardize prosecutions. But what I am saying this morning is that the chain of events now appears to be raising questions that are so serious that unless they are adequately publicly answered by the Attorney General, her credibility to continue this investigation on her own without the appointment of a special counsel is called into such serious question that I believe that the Senate of the United States could not adequately continue its public investigation and the American people would rightly question whether or not the administrative branch of Government, the embodiment of the Attorney General and the Justice Department, is not improperly involved in the investigation and hearings of the Governmental Affairs Committee of the U.S. Senate. I think that conclusion is inevitable.

It would be a shame for that conclusion to be reached, and, as a result, Mr. President, to clear it all up, to get to the bottom of everything and to avoid the conclusion that the Justice Department is improperly involving politics in this matter, once again, we call upon the Attorney General of the United States to call for the appointment of an independent counsel in these fundraising matters.

Mr. SANTORUM. Will the Senator from Arizona yield for a question?

Mr. KYL. I will be happy to.

Mr. SANTORUM. It is my understanding that in addition to this apparent flip-flop on granting immunity to witnesses to testify before the committee, there was another instance where the Justice Department injected itself into the investigation in an apparent partisan move that showed very clear favoritism.

Can you explain how that occurred?

Mr. THOMAS. Mr. President, I know time has expired.

I ask unanimous consent that the Senator from Pennsylvania be given 5 minutes to continue.

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

Mr. KYL. Mr. President, if I could respond then to the Senator from Pennsylvania, he is absolutely correct. There is a second event which again calls into question the objectivity of the Justice Department and I think requires us to add a second element to this request for the appointment of a special counsel.

On July 11, Assistant Attorney General Andrew Fois, who is a political appointee running the Office of Legislative Affairs, and who frankly is very unlikely to have access to the classified information, the sensitive information on which Chairman THOMPSON based his opening statement about the influence of Chinese money in American Government on, this individual, this Assistant Attorney General, sent a letter asserting that the chairman's statement did not represent the views of the executive branch.

Now, this is important for the following reason. Recall that when Chairman THOMPSON began the Governmental Affairs hearings, he announced that the committee had sensitive information implicating the Chinese Government for its efforts to involve itself illegally and improperly in American political campaigns.

Some people in the media and in the minority questioned whether Chairman THOMPSON could legitimately make that claim. His response could only be that it had been cleared with the FBI, of the Department of Justice, and the CIA. He could not go any further because information was classified and highly sensitive. So he was in effect defenseless, Mr. President, to further explain his position. But he had to rely upon people's reliance upon his statements.

Then comes this letter from the Justice Department casting doubt on Chairman THOMPSON's assertions saying, no, they had not cleared the content of his statement. That is the Department of Justice, that is supposed to be engaged in an independent investigation of these matters, clearly undercutting the chairman of the committee.

Mr. SANTORUM. When in fact the chairman has said—and I think it has come out since then, that the FBI and CIA in fact cleared that statement and in fact had made some changes, I think one change in one word, is my understanding, one change in one word to the statement that the chairman read, and that they cleared that statement, that this letter was in fact erroneous, that this letter was put forward by someone who I think you suggested probably had no knowledge of what was right or wrong.

Mr. KYL. If I could respond to that direct point by the Senator from Pennsylvania. You and I know, all our colleagues know, how long it takes to get a letter cleared downtown. It takes a long time. A legislative liaison cannot quickly get a letter out without a lot of higher-ups signing off on it. So I have no doubt in my mind that this was not a rogue act of an Assistant Secretary, but it had to have been approved at high levels of the Justice Department.

Mr. SANTORUM. Who knew otherwise, knew that the FBI—part of the

Justice Department—had cleared this statement, had signed off on that statement.

Mr. KYL. Precisely. And that is confirmed.

Mr. SANTORUM. What would be the possible reason why someone at a high level of the Justice Department would sign off on a letter which they know would be untrue to basically call into question Chairman THOMPSON's assertion that the Chinese had some plot to influence American elections?

Mr. KYL. To respond to the Senator from Pennsylvania, I am not going to attribute motives to anyone, but it did cast doubt on the claims of the chairman of the committee. Yet a couple of days later, both the ranking minority leader and Senator LIEBERMAN made the point they reviewed the FBI information and they agreed that Chairman THOMPSON's allegations were entirely supported.

Mr. SANTORUM. So in the end everyone agreed that the chairman's original statement was correct, and that really the sole voice of dissent was a Justice Department letter which was intended really just to muddy the waters and cast doubt.

Mr. KYL. Again, to conclude then, and to answer the Senator from Pennsylvania, I cannot ascribe a motive to anyone, but it seems mighty coincidental that at a very critical moment in the committee's deliberations and public hearings great doubt would be cast upon the chairman by the Justice Department of the United States, which is supposed to be conducting an independent, objective——

Mr. SANTORUM. And apolitical investigation.

Mr. KYL. And apolitical investigation. And that I say is the second reason why we believe at this time events warrant the Attorney General to request the appointment of an independent counsel to investigate these matters.

I thank the Senator from Pennsylvania.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 22, 1997, the federal debt stood at $5,366,067,378,744.76. (Five trillion, three hundred sixty-six billion, sixty-seven million, three hundred seventy-eight thousand, seven hundred forty-four dollars and seventy-six cents)

One year ago, July 22, 1996, the federal debt stood at $5,169,929,000,000. (Five trillion, one hundred sixty-nine billion, nine hundred twenty-nine million)

Five years ago, July 22, 1992, the federal debt stood at $3,984,029,000,000. (Three trillion, nine hundred eighty-four billion, twenty-nine million)

Ten years ago, July 22, 1987, the federal debt stood at $2,314,592,000,000. (Two trillion, three hundred fourteen billion, five hundred ninety-two million)

Fifteen years ago, July 22, 1982, the federal debt stood at $1,085,930,000,000 (One trillion, eighty-five billion, nine hundred thirty million) which reflects a debt increase of more than $4 trillion—$4,280,137,378,744.76 (Four trillion, two hundred eighty billion, one hundred thirty-seven million, three hundred seventy-eight thousand, seven hundred forty-four dollars and seventy-six cents) during the past 15 years.

HONORING THE BEHRENS ON THEIR 60TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data are undeniable: Individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of ''till death us do part'' seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Brooks and Ray Behrens of Eldon, MO, who on August 3, 1997, will celebrate their 60th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. The Behrens' commitment to the principles and values of their marriage deserves to be saluted and recognized.

TRIBUTE TO DENISE BODE

Mr. NICKLES. Mr. President, the great success of our Nation is rooted in the labors of millions of Americans who work every day to make America a better place. I'd like to take a moment to recognize one such American—a fellow Oklahoman, Denise Bode, who has dedicated most of her adult life to making our Nation a better place through her work in the public and private sector. Soon she will begin a new chapter of service to the people of Oklahoma. For this reason, I am very proud to take this opportunity to recognize her contributions over the past several years.

Denise Bode became involved in Government right after she graduated from the University of Oklahoma, serving as an adviser to my former Senate colleague David Boren who was the Governor of Oklahoma. When David Boren was elected to the Senate, Denise became a member of his U.S. Senate staff and developed an expertise in energy and tax policies. Even though she was working full time, she somehow found time to take courses at night and earn both a law degree and a masters of law in taxation, and devote time to her son Sean as well as be a helpmate to her husband John Bode, who was an Assistant Secretary of Agriculture in the Reagan Administration.

For the past 6 years she has served as president of the Independent Petroleum Association of America, an organization founded in 1929 in Oklahoma and which today is the Nation's largest membership association representing America's oil and natural gas producers. She was the first and so far the only woman to head a major energy trade association.

All of us who have worked with Denise over the years in Washington, regardless of party affiliation, whether in the public or private sector, know her to be a tireless advocate for Oklahoma and always looking out for the best interest of our Nation. She is the type of person who will fight tirelessly for what she believes in. In the process, she has made a difference.

She returns to Oklahoma next month to serve, at the request of Governor Frank Keating, on the Oklahoma Corporation Commission, which oversees both the interest of the consumers in the State and key industries. Ask Denise why she's going back to her native State and she'll say it's because she wants to make a difference; she wants to make Oklahoma an even better place.

We in Washington often talk about devolution, giving more power and responsibility to the States. I certainly believe that is the proper course of action. Knowing that Denise and other extremely capable people are leading the way in the States gives me added confidence in this policy. And once again, Denise is going where her beliefs lead her.

I wish her well in this endeavor and feel very confident that she will give to this new position the same dedication and commitment she's given throughout her years of public service.

MARY FRANCES BURNS, 1909–1997

Mr. BURNS. Mr. President, on July 14, 1997 Mary Frances Burns died in Gallatin, MO. She was born there, a daughter of a farmer and stockman and a sister to four brothers and two sisters. She married Russell Burns in 1931 and they farmed just northwest of Gallatin all of their lives.

Mom was so typical of the farm women of the American prairies. She was wife, partner, mother, homemaker, field hand, and gardener. She could coach younger girls in 4H, teach a Sunday School class, attend a school board meeting, cook all three of the daily meals, keep an old gas powered Maytag wash machine going, and still have time to play an active role in Democratic Party politics.

She and her husband were married 61 years until dad died in 1992. They navigated this family through the droughts of the 1930's and the Great Depression. Yet through it all, she maintained a great sense of faith and humor. The times were hard in the Depression as anybody who lived in that era could attest. The actions and conversations of mom and dad were always of hope and optimism in the American dream, of the American system, and their dream of a better life.

It was the time when America was being tested again and again was about to cast into a great world war. They witnessed husbands, sons, brothers, and a few daughters leave for war and they were there to welcome them home. As a family, we cried and prayed with the families who lost loved ones to that terrible war and we celebrated with the ones who came home heroes. We helped them to put their lives back together again and America was whole again.

They skimped and saved and worked. Mom never had much but was never denied. She made a very happy home. Christmas was an orange, home made toy, and home made clothes. All holidays meant good cooking with a special little twist for her family and relation in times of unbelievable stress and uncertainty.

Memories will always remain of the wonderful smells and aromas emanating from mother's kitchen. It was there she cooked for harvest and hay hands over an old wood range during the hot humid days of summer. Those same smells were even better after chores on a cold winter day.

The badge of authority to the woman of the prairies and a true symbol of womanhood was the apron. It was worn everyday. It was made of anything from feed sacks to the finest cotton. There were those for everyday and those for Sunday or welcoming unexpected callers. Company was always welcome if at meal time, never left unfed.

Mom could gather the eggs, pick the garden, move baby chicks and kittens. The apron was used to haze milk cows to the barn, run wandering livestock out of her garden—along with some colorful language—wipe the tears from a crying child, dust from a husband's eye, and sweat from a working brow.

It was spotted and stained from ripe strawberries, black berries, an overly excited pup, and grease from a spark plug out of the old wash machine. It had the smells of newly picked sweet corn, fresh baked bread, lye soap, and once in a while, the light scent of perfume.

She was the center of our home and was a part of a generation that understood love, life, and death. She understood the value of honesty and openness, a healthy fear and love of God, and the core values of the American Midwest.

She was the daughter of this land. The soil that she loved and sustained her has now received her back. We are the benefactors of her qualities and teachings. We, as a nation, are what we are because of her and the millions of women like her of the American prairies. She was one of the silent builders of the United States of America.

MEASURE PLACED ON THE CALENDAR—H.R. 748

The PRESIDING OFFICER. The clerk will read for the second time H.R. 748.

The assistant legislative clerk read as follows:

A bill (H.R. 748) to amend the prohibition of title 18, United States Code, against financial transactions with terrorists.

Mr. COCHRAN. I object to any further proceeding on this matter at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration S. 1033, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1033) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes.

The Senate proceeded to consider the bill.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

PRIVILEGE OF THE FLOOR

Mr. COCHRAN. Mr. President, I ask unanimous consent that the following Appropriations Committee staff members and intern be granted floor privileges during the consideration of this bill, S. 1033: Rebecca Davies, Martha Scott Poindexter, Rachelle Graves-Bell, Galen Fountain, Carole Geagley, and Justin Brasell.

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

Mr. COCHRAN. I add to that unanimous consent request, at the suggestion of the distinguished Senator from Kentucky, to ask unanimous-consent they be granted floor privileges during the votes, if any, that may occur in relation to S. 1033.

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

Mr. COCHRAN. Mr. President, I am pleased to present for the Senate's consideration today S. 1033, the fiscal year 1998 Agriculture, rural development, Food and Drug Administration, and related agencies appropriations bill. This bill provides fiscal year 1998 funding for all programs and activities of the U.S. Department of Agriculture, with the exception of the Forest Service, the Food and Drug Administration, the Commodity Futures Trading Commission, and expenses and payments of the farm credit system.

As reported, the bill recommends total new budget authority for fiscal year 1998 of $50.7 billion. This is $3.2 billion less than the fiscal year 1997 enacted level, and $1.6 billion less than the President's fiscal year 1998 budget request.

Reductions in mandatory funding requirements account for the overall decrease below the fiscal year 1997 enacted level, principally reflecting lower Food Stamp and Child Nutrition Program costs due to the enactment of welfare reform. Even with these reductions, $38 billion, or approximately 75 percent of the total $50.7 billion recommended by this bill, will go to funding the Nation's domestic food assistance programs in fiscal year 1998. These include the Food Stamp Program; the national school lunch and elderly feeding programs; and the special supplemental nutrition program for women, infants, and children [WIC].

Including congressional budget scorekeeping adjustments and prior-year spending actions, this bill recommends total discretionary spending of $13.791 billion in budget authority and $14.039 billion in outlays for fiscal year 1998. These amounts are consistent with the subcommittee's discretionary spending allocations.

The committee continues to place priority on increasing food safety to ensure that American consumers continue to have the safest food in the world.

The bill provides $591 million for the Food Safety and Inspection Service, $17 million above the fiscal year 1997 level. This will enable the Food Safety and Inspection Service to maintain the current inspection system and to provide the needed investments required to implement the new hazard analysis and critical control point [HACCP] meat and poultry inspection system.

In addition, the bill provides the increased funds requested as part of the President's $43 million government-wide food safety initiative. This include the full $1.1 million proposed for the Food Safety and Inspection Service, the $4 million increase proposed for Agricultural Research Service food safety research, and $24 million in addition funds for food safety initiatives of the Food and Drug Administration.

For agriculture research, the bill provides total appropriations of $1.6 billion, approximately $37 million below the fiscal year 1997 level. Included in this amount is a reduction of $62 million, reflecting termination of funding for buildings and facilities of the Corporate State Research, Education, and Extension Service; and a $27 million total increase for agriculture research and education activities.

The total amount provided for the Agricultural Research Service continues funding for most of the agency's current research activities, and approves nearly $24 million of the increased funding requested to meet priority research needs, including research focusing on human nutrition, food safety, emerging diseases, and genetics resources. This additional

amount includes $5 million for the survey of food intakes by children and infants required in response to the Food Quality Protection Act of 1996.

The recommended funding for the Cooperative State Research, Education, and Extension Service includes a $2 million reduction in funding for special research grants, an increase of $1.8 million for pesticide clearance, and $100 million, a $6 million increase above the 1997 level, for the National Research Initiative competitive grants programs. Appropriations for formula programs, including the Smith-Lever and Hatch programs, are maintained at 1997 levels.

For farm credit programs, the bill funds an estimated $2.9 billion total loan program level, including $460 million for farm ownership loans and $2.4 million for farm operating loans.

Total funding of $912 million is recommended for the Farm Service Agency, $44 million less than the 1997 level. The Department has worked in 1997 to achieve program efficiencies. As a result, we are assured that the funding recommended in this bill will prevent further personnel reductions during fiscal year 1998.

The committee also has given increased attention to the need to provide affordable, safe, and decent housing for low-income individuals and families living in rural America.

Estimated rural housing loan authorizations funded by this bill total $3.5 billion, a $60 million net increase above the fiscal year 1997 appropriations level. This includes funding to support $1.0 billion in section 502 low-income housing direct loans and $129 million in section 515 rental housing loans. In addition, a total appropriations level of $541 million is recommended for the rental assistance program. This is the same as the requested level and $48 million more than the 1997 appropriation.

The budget also proposed that an additional $52 million be provided to convert Housing and Urban Development Agency [HUD] section 8 rental assistance to USDA-financed rental assistance. While this proposal may have merit and yield long-term savings, the committee was not able to afford this further increase within its discretionary spending allocation. As an alternative, we would encourage the administration to work to fund this proposed conversion through the section 8 housing program.

For USDA conservation programs, total funding of $828 million is provided, $57 million more than the 1997 level. This includes $730 million for conservation operations, and $47.7 million for the resource conservation and development program.

USDA's Foreign Agriculture Service is funded at a level of $136.7 million, and a total program level of $1.1 million is recommended for the Public Law 480 program.

The bill also provides a total level of $2.1 billion for rural economic and community development programs. Included in this amount is $644 million for the Rural Community Advancement Program authorized in the 1996 farm bill, consolidating funding for 12 existing rural housing, utilities, and business cooperative programs of the Department of Agriculture.

The bill, as recommended, also appropriates $3.9 billion for the WIC Program and provides up to $12 million for the farmers market nutrition program. The recommended WIC appropriation level is $122 million above the 1997 level and will be sufficient to maintain the current average WIC Program participation level in fiscal year 1998. Also included in the bill is a provision to ensure the continuation of infant formula WIC Program rebate savings, and to provide the authority requested by the administration to give the Secretary of Agriculture discretion in allocating WIC funds.

Further, the bill restores funding for the Pesticide Data Program, and provides the increased funds needed in fiscal year 1998 to conduct the Census of Agriculture.

It also includes the full $202 million required to pay agents' sales commissions under the crop insurance program. Under current law, this shifts these costs from the mandatory to the discretionary side of the ledger beginning in fiscal year 1998. This places an added demand on the limited discretionary dollars available to the subcommittee. We have accommodated this new requirement, in part, through a limitation on the export enhancement program. This is a short-term fix. I am hopeful that this will not become a permanent burden on discretionary spending, and that a long-term legislative solution will be found to pay for this expense.

For those independent agencies funded by the bill, the committee provides the budget request level of $60.1 million, an increase of $5.0 million above fiscal year 1997 level, for the Commodity Futures Trading Commission. It provides a $34.4 million limitation on administrative expenses of the Farm Credit Administration, as requested in the budget. And, it recommends total appropriations of $913 million for the Food and Drug Administration, $25.5 million more than the fiscal year 1997 level. This increase includes the full $24 million requested for FDA food safety initiatives and the $1.5 million increase requested for FDA buildings and facilities requirements.

Only 27 percent of the total funding recommended by this bill is discretionary, subject to the annual control of this subcommittee. As I indicated previously, this bill accommodates increased funding required for such programs as WIC, crop insurance delivery expenses, rural housing, food safety, and other pressing program needs.

Mr. President, arriving at these funding recommendations always requires a number of difficult decisions. I would like to thank the distinguished ranking member of the subcommittee, Senator BUMPERS, as well as all other members of the subcommittee for their support and cooperation in putting together this bill.

Mr. President, I believe this bill represents a balanced and responsible set of funding recommendations within the limited resources available to the subcommittee, and I hope Senators will support it.

Mr. President, for the information of Senators, this bill is consistent with the allocations under the Budget Act that have been made to this subcommittee. We have worked very hard to identify the priorities that Senators have suggested and were in hearings on the budget proposals submitted by the President during the last several months.

This has been an effort which has involved the distinguished ranking member of the subcommittee, Mr. BUMPERS, all of the members of our subcommittee, and our staffs. And all have contributed very substantively to the work that has led to the presentation of this bill today.

We have increased funding for some of the areas where we thought there was justification for doing more in discretionary spending to help improve the services provided by the Government, such as in food safety, in agriculture research to make our farms more efficient and farming more profitable. We have increased funding to maintain the current participation caseload in the WIC Program, for example. And there are other areas.

But I mention those three to illustrate that the committee has identified priority areas where we have provided increases. But overall, this bill reflects a reduction in spending from last year's level and a reduction in proposed spending for the next fiscal year below the request submitted in the President's budget.

So we are trying to do our part to reduce the deficit and to control spending and to make those hard choices that are necessary if we are to in fact balance the budget. We think that the bill reflects a fair and thoughtful balance among the various needs that are sought to be met in this appropriations bill.

We hope that Senators who do have suggested amendments will come to the floor soon during the consideration of this bill so that we can complete action on the legislation today. The leader has suggested that votes will probably not occur before 4 o'clock so that if there are amendments which require votes we are going to ask unanimous consent that those votes be stacked to occur beginning at 4 o'clock. And it is my hope that at the same time we can vote for final passage on the bill at that time or following votes on amendments.

So with that in mind, I am very happy to yield the floor for the purpose of any amendments that Senators may have or for any comments any Senator,

and especially the distinguished Senator from Arkansas, the ranking member of the committee, might have.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I first want to extend my sincere thanks to my distinguished colleague, the chairman of this subcommittee, who crafted this bill. He has done a magnificent job. He has always been unfailingly polite, courteous and thoughtful in the process.

I do not want to take up the Senate's time by going into a full detailed statement of what we provided and what we did not provide. But I do want to say a few things that I have said in the committee and I have said in speeches in the last couple months regarding what I believe is a serious lack of funding for research in the area of agriculture.

We have provided well over $1 billion in this bill for agriculture research, but it pales by comparison. And in spite of that commitment, I think I have a commitment to express my concern about the comparatively small amounts we provide for agriculture research.

We live in a world with an ever-growing population. We live in a nation with an ever-increasing demand on our natural resources, including the conversion of arable land for urban growth, for highways, and shopping centers. We live in a world where our very survival is premised on our ability to produce more food with fewer inputs on fewer acres and with fewer risks to public health and the environment.

In the face of all these challenges, it is inconceivable that we would not place a much higher premium on investments in the research vital to human survival, simply put, the research of how we are going to feed ourselves.

We live in a nation that is blessed with abundant natural resources. We live in a nation blessed with a bounty of agricultural products currently capable of feeding ourselves and a good part of the rest of the world. We live in a nation that has lapsed into a complacency caused by the fact that our next meal has always been as close as the corner supermarket. It would not take many days spent in the back country villages of Latin America, the ravaged countryside of Central Africa, or the weathered, tortured steps of Mongolia to witness the lack of what we daily take for granted. I constantly admonish high school and college groups who are going out into the world to remember to count their blessings more often and their money less.

Mr. President, do not misunderstand me. I fully support the efforts of Senator COCHRAN in providing the funds contained in this bill for agriculture research, but I am constantly dismayed and perplexed at Congress' willingness to spend 30 times more on weapons research than we do on guaranteeing our future food supply. We spend twice as much every year just on the space station as we do on agriculture research.

I have often felt that truly meaningful agriculture reform is only one good famine away. But I also continue to hope that such a cataclysm will not be the event that brings us to our senses.

Senator COCHRAN has done an excellent job with this bill within the fiscal constraints that bind all of us. He has properly balanced the needs of the research community with the other demands to which we must answer. This Nation looks to Congress, and I admonish Congress that we do not have forever to come to grips with the train wreck that is on the horizon and is absolutely certain to occur. We must begin laying the groundwork for an agricultural policy that allows our producers all the scientific advances we can develop if we are to grow more with less. We know that certainly we will need more and we will have less if we don't.

One other comment I make regarding the need to bolster agricultural research. Just 1 year ago, this Congress ended most of the support programs that historically protected American farmers from the market forces that often were marshaled to their disadvantage through either the plagues of weather, the domain of foreign policy, or forces beyond their control. Now they are left with the tattered safety net that has brought prices declining, as they are now doing, and there is little break to their fall.

One of the safety net remnants in hand is our agricultural research structure. As the cost of farm inputs skyrocket, we must find ways to reduce their application. As threats to the environment increase, we must find cost-effective protections. If we expect to continue spending less on food than any other developed nation on Earth, we must find ways to make its production cost less.

More than simply a producer, there is not a better steward of the Earth than the American farmer. The farmer knows that his livelihood is directly tied to his care for the soil and water. This bill contains funding for programs designed to help the farmer continue what he practices naturally—conservation. For the first time in many years, this bill places no limitations on the mandatory conservation programs established in the farm bill. These include the Wetlands Reserve Program, the Conservation Reserve Program, the Environmental Quality Incentives Program, and many others established to help farmers protect our natural environment.

In the area of rural development, important areas of spending are protected and, in some instances, provided an increase. The Water and Sewer Grants Program, one near and dear to my heart, increased this year from the budget request of $438 million to $491 million. I want to especially thank Senator COCHRAN for engineering that. The section 502 Single-Family Housing Program was returned to a program level of $1 billion. In addition, the Appropriate Technology Transfer for Rural Areas Program, one I am happy to say is housed at the University of Arkansas, important for the sustainable agricultural prices and products, is increased to $1.5 million.

The bill provides nearly $4 billion for the WIC Program. We all know that is the program that provides a healthy diet for poor pregnant women and thereby increases the protein diet and the brain count of the fetus. This amount is an increase of nearly $200 million above the level we provided in the fiscal year 1997 bill. Noninclusive is the $76 million we put in the recent supplemental appropriations bill. Included in the fiscal year 1998 WIC appropriation is $12 million for the WIC Farmers Market Nutrition Program. That helps provide fresh produce for WIC participants. In other words, WIC participants can buy produce at the roadside vegetable stand, just as everybody else can, with their vouchers.

For the Food and Drug Administration, this bill provides an increase above last year—an increase—and includes a 1-year extension of the Prescription Drug User Fee Act and a Mammography Quality Standard Act. Fees collected from these two authorities will provide an additional $105.2 million for the FDA. These funds are vital to protect Food and Drug supplies and to ensure the safety and efficacy of our pharmaceutical and medical devices.

Mr. President, just as we too often take for granted the availability of food, we too often take for granted the safety of that food. It only takes a single outbreak of E. coli in fruit juice, or similar strains in other food products, to quickly bring us short as to how fragile our health can become in the hostile world of bacteria and microorganisms. Visit with one mother of a child who has known the horror of a food-borne illness and what it can do, and you will never take the safety of our food for granted again. The Food and Drug Administration, along with the Food Safety Inspection Service, stands as a guardian to protect our food supplies and the public health. This bill serves to help those agencies carry out those very important missions.

The bill provides $14.5 billion to complete phase 2 for the FDA's National Center for Toxicological Research. This important facility is on the frontline of helping protect the health of American consumers. Once complete, this facility will be a cornerstone of the FDA's streamlining efforts to make Government more efficient and cost effective.

There were several initiatives included in the administration's budget request, many of which included funding in this bill. The food safety initiative, vitally important to protect our food supply and help bolster consumer confidence in all meat, poultry and

other products, has provided nearly full funding. The human nutrition initiative, though not completely funded, gets a substantial boost.

Mr. President, let me conclude by restating, I am again most grateful to Senator COCHRAN for his unfailing courtesy and consultations and for the fine job he and his excellent staff have done in crafting this bill. To expedite matters, let me simply say we are all grateful for his fair and open consideration of all requests. I gladly join him in bringing this bill to the Senate floor and urge the support of all Senators in its passage.

I yield the floor.

Mr. COCHRAN. Mr. President, I am very grateful for the generous comments by the distinguished Senator from Arkansas about our work together on this bill and my contributions to the effort. It has been a genuine pleasure working with him. I have considered it one of the highlights of my career in the Senate of getting to know him personally and serving with him on the Appropriations Committee, as we have for these last 18 years.

CORRECTIONS TO SENATE REPORT 105–51

Mr. President, I would like to reflect for the record the following corrections to Senate Report 105–51 accompanying S. 1033, the fiscal year 1998 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act.

The table on page 36 of the report should properly reflect that the committee recommends a $200,000 Federal administration grant to the ''Center for Human Nutrition (Maryland)'' rather than the ''Center for Hawaiian Nutrition (Maryland).''

On page 37, the first paragraph should reflect a total recommendation of ''$47,525,000'' for special research grants under Public Law 89–106 rather than ''$46,525,000''.

In the table on pages 42–43 of the report, the committee recommended total for ''Agricultural quarantine inspection'' under ''Pest and disease exclusion'' should be ''26,747'' rather than ''28,547'', making the subtotal for agricultural quarantine inspection ''126,747''; and the committee recommended total for ''Biological control'' under ''pest and disease management programs'' should be ''6,090'' rather than ''6,290'', making the subtotal for pest and disease management ''96,281''.

And, on page 76, delete ''the University of Colorado Health Science Center telemedicine project, Colorado,'' from the list of rural business enterprise grants which the committee encourages the Department to consider.

Further, I would like to clarify that the $275,100 in the first paragraph on page 24 of the report for the University of Hawaii Institute of Tropical Agriculture and Human Resources for the collaboration work on developing and evaluating efficacious and nontoxic methods to control tephritid fruit flies is the net amount currently going to the location, rather than the gross amount.

Mr. COCHRAN. Mr. President, there are several amendments which have been brought to our attention that we know will be offered by Senators. We invite those Senators to come to the floor now and present their amendments for the consideration of the Senate. Some of them we expect to recommend approval; others we will have to oppose. We hope that we can begin that process soon so we can complete action on all amendments so that we can have votes on those amendments and final passage of the bill at 4 o'clock this afternoon. That is our goal. We need the cooperation and assistance of all Senators in order to achieve that goal.

Let me say, in connection with the provisions of the bill, some of which the Senator from Arkansas mentioned specifically, I am particularly pleased we were able to continue funding for a lot of the traditional programs of the Department of Agriculture, which, because they are not new, because they do not seem innovative, are often overlooked or taken for granted. One that comes to mind is the Extension Service. We have seen a lot of changes in the Extension Service over the years, and we have tried to give that service the funds they need to carry out what many consider to be services and benefits that are not often applauded or recognized.

We have seen so many new developments in technology and in modern science that we are able now to utilize in our rural communities and on our farms that have really elevated the standard of living in rural America to a point that is really quite impressive. We need a lot of things done that have not been done, but that is one of the agencies that, in my judgment, has done a great deal to help make life more livable, more enjoyable, and enrich the lives of many people every day because of the work that has been done.

Another area that seems to me important to mention is the protection of our environment, our soil and water resources. The funds for conservation programs are increased because of the growing importance of developing new technologies, new ways to deal with pests and other problems in production of agriculture in an environmentally sensitive way. All of that is reflected in this legislation—those ambitions, those goals, and the importance of protecting the safety and health of those who live in rural America.

We think the research activities done by the Agricultural Research Service also merit special mention. There are a lot of new things being undertaken by agricultural research scientists that offer great promise in terms of food safety, in reducing the necessity for using some products on our farms that many consider to have the potential for harming health and human safety. We are trying to make these changes and these improvements in agriculture possible through the development of new discoveries and new applications of science in agriculture. That is the agency that the Federal Government has charged with the responsibility of concentrating in that area.

We also are developing, in concert with the legislative committees in the House and Senate, a level of funding of over $100 million for a comprehensive research effort that is new and recently authorized in the farm bill that was passed 2 years ago. We are hopeful that this will mean a more coherent approach to research and a more effective approach. Some worry about our spending too much money for so-called basic research and not enough money for applied research. The line between those two efforts has been blurred, and, in some cases, it is hard to distinguish between one kind and another. We appreciate the input we have received from those throughout the country who have presented information and have made their views known to the committee on that subject.

This bill reflects an effort to bring together the best suggestions that we have had on that subject to have a more effective and more successful research effort for the betterment of our country.

With the hope that other Senators will come to the floor and present amendments or suggested changes or comments on this legislation, I am prepared to yield the floor.

Mr. MCCONNELL. Mr. President, I want to commend Subcommittee Chairman COCHRAN for his work on the Agriculture appropriations bill for fiscal year 1998. This bill provides funding for all the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and the Farm Credit System.

This has been one of the most difficult years to date and I congratulate Senator COCHRAN and his staff in working through the difficult decisions in crafting this bill.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Rob Mangas and Jim Low of my staff be granted the privilege of the floor during consideration of S. 1033.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONDEMNING THE GOVERNMENT OF CANADA

Mr. STEVENS. Mr. President, very soon, Senator MURKOWSKI will submit for himself, for me, and for Senator GORTON and Senator HELMS, a resolution condemning the Government of Canada for its failure to protect the right of innocent passage of the Alaska ferry *Malaspina* in the Canadian territorial sea. The *Malaspina* entered the Port of Prince Rupert on Sunday morning and was blockaded by, we are told, about 200 Canadian fishing vessels and was prevented from leaving that port.

On Sunday, at the request of the State of Alaska, a Canadian court issued an injunction against the blockaders. The governments of Canada and British Columbia ignored the court's directions to enforce that injunction. The *Malaspina* was finally able to leave Prince Rupert on Monday evening, only when the Canadian fishermen agreed to end the blockade.

In my judgment, through its inaction, the Government of Canada has exhibited a disregard for its own domestic laws, for international law, and for what I would call the concept of being a good neighbor to our country, the United States.

Mr. President, over the past 3 years the Government of Canada has shown a pattern of complacency—and, in some cases, complicity—in the harassment and illegal treatment of United States vessels and our citizens.

In 1994, Canada charged an illegal transit passage fee to United States fishing vessels proceeding from the Seattle area north to Alaskan waters. Following that, at my request, Congress directed the State Department to reimburse these United States fishermen and to seek repayment from Canada for the illegal fees that were imposed upon our citizens. To date, Canada has not repaid and, as a matter of fact, has ignored the request for reimbursement to the United States for these costs.

The Government of British Columbia continues to seek to prevent use by the United States of an underwater missile testing range that is critical to NATO activities, at a place called that Nanoose Bay. I found that to be unacceptable, Mr. President. To have one NATO partner use land that has been made available under NATO for leverage on a fisheries issue is unprecedented.

The United States vessels have also periodically been harassed by the Governments of Canada and British Columbia under the guise of enforcement of Canada's customs laws. My colleague and I are here today to call on the Government of Canada to put a stop to these actions. We ask that the President of the United States now take action to ensure that harassment of our citizens comes to an end.

The measure my colleague will submit condemns the Government of Canada for its failure to protect United States citizens from these types of illegal actions and harassment while our people exercise their absolute right for innocent passage through these Canadian territorial waters. They are international waters under international law and available to our people just as our inside passage in southeast Alaska is available to and used by the Canadian people.

Our resolution calls on the President to ensure that this pattern of harassment will not continue. We ask that the President use assets of the United States to protect our citizens if necessary, and, also his authority to prohibit the importation of Canadian products into this country until Canada agrees to protect our citizens.

We also believe the President should find a way to provide financial support to those who were damaged by the blockade of the *Malaspina*.

Mr. President, there were, I am told, over 300 people on board that vessel, and many had to be removed and transported by air to Alaska. In addition to that, it is my information that the *Malaspina* carries the United States mail. It is absolutely unheard of for the Government of Canada to interfere with the delivery of United States mail.

I hope that Congress will consider favorably the resolution that my colleague will introduce, and we intend to consider other measures as well.

We have already passed a bill and sent it to conference with the House that will deny funds for the environmental cleanup of defense sites that were used by Canada and the United States during the cold war period because of the action of British Columbia authorities to try to discontinue our use of Nanoose Bay. That, Mr. President, is essential to our testing program for torpedoes. It has been a joint venture between our Canadian neighbors and our Nation in defense efforts for many years. I am really saddened by that in terms of our relationship for our mutual defense. But we believe that we should assure that Canada will protect our citizens as they exercise their right of innocent passage through Canadian waters, and we believe very sincerely that Canada or its citizens should repay those people that have been damaged by the illegal blockade of the *Malaspina*.

We also call on Canada to repay the United States the illegal transit fees that were charged to our fishing vessels in 1994. And, further, we plead with Canada and its citizens to match the good-faith efforts of the United States to continue to negotiate and renew the Pacific salmon treaty.

Mr. President, it is a time for leadership in these matters. We risk getting more and more rhetoric involved. I have tried to be restrained today. I think Alaskans share this point of view, but we are pushed to increase the stakes.

Our people are most upset. They are even more upset by the act of burning our U.S. flag. I think for a neighbor that shares such a long border to allow citizens to burn a flag of this country is really uncalled for. I don't know really how to express our deep concern about that. To my knowledge, there has been no action at all taken with regard to that. We have a flag-burning issue here in our own country. But to see it done as an act of defiance by people illegally blocking the ferry owned by our State is upsetting. That vessel is owned by the State of Alaska, and it is part of the trek for people who come from all over the world. Many take a ferry up to Canada. Then they take a Canadian ferry from Vancouver Island to Prince Rupert. They take the Alaska ferry on up into Alaska. It is a right of all vessels to have innocent passage through the waters of a neighboring country.

This blockade of our vessel on top of the harassment and seizure of our fishing vessels is too much, Mr. President.

I don't know. We are few in number in Alaska. If this happened to California, there would be 54 Members of the House talking about it. We have one. And, unfortunately, right now he is recovering from a very serious operation.

But, Mr. President, the rights of American citizens should be protected by our Federal Government. We have heard nothing really yet from our National Government in response to these measures. I think that it is high time that this Government stands up to Canada and explains once again what the role of good neighbors really must be.

I do not want to get to the point where we really have to start retaliating and raise the level of this rhetoric even further. But, clearly, those people who say, ''Well, now, just let it cool off,'' don't understand. We cooled off after 1994 when they put our people in jail and charged them fees. Congress agreed, and we paid the fishermen back for the fees they paid to the Government of Canada. Now we see our vessel with 300 Americans on board held up for more than 2 days, denied the right to keep their schedule and go on to Alaska according to the ferry schedules.

Mr. President, I hope the Senate and the Congress will view this matter with as deep concern as we do and will assist Alaska in assuring that we have the same rights of all Americans as we try to pursue our right of innocent passage through the territorial sea of our neighboring country.

I urge the support of the measure prepared by Senator MURKOWSKI. This happens to be the part of our State that Senator MURKOWSKI came from. He knows Ketchikan very well, and he is proud about his heritage and about the area he comes from. He has transited these waters down to Seattle many times.

I sincerely believe there must be some recognition by the Government of Canada and the Government of the United States of this trespass on the rights of Alaskans and other Americans that were on board the *Malaspina*.

I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

AMENDMENT NO. 962

(Purpose: To make technical corrections to the bill)

Mr. COCHRAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 962.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 55, line 20, strike ''1997'' and insert ''1998''.

On page 55, line 21, strike ''1997'' and insert ''1998''.

Mr. COCHRAN. Mr. President, this is a technical amendment offered for myself and in behalf of the Senator from Arkansas [Mr. BUMPERS]. It has been cleared on both sides of the aisle.

I ask that it be approved by the Senate.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Mississippi.

The amendment (No. 962) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 963

(Purpose: To make an amendment relating to rural housing programs)

Mr. COCHRAN. Mr. President, I send an amendment to the desk on behalf of Senators D'AMATO and SARBANES.

The PRESIDING OFFICER. The clerk will report.

The assistant clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. D'AMATO, for himself and Mr. SARBANES, proposes an amendment numbered 963.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . RURAL HOUSING PROGRAMS.

(a) HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(b) HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES AND OTHER LOW-INCOME PERSONS AND FAMILIES.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1997'' and inserting ''September 30, 1998''.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(3) LOAN TERM.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(A) in subsection (a)(2), by striking ''up to fifty'' and inserting ''up to 30''; and

(B) in subsection (b)—

(i) by striking paragraph (2) and inserting the following:

''(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;'';

(ii) in paragraph (5), by striking ''and'' at the end;

(iii) in paragraph (6), by striking the period at the end and inserting ''; and ''; and

(iv) by adding at the end the following:

''(7) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

''(A) the Secretary determines—

''(i) it is more cost-effective and serves the tenant base more effectively to maintain current property than to build a new property in the same location; or

''(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

''(B) the Secretary determines—

''(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

''(ii) any other criteria established by the Secretary has been met.''.

(c) LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following:

''(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEE.—In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amounts as may be provided in appropriation Acts for such fiscal year.'';

(2) by striking subsection (t) and inserting the following:

''(t) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1998 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year.''; and

Mr. D'AMATO. Mr. President, I rise to support the amendment relating to Department of Agriculture rural housing programs. I would like to express my appreciation to Chairman COCHRAN and Ranking Minority Member BUMPERS for their consideration of this amendment and their continued commitment to providing affordable housing for our Nation's rural Americans.

The Department of Agriculture has a number of successful housing programs under the auspices of its Rural Housing Service [RHS]. Although operated by the Department of Agriculture, rural housing programs are under the jurisdiction of the Banking Committee. As chairman of the Banking Committee, I respectfully request the consideration of this much needed amendment.

This amendment contains provisions which will permit important housing programs to continue in an uninterrupted and cost-efficient fashion. It includes 1-year extensions of housing programs which have expired or will expire in the near future. Specifically, the RHS Section 515 Rural Rental Housing Program, the RHS Section 538 Rural Rental Housing Loan Guarantee Program, and the RHS Underserved Areas Program would be extended until September 30, 1998.

Due to the uncertainty of final passage of housing reauthorization legislation this year, these short-term extensions are essential. In addition, the amendment would alter the section 515 loan term and amortization schedule. This provision would change the loan term from 50 to 30 years, but allow the borrower to have the loan amortized for a period not to exceed 50 years. This statutory change incurs no cost to the American taxpayer, and is necessary to ensure that budget authority provided will support the administration's proposed fiscal year 1998 section 515 program level.

The need for affordable housing in rural areas is severe. According to the 1990 census, over 2.7 million rural Americans live in substandard housing. In my home State of New York, 76 percent of renters are paying 30 percent or more of their income for housing. Approximately 60 percent of New York renters pay over 50 percent of their income for rent.

The section 515 and section 538 programs are some of the few resources available to respond to this serious unmet housing need. Since its inception in 1962, the section 515 rental loan program has financed the development of over 450,000 units of affordable units in over 18,000 apartment projects. The program assists elderly, disabled, and low-income rural families with an average income of $7,200. The alteration of the section 515 loan term and amortization schedule will provide over 500 additional units. The section 538 program is a relatively young loan guarantee program which has already proven to have widespread national appeal. With a proposed subsidy rate of approximately 3 cents per $1, it is an example of cost-effective leveraging of public resources.

I thank the Appropriations Committee for its recognition of the great need for these important rural housing programs and its steadfast commitment to

ensuring that every Federal dollar appropriated serves the greatest number of our low-income rural Americans. I support immediate passage of this amendment. Thank you.

Mr. SARBANES. Mr. President, I rise today in support of an amendment concerning rural housing reauthorizations for the Rural Housing Service of the Department of Agriculture. I want to commend Chairman COCHRAN and Ranking Member BUMPERS for their tireless efforts and cooperation in bringing the Agriculture Appropriations Act of 1998 to the floor for Senate consideration.

Given the uncertainty of housing reauthorization legislation this year, I have joined with Banking Committee Chairman D'AMATO to request the inclusion of an amendment that would reauthorize several rural housing programs in the 1998 Agriculture appropriations bill. This amendment will allow the section 515 and section 538 rural rental housing programs to continue providing multifamily housing developers with direct loans and loan guarantees to build or rehabilitate affordable rental housing.

In addition, this amendment reauthorizes for 1 year the nonprofit set-aside which reserves 10 percent of section 515 funds for nonprofit applicants, as well as the Underserved Areas Program which targets funds to the 100 most underserved rural communities. This amendment also changes the section 515 loan term from 50 to 30 years, while allowing the loan to be amortized over a 50-year period. This change permits the administration's proposed program level in the budget of $150 million to be supported by almost 15 percent less in budget authority.

Without these housing programs targeted to very-low and low-income rural residents, there exists few resources in rural America to help alleviate the shortage of affordable rental housing. Rural areas still lack adequate access to commercial credit to finance affordable multifamily housing. The direct benefits to rural communities from the section 515 and section 538 programs includes increased jobs and local taxes in addition to attracting and maintaining businesses. This is a direct and vital link to the overall health and stability for rural communities.

While the Rural Housing Service has done much to bring decent, safe, and affordable housing to rural America, many rural families are still in need of assistance. Rural renters experience housing problems such as overcrowding, cost overburdens, and substandard facilities. There are 1.6 million rural households that live in housing without adequate plumbing, heating, or kitchen facilities. Nearly 2.5 million are paying more than 50 percent of their incomes for housing costs, and another 3 million pay between 30 and 50 percent. As we encourage families to move from welfare to work, it is even more essential that we build on the vital housing programs that provide the safety net which will give the working poor an opportunity to live in affordable, decent housing.

Again, I would like to thank Chairman COCHRAN, Ranking Member BUMPERS, and the rest of my colleagues for their swift action to ensure that essential rural rental housing programs receive authorization to continue serving low-income families for another year. I urge the adoption of this amendment.

Mr. COCHRAN. Mr. President, I know of no objection to this amendment. It has been cleared. We recommend that it be approved.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 963) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 961

(Purpose: To withhold $4,000,000 of appropriated funds from the Risk Management Agency until the administrator of the agency issues and begins to implement a plan to reduce administrative and operating costs of approved insurance providers)

Mr. ROBERTS. Mr. President, I have an amendment numbered 961 and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Kansas [Mr. ROBERTS] proposes an amendment numbered 961.

Mr. ROBERTS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The amendment is as follows:

On page 28, line 19, before the period at the end of the sentence, insert the following: ": *Provided further,* That, of the amount made available under this sentence, $4,000,000 shall be available for obligation only after the Administrator of the Risk Management Agency issues and begins to implement the plan to reduce administrative and operating costs of approved insurance providers required under section 408(k)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(7))".

Mr. ROBERTS. Mr. President, prior to discussing the amendment, I want to take this opportunity to associate myself with the most pertinent remarks stated by the distinguished Senator from Mississippi, the chairman of the Agriculture Appropriations Subcommittee, and the distinguished ranking member, the Senator from Arkansas. Chairman COCHRAN and the ranking member, Senator BUMPERS, have demonstrated continued leadership and tireless efforts to make it possible for the American farmer and rancher to continue to feed this country and a troubled and hungry world.

Senator COCHRAN said in his earlier remarks that all have contributed. I would also like to extend my congratulations to the staff, both of Mr. COCHRAN and to Mr. BUMPERS, and I would point out to the American consumer, all taxpayers as well as our farmers and ranchers about what is at stake here. It is just not the eighth or ninth appropriations bill we are considering in this Chamber, albeit that is important. We are talking about the fact that the American consumer today spends only 10 cents of the disposable income dollar for that so-called market basket of food.

Every housewife in America should pay attention to the fact that that frees up 90 cents for hard-pressed families today to spend on education or housing or the other essentials. And so we want to say thank you to Senator COCHRAN and Senator BUMPERS for providing the funds to continue this vital responsibility of feeding America.

Senator BUMPERS mentioned food safety. Now, we have heard a great outcry in regard to E. coli, salmonella, and other challenges we face, but as Senator BUMPERS pointed out we have, hopefully, adequate funds to address that problem. So this bill deals with food safety. And I might point out that since we have the best quality of food at the lowest price, the American consumer today apparently cares more about convenience and the safety of their food supply rather than price. That is unequaled in regard to any country. And so this bill does address that.

I could go on about the trade aspects of the bill and our balance of payments and jobs. I could point out we all live longer as a result of the efforts of agriculture and farmers and ranchers and the investment we are making in this bill. Simply put, we do have the best quality food at the lowest price in the history of the world, and I think a lot of people do take agriculture for granted. The first obligation of any government is to provide its country an adequate food supply. Who is responsible for this? Many are, but two particular individuals, one the chairman of the committee and the other the ranking member. And I again wish to thank them.

As a matter of fact, I can recall several months ago that the chairman of the subcommittee, Senator COCHRAN, and I were privileged to join Senator STEVENS on a trip to the Russian Far East and to South Korea and to North Korea. We were the first congressional delegation allowed into North Korea. And in North Korea, the former leader of that country, if I can refer to that person as a leader, Kim Il-song, called

the ''Magnificent Leader,'' by the way, has written a veritable tome of books about that kind of government. It is a very repressive and totalitarian government. But the first book—and I read it the evening we were there—starts out with agriculture and says the first obligation of any country is to be able to feed its people.

So while we were there we were working on the four-party peace talks, and we were trying to be a positive influence, and Senator COCHRAN has a great deal of expertise in regard to disarmament. He had this other idea; he insisted in regard to Senator STEVENS, myself and others, we visit this collective farm. And the Senator made a good point. We went out and we visited it outside the capital city of Pyongyang, and we found a farm that had farming practices back in the 1930's, largely responsible, I might add, for the famine in that country.

I really think, if you stop to take a look at it, we ought to count our blessings in the fact we have outstanding individuals in the Senate such as Senator BUMPERS and Senator COCHRAN responsible for the investment in American agriculture to allow us to do the things we do. I have been through what, five or six farm bills, having had the privilege of serving in the other body. Those are the authorizing committees. I also wish to thank Senator COCHRAN in particular for the way that he has handled the obligations and responsibilities of the appropriators. It is a difficult task to try to fit together our spending priorities with the policy objectives of the authorizers, and I must say in all candor, unlike the other body, Senator COCHRAN has closely cooperated with the authorizing committee, has done so with fairness, with tolerance and with respect and comity and also understanding and effective leadership. I think we have quite a team on the appropriations subcommittee involving agriculture appropriations, and I again wish to thank them. I thank Senator BUMPERS and Senator COCHRAN on behalf of every farmer, every rancher, and every consumer in America. I think they have done an outstanding job.

Mr. President, I regret that I must offer this amendment. Quite honestly, it pains me to have to even suggest this course of action, but my responsibility to the farmers of America certainly compels me to do so. The purpose of this amendment is twofold. First, it allows this body to recognize that the Risk Management Agency—that is the outfit that administers the USDA's Federal Crop Insurance program—has failed to comply with the Federal Crop Insurance Act of 1994. That is 3 years ago.

Second, as a result of the Risk Management Agency's unwillingness to submit and implement a plan to reduce administrative and operating costs of approved insurance providers as required under the 1994 act, this amendment would withhold—I am not trying to cut, just withhold—funding of $4 million of funding from the RMA appropriation unless the plan is implemented by September 30, 1998.

Mr. President, farmers have always needed crop insurance in order to make ends meet, in order to work, but for too many years it was always either too expensive or provided too little coverage depending on what region you came from and what commodity. But we passed the 1994 Crop Insurance Act and privately developed crop insurance products surfaced as a replacement, very long needed replacement, to the old USDA-sponsored insurance programs. Now, while crop revenue coverage, or what we call CRC, is widely regarded as a revolutionary new risk management tool in farm country, we are providing farmers the capability, the tools, if you will, to manage their downside risk when prices fall. It is not like the old insurance products. The CRC protects both against price and yield risk. It is expensive, that is true, but it is worth the price for farmers who want adequate protection for their farm and their family. But, unfortunately, too often the USDA has taken an adversarial position to the development of these private crop insurance programs.

Too often the department has tried to compete with the private sector in the development and marketing of these products.

A few weeks ago, a crop insurance agent from Luray, KS, population about 500, came into my office and said: ''Senator ROBERTS, I really want to continue selling crop insurance because I know the farmers in our community need it, that our town depends on the farm economy for its survival. But, Senator, all the paperwork and redtape involved has forced me to hire additional people just to push the paper around. Unless the regulatory burden subsides, I am afraid I will have to stop selling crop insurance entirely.''

This amendment is all about that crop insurance agent and small town America. This amendment is all about the farmer, who tries to feed this very troubled and hungry world, who will invariably face higher crop insurance premiums as a result of USDA's intransigence. We cannot let this unfortunate situation threaten the viability of our crop insurance program and our farmers, the exciting new tools for the farmers to manage their downside risk.

I urge support for this amendment. I simply ask the risk management agency to do what the Congress and the President required of them back in 1994. We made that arrangement. We lowered the payments that went to the crop insurance companies in exchange for regulatory reform.

I don't know how many times I have asked the RMA folks, officials down there, where is the report? In 1994, no report; 1995, no report; 1996 no report; 1997—it's time. This is going to give them clear up to September 30, 1998. But this ought to at least open some eyes down at USDA that we need regulatory reform. That's what we asked for, that's what we required in the 1994 act. I ask consideration of the amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have looked at the amendment proposed by the distinguished Senator from Kansas. I must say, it is targeted to a very narrow issue, and it seeks to withhold only $4 million of a $64 million account which is appropriated or recommended for appropriation in this bill for the administration of the Risk Management Agency that has a responsibility for administering the crop insurance program.

I am not going to oppose this amendment. I sympathize with the goal. I sympathize with the effort to get the attention of the administration to do something that was required of them in the 1994 act of Congress. I am hopeful the Senate will approve the amendment and that this will help achieve the goal of the distinguished Senator from Kansas.

Let me also say, too, I am very grateful for his generous comments about the work of our subcommittee and the efforts we have made to present a bill that reflects the needs of our country in connection with agriculture and agricultural production and all of those other activities that are funded in the legislation. He is very kind to point out that we have worked hard. He has been a big help, too, in certainly helping us understand the provisions that were contained in the last passed farm bill, which he had a great deal to do with writing as chairman of the House Agriculture Committee. We are lucky to have him in the Senate, and we appreciate his continued advice and counsel and assistance in these matters.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me echo the comments of the distinguished Senator from Mississippi, Chairman COCHRAN. I subscribe to everything he said. I also want to especially thank the distinguished Senator from Kansas for his very, very kind, laudatory comments.

Having said that, let me just say I am not going to object to the amendment either. I think, in a way, it is a little bit of a sledgehammer approach. But, by the same token, the Senator is entitled to the report he requested a very long time ago. It is a legitimate request, and the Department should have responded to it much sooner.

The Department objects to the amendment, but I am going to, on behalf of this side of the aisle, say I will accept the amendment and I strongly encourage the Department to respond, so, possibly by the time we get to conference, we can deal with this amendment. But let the Department know in advance that unless there is a very firm commitment made, the Senator's

request will be honored and the amendment will wind up in the conference committee report.

So, I am going to clear this amendment for this side of the aisle.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 961) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand that Senators are considering offering amendments. Let me say this is a good time to come to the floor and do that. We expect amendments to be offered. We hope to wind up consideration of all amendments so we can stack votes and have those votes at 4 o'clock this afternoon, and then final passage of the bill. To do that, we need the cooperation and participation of Senators. We invite that at this time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BURNS. Mr. President, I also ask unanimous consent that I may proceed as in morning business for no more than 2 minutes for the purpose of introducing a bill.

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

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of S. 1056 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BURNS. Mr. President, I yield back any time remaining. I thank the chairman of the ag appropriations bill for his courtesy.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 964

(Purpose: To modify the conditions for issuance of cotton user marketing certificates)

Mr. COCHRAN. Mr. President, I send an amendment to the desk which has been cleared.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 964.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following new provision:

SEC. . Effective on October 1, 1998 section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(a) in paragraph (1)

(1) by striking ''Subject to paragraph (4), during'' and inserting ''During''; and

(2) in subparagraph (B), by striking ''130'' and inserting ''134'';

(b) by striking paragraph (4); and

(c) by redesignating paragraph (5) as paragraph (4).

Mr. COCHRAN. Mr. President, I am pleased to offer this amendment on behalf of myself and Senator BUMPERS. This amendment contains two technical changes to the competitiveness provisions of the domestic cotton program. This amendment has been scored by the Congressional Budget Office as having no cost. I am informed that the chairman of the Senate Agriculture Committee has no objection to the amendment.

The original provisions in the law were designed to ensure that U.S. cotton is competitive in both domestic and overseas markets. The program has worked well, but changes made to the program in 1991 and 1996 have had unintended consequences.

The amendment I am offering would address those problems by doing two things. First, it makes it possible for the various components of the program to work simultaneously to ensure that we do not rely too much on cotton import quotas to make domestic cotton competitive. Second, it slightly increases a ceiling that unduly restricts the availability of the step 2 certificate program. By capping loan rates in the 1996 FAIR Act, Congress unintentionally restricted the operation of the cotton competitiveness program. The amendment eases the restriction slightly, but would not affect loan rates.

Mr. President, this is an amendment that has been cleared on both sides of the aisle. I know of no objections to it. I know of no Senators who want to speak on the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 964) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARKANSAS COMMUNICATIONS PROJECT

Mr. BUMPERS. Mr. President, I would like to engage the senior Senator from Mississippi in a colloquy.

Mr. COCHRAN. I would be pleased to join the senior Senator from Arkansas in a colloquy.

Mr. BUMPERS. Mr. President, this bill includes the Rural Community Advancement Program which provides flexibility to tailor financial assistance to applicant needs. Through this program rural business enterprise grants are made available.

As you are very well aware, I have pursued funding for the Arkansas communications project since March 1992. This project will provide a statewide communications and education network that will eventually include all Arkansas publicly funded 2- and 4-year institutions of higher learning, research and extension centers, cooperative extension county offices, many rural hospitals, and State and Federal Government office buildings. The network will include compressed video, TV/video production, and data networking. When completed, the project will serve the large rural population of Arkansas as well as provide linkages and educational support to our more urban areas.

This committee first voiced its support for the project in the fiscal year 1993, and the committee has continued to note its support every year since. Unfortunately, the University of Arkansas Divisions of Agriculture, which is sponsoring this project, has endured mixed results in getting the Department of Agriculture to honor the wishes of this committee. Promises were made and broken until the project came to the attention of Under Secretary Thompson and her staff in Rural Development. She and they have offered invaluable assistance, and I am pleased to note that the division received funding for the first phase of the project earlier this year and is actively seeking funding for the second and third phases. I should also note that the division has already committed sizeable non-federal resources to the project while reducing the total cost by nearly one-third. Am I correct in noting that the committee still strongly supports completion of this project?

Mr. COCHRAN, The ranking member is correct.

Mr. BUMPERS. And am I correct in noting that the committee will continue to actively monitor the progress of the Department toward fully funding the Arkansas communications project in a timely manner?

Mr. COCHRAN. The ranking member is again correct. The committee notes its strong approval of the Department for actively working to fund this important project from existing resources. The committee reserves the right to revisit this project next year should the Department fail to continue its laudable efforts.

Mr. BUMPERS. I thank the Chairman. Let me also note that the Department of Agriculture offered to assist the division in seeking communication funds from other Departments as well. The division recently submitted a grant request to the Department of Commerce and it is my expectation that the Department of Agriculture will follow through with their offer of assistance and support.

In addition to the Arkansas communications project, the Arkansas Enterprise Group has been trying to provide assistance for rural communities and smaller companies in Arkansas so that

they can join the increasingly global and international environment. However, the small companies which the Arkansas Enterprise Group is trying to help grow do not meet the criteria required to move unaided into the export market. They also fall between the cracks for other programs that aid companies to export products. Am I correct in noting that the committee supports the Arkansas Enterprise Group in their business international exporting loan fund?

Mr. COCHRAN. The ranking member is correct.

Mr. BUMPERS. Is it also the Senator from Mississippi's understanding that if State allocations are not sufficient to meet any States needs that a national reserve is available.

Mr. COCHRAN. The ranking member is correct.

Mr. BUMPERS. I thank the Chairman.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 965

(Purpose: To prohibit the use of appropriated funds to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 or later crop years)

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. GREGG, and Mr. WYDEN, proposes an amendment numbered 965.

Mr. DURBIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 66, between lines 12 and 13, insert the following:

SEC. 728. None of the funds made available in this Act may be used to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 or later crop years.

Mr. DURBIN. Thank you, Mr. President.

Mr. President, one of the most common questions asked of Members of the House and Senate at town meetings or in casual conversations across America is the following: ''Senator, if the Federal Government tells us that tobacco is so dangerous for Americans, why does the Federal Government continue to subsidize tobacco in America?

A variety of answers are given to that question. These answers reflect, in some ways, our wishes and, in some ways, misinformation, but the honest answer is, there is no answer. It is almost impossible to explain to America's taxpayers why we are subsidizing the growth of a product which we tell every American is dangerous when consumed.

How did we get in this predicament where we are subsidizing the growth and cultivation of tobacco in America? I would like to give a little history.

In the midst of the Great Depression in 1933, Congress responded to the plight of farmers facing declining prices by passing the Agricultural Adjustment Act of 1933. This was part of the New Deal legislation. When that legislation did not help halt the devastation spreading throughout the vast rural areas of our Nation, Congress in 1938 passed the Agricultural Adjustment Act of 1938, and in that act, tobacco price support programs were born. The legislation also created farm programs for a wide variety of other crops.

Over the years since then, we have changed and, in effect, totally overturned those supply control programs for almost every crop. Only a few crops continue to enjoy a program that looks like the 1938 bill. One of those select crops is tobacco.

The Agricultural Adjustment Act of 1938 also created the Federal Crop Insurance Corp. By 1945, tobacco and a number of other program crops enjoyed Federal crop insurance to protect farmers from unexpected crop losses. The Crop Insurance Program has gone through many changes over the years. The modern version of the program began in 1981, with a major reorganization, which I was part of, in 1994.

This year, for a farmer who has a typical crop insurance policy covering up to 65 percent of the crop's anticipated revenue, the Federal Government, the taxpayers, will pay 41.7 percent of the total premium. That is the direct subsidy to the Crop Insurance Program. In addition, the administration of the program is subsidized.

Finally, if losses exceed what is anticipated, the Federal Government is, in fact, the insurance company of last resort, paying, for most crops, the difference. This subsidy may make sense for many crops. It helps bring some stability to the production of food and fiber that Americans rely on. But this is the most important element.

Tobacco is not like any other crop in America. Tobacco is neither food nor fiber. Tobacco is the only crop grown in America with a body count. It is time we consider the health effects of tobacco in deciding whether our Federal Government should continue to subsidize insurance for this crop.

How different is tobacco? The tobacco crops that receive Federal assistance are processed into cigarettes and smokeless spit tobacco products that kill more than 400,000 Americans every year of cancer, heart disease, and a variety of other illnesses. These products also disable hundreds of thousands of other Americans with emphysema and other respiratory illnesses.

Many of my colleagues will argue, ''Why do you single out tobacco? For goodness sakes, these farmers are growing crops just like other farmers.'' These are not crops like other crops. Tobacco is different. Every day, 3,000 children in America become regular smokers for the first time. During their lifetime, around 30 of these 3,000 kids will be murdered, around 60 will die in a car crash, and around 1,000 of these kids, one in three, will die of smoking-related diseases.

Supporters of the tobacco program will argue that cutting off Federal crop insurance isn't going to stop kids from smoking. Well, that is true, but the issue really goes beyond children and smoking. We have a product here that has no benefit to human health. None. Not even if used in moderation. Every other crop insured by the taxpayers of this Nation and subsidized by this Government offers benefits, nutrition, protein, calories, fiber, every other crop except tobacco.

We are talking here about a product that the owner of one of our Nation's cigarette companies finally admitted this week under oath is addictive. Bennett LeBow, owner of the Liggett Group, admitted—finally admitted—that smoking causes cancer, heart disease, emphysema, and smoking is addictive.

This is not a news flash for most Americans, but we all remember, with a sense of shame, the seven tobacco company executives testifying before the U.S. House of Representatives, standing under oath saying that their product was not addictive.

Well, we have come a long way. Because tobacco and the nicotine in tobacco is addictive, many tobacco users find it almost impossible to quit. They are then set on a path for life that often ends in death.

So the issue before us today is: Should the Federal Government be subsidizing this crop? Should we, with our tax dollars, subsidize tobacco?

Last year, the Government spent $97 million on a variety of taxpayer-supported tobacco subsidies. This chart illustrates the Federal tobacco subsidies. When my colleagues argue there is no Federal subsidy, they should consider the real evidence before us.

In 1993, Federal taxpayers gave $65 million of Federal tax money to the growers and cultivators of tobacco.

In 1994, the figure was $60 million.

In 1995, $51 million.

In 1996, $97 million.

And it is estimated this year that we will spend $67 million to subsidize tobacco. At a time when we are gripped in a national debate about the devastation this product causes, we continue, through our Federal Treasury, to send millions of dollars to the tobacco growers. At a time when we are cutting back on basic education and health programs in the name of balancing the budget, for some reason, we can find the wherewithal and the political strength to divert $67 million to the cultivation and growth of tobacco.

The U.S. Department of Agriculture estimates that the tobacco-related expenditures for the current fiscal year will be about $67 million. What does this consist of? Thirty-nine million dollars is for crop insurance losses; $9 million for crop insurance administration. That is a $48 million crop insurance subsidy for tobacco.

So that you understand, the tobacco growers pay premiums for crop insurance, and then when they have a bad year and they file their claims saying, ''Our crops didn't come in as we expected,'' the premiums they pay are insufficient to cover their losses. Any other insurance company would go out of business at that point. Not the Federal Government. We step in and say, ''Let's open the Treasury; let's make up the difference.''

This chart tries to demonstrate specifically, when it comes to crop insurance subsidies, what we have been paying, what the net crop insurance losses have been each year, and you will see that these losses are substantial.

The administration of the program is also expensive ranging from about $5.5 million a year to over $11 million a year, money paid by taxpayers to subsidize crop insurance for tobacco.

The Congressional Budget Office has produced an official estimate that ending access to the crop insurance program and the noninsured crop disaster assistance program for tobacco would save us at least—at least—$34 million for the next year, and beyond that perhaps even more.

I am offering this amendment today with my colleague, Republican Senator JUDD GREGG of New Hampshire. Tobacco issues have always been bipartisan issues, as they should be. Our amendment will prohibit the Federal Government from providing crop insurance for tobacco.

For consistency, the amendment also prohibits payments for tobacco under the noninsured disaster assistance program, a new, surrogate risk management program created in the 1996 farm bill.

Federal taxpayers paid around $80 million in net tobacco crop insurance costs in 1996, including premium subsidies and overhead administrative costs. These costs have exceeded $29 million in every year since fiscal year 1993.

There are all the speeches given by all of the Members of Congress of both political parties protesting what the tobacco companies are doing and how tobacco is devastating the American population, notwithstanding each year we fork over millions and millions of dollars to promote the product that causes all this death and disease.

Now, who supports our effort with this amendment? It has been endorsed by a wide variety of health groups and spending watchdog groups, including the Action on Smoking and Health, the American Cancer Society, the American Heart Association, the American Lung Association, Friends of the Earth, the National Center for Tobacco-Free Kids, Public Citizen, Taxpayers for Common Sense, and the U.S. Public Interest Research Group.

The most common response from the tobacco side is, ''You got it all wrong, Senator. You just don't understand. Tobacco pays its own way.'' The so-called no-net-cost program was for many years tobacco's defense whenever we would raise these issues. This program, the so-called no-net-cost tobacco price support program, is in fact the no-net-cost program by and large.

Our amendment does not touch the program, so this program will continue. Those farmers who can and want to participate in it will be allowed to do so, at their own expense, not at the taxpayers' expense.

In each of the last several years, the Department of Agriculture spending on tobacco-related programs has cost about $50 million.

We want to make certain that, as we get into this program, the facts are clear. There are some who will say, ''Why are you picking on tobacco? We insure a lot of crops in the United States.'' You know, that is a fact. Here is a list, a partial list—we think there may be some more—of about 67 crops that are covered by Federal crop insurance. They run the gamut from almonds to wheat. Corn, of course, is in there, and soybeans, and so many other products which are used by Americans nationwide. We have decided, as a nation, that for these 67 crops, we will provide crop insurance.

The defenders of tobacco crop insurance will say, ''Well, wait a minute. If you're going to provide crop insurance for all these crops, why don't you provide it for tobacco?'' I have tried to make the public health case here that tobacco is different. But just to put in perspective the fact that there are many things grown, cultivated and raised in America in the name of agriculture and aquaculture which are not insured, I would like to offer the following charts of crops not covered by Federal crop insurance.

Forgive me if I do not read them because, honestly, we do not have the time. But as you can see in chart after chart—I am going to run out of space here if I am not careful—chart after chart, we have lists of crops grown by farmers across the United States for which there is no crop insurance.

In fact, these farmers are on their own. If they should happen to be growing seeds, as we have in this one chart here, or shrubs, for that matter, and they have a bad year, there is a drought or a flood, it is their own luck, maybe their own bad luck.

The final chart here wraps it up. Trust me. There are about 1,600 different crops ranging all the way from watermelons to sod and shrubs and so many other things that are not insured by the Federal Government. Among the more than 1,000 commodities not eligible are honey, broccoli, watermelon, cantaloupes, squash, cherries, cucumbers, snow peas, even livestock for that matter.

Our crop insurance restriction does not single out tobacco for unique treatment. It says that tobacco will not be in that special category of 67 insured crops but will be in the other category of about 1,600 crops and other things raised by America's farmers and ranchers which are not protected, and I think for good reason.

There is also a complaint that I am hurting small tobacco farmers with this amendment. Not a single farmer will lose a job because of this bill. This legislation does not affect crop insurance policies for the current crop year. The legislation does not affect the tobacco price support program or Federal extension services. Farmers will still be eligible to participate in the program at their own expense and sell tobacco to their customers.

Tobacco farming—and we will hear a lot about small tobacco farmers eking out a living—is one of the most lucrative forms of agriculture in America. Gross receipts for tobacco are around $4,000 per acre. We will be told about little mom and pop operations scraping by for grocery money raising tobacco. I am sure that can be the case, but keep in mind that people who are growing tobacco are netting per acre substantially more than any other legal crop grown in America.

For an acre of corn, you are lucky to bring out gross receipts of $300 to $400; for tobacco, $4,000. For an acre of wheat, gross receipts of $200 or less; for tobacco, $4,000 per acre. Data from the USDA indicates that net receipts from an acre of tobacco averaged between $450 and $1,100 per acre. According to one of my colleagues, farmers can get $1,844 in net profit from a net acre of tobacco compared to $100 for soybeans.

The value of the Federal crop insurance subsidy to tobacco farmers averages less than $100 per acre. So the question is, if a farmer is going to get $1,800 in profit off tobacco per acre, will he go out of business with a new additional cost of $100? I think not.

Can farmers replace this insurance? There is the private insurance market that they can turn to. It is not offered now because the Federal Government subsidizes crop insurance for tobacco. But insurance companies have never shied away from potentially lucrative new markets. We do expect, though, that farmers will have to pay their own way. Tobacco farmers will have to pay premiums which will match their losses. But this amendment, in ending the Federal subsidy for tobacco crop insurance, does not end the opportunity to buy insurance.

There has been an argument made that this will hurt minority farmers who will not be able to get loans to grow tobacco if they do not have crop insurance. This amendment will merely put these tobacco farmers in the same position as all of the farmers who currently grow crops not covered by crop insurance. The private insurance market will be expected to step in and provide this insurance.

Furthermore, in May 1997, the USDA published a study of ''limited-resource farmers,'' which includes many minority farmers. According to this report:

> Results of the research indicate that socially disadvantaged, small, and limited-opportunity operators tend not to purchase

crop insurance nor to participate in insurance-type programs operated by the USDA.

Some will argue we should not be doing this today because there is a tobacco settlement that is being debated. This settlement, I hope, is going to be enacted this year. But it may not be this year, it may be next year, it may be even longer.

As currently written, the proposed settlement does not address the crop insurance issue or any other issues related to tobacco subsidies. The farmers were not at the table—and I am sure this will be pointed out by one of my colleagues—during this negotiation for the tobacco settlement.

This amendment is outside the scope of the proposed settlement, and we can address this issue separately without getting into the complex issues raised by the proposed settlement.

Another argument is this will open the floodgates for foreign tobacco if we do not continue to provide this Federal subsidy, that the domestic tobacco market will suffer and foreigners will come in to take their place.

This amendment will not put domestic tobacco farmers out of business. It will not significantly raise the price of tobacco, which makes only a small part of the cost of a pack of cigarettes. The value of tobacco in a pack of cigarettes is estimated to be 10 cents. You know what people pay for those things? Two, three dollars and more per pack. So there is no reason to expect tobacco companies to change in any way the amount of tobacco they purchase from U.S. farmers.

Furthermore, we currently have a tariff rate quota in place for tobacco which restricts the amount of tobacco that can be imported. Previous Congresses have already prohibited USDA funding for tobacco-related research and export assistance.

This legislation takes another important step to make our agricultural policies more consistent with our health policies regarding tobacco. I called this amendment for a vote last year in the House of Representatives, and it came within two votes of passage. It is my understanding it will be offered again this year. In 1992, however, the House voted 331–82 to add an amendment to the ag appropriations bill to prohibit the use of Market Promotion Program export assistance for tobacco. This amendment was accepted by the Senate and became law.

In 1993, the ag appropriations bill extended this policy to all export assistance programs. In 1994, the same bill extended the prohibition on tobacco assistance to USDA's research program.

This legislation adds crop insurance and noninsured crop disaster assistance to the list of programs for which tobacco assistance is excluded.

Mr. President, I know that this amendment is controversial. Every tobacco issue that I have raised in the House and the Senate has been controversial. But I believe this is the right thing to do. If we make this decision today, we will be able to go back to our States and districts and in good conscience say to the voters that we got the message, that we have on the one hand said that tobacco is dangerous for Americans and we have on the other hand said our subsidy will be ended.

Putting an end to this Federal subsidy for tobacco reflects the reality of the national debate today. I believe that this amendment which Senator GREGG and I have offered is a step in the right direction to make our tax policy and our subsidy policy consistent with our public health policy.

At this point I will yield for a question to my cosponsor of the amendment, Mr. GREGG, or if he would like to seek time on his own, I will yield back the floor.

Mr. GREGG. I appreciate the Senator from Illinois yielding and congratulate him on this amendment, on which I join him.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DURBIN. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, it is a pleasure to be joining with my colleague from Illinois today in this amendment to correct what is an obvious inconsistency, to put it in conservative terms, in American public policy.

I think there is a general consensus now in this Nation that the use of tobacco is unfortunate, that we wish to discourage its use, especially amongst young people, and that as a government we are trying desperately to inform people of the harm of tobacco to their health and the addictive nature of tobacco and the fact that there is very little positive that comes from smoking tobacco.

We have had innumerable Surgeon Generals, including the great Surgeon General Dr. Koop, point out this problem as a matter of Federal public policy. We now have a commitment by this administration, and I believe by this Congress, to try to change the manner in which tobacco is marketed in this country, especially to the young people, so that we can lessen the impact of this harmful addiction on America and especially on our young.

Yet at the same time that we are doing this, at the same time that as a matter of Federal policy, as presented by the Surgeon General, as presented by the Congress, as presented by the administration, at the same time that we are pointing out as a matter of Federal policy that the use of tobacco is harmful and bad and it has a deleterious effect on health and a very dramatically negative impact on the financial situation of this Nation because of its costs in the area of health costs, at that same time we are subsidizing the capacity of the product to be grown. It makes no sense at all.

This amendment will save $34 million, but it is hardly the money that is important here. It is the statement of public policy that is important. The fact is that, if this Government is going to subsidize the growing of tobacco at the same time it is claiming tobacco is a scourge on the health of this country, we are sending two messages which are totally inconsistent and inappropriate.

Now, the insurance program, as it is presently structured, is a program which basically puts the grower of tobacco in a unique position, the position where essentially there is a no-loss situation where the Federal Government comes in and assures that the grower, whether tobacco grows or not, whether tobacco is brought to market or not, is able to recover the value of the tobacco.

This type of a fail-safe situation makes little sense for any commodity, but it certainly does not make any sense for a commodity which has already been declared a detriment to the health of America and especially to the health of children. More importantly, it is not needed. It is not even needed.

Tobacco is a very lucrative crop. In fact, compared to other crops, tobacco is dramatically more profitable than other crops. I have a chart which reflects that fact, which I will not subject you to because this floor gets enough charts, but essentially tobacco crops as a cash crop per acre generate approximately $3,700, whereas wheat, for example, on a per acre basis generates about $134 and corn on a per acre basis represents about $322. So tobacco is generating 10 times the value of corn and many times the value of wheat.

It hardly seems a crop which is so lucrative would need to have a Federal insurance program to guarantee it, but we do have that program, and that program costs about $34 million a year. Thus, this amendment, which will put an end to that type of an insurance program, which is, first, not needed because the crop itself is viable on its own, regrettably, but it is viable on its own at such high value that it should not be protected by this type of insurance program; but, second, an insurance program which flies in the face of the public policy of the Government generally, especially public policy as stated by the Surgeon General, the President, and this administration, that that type of program should be ended.

So this amendment ends it. It is about time we did that. It is certainly consistent with the direction which this Congress is moving and this Government is moving and the American people are moving relative to the use of tobacco and the harm that it is causing in the area of health in this country.

I congratulate the Senator from Illinois for bringing forward this amendment. I am happy to join him in it, and I hope that the Members of the Senate will support it.

I yield back the balance of my time.

Mr. FORD. Mr. President, there is no time agreement on this amendment, as I understand it.

The PRESIDING OFFICER (Mr. THOMAS). That is correct.

Mr. FORD. And there will not be for a while.

Mr. President, there is a lot of tobacco bashing going on and I understand that better than anybody in this Chamber. An agreement that has been negotiated—and my good friend from Illinois, even though we disagree on this, we are friends, understands—that negotiation is continuing and we will be called upon to make the ultimate decision as to whether that negotiated package will fly, will be passed, worked out, whatever.

Many parts of that negotiated agreement take care of everything that has been said by my two colleagues, except the farmer. The farmer was never at the table. You say you will hear a lot about protecting farmers, the little farm. You are darn right; you will hear a lot about it. They were not at the table, they were not considered, and so therefore, here we come, bashing the farmer again.

You say it is a lucrative crop. Well, let's look at something here. Kentucky's average farm size is 159 acres. The average farm size of Illinois is 370—that is the difference. Kentucky's average gross income per farm is $42,000 and the net to that farm is $11,000. The Illinois average gross income per farm is $128,000, three times what Kentucky's average farm income is, and their gross profit is more than double, $25,000 net profit. That is an Illinois farm compared to a Kentucky farm.

We talk about the gross net profit from one crop which is about an acre, 1 acre, you get $1,800. But the farmer has to be considered. The package has not. I am trying to figure out a way that I can be flat so when the steamroller comes, it won't hurt. But it is another attack on the tobacco farmer, even though there is no tobacco subsidy—no tobacco subsidy, and I underscore that.

Tobacco farmers participate—and my friend from Illinois said it—participate in a price support system that is completely paid for. In fact, tobacco farmers are unique in that they actually contribute millions of dollars each year toward deficit reduction—$31 million last year. There is not another crop or another farmer that is assessed to pay money into the general fund for deficit reduction.

Last year, the tobacco farmer alone paid over $31 million. I hear your loss is only 34—maybe it is only 3, because the farmer is paying almost all of that in an assessment for every pound he sells, and that is deducted from his check before he gets it, before he goes to the bank to pay his loan. Crop insurance is not a subsidy. It is not a subsidy. It is not unique to tobacco. The Durbin amendment does not hit the tobacco companies.

We hear all about the health. This amendment will not stop one person from smoking. What it will do is ensure that tobacco farmers will slowly but surely go out of business. That is what they want. Tobacco is a culture and it will take a while.

Before we became a nation, if you want to read history, it said that Mr. Jones came for his spring planting, his seed for his spring planting, and he paid for it with some of the finest tobacco I have ever seen. Tobacco was money. Referring to the Mother State, Virginia, the pages of Virginia history are splattered with tobacco juice. So tobacco has been here for a long, long time.

Over 60 percent, Mr. President, of every acre farmed in the United States is covered by crop insurance, and the number is higher for individual crops. Corn: 85 percent of every acre is covered by crop insurance. Sugar beets: 89 percent of every acre grown is covered. Wheat: 90 percent of every acre grown is covered by crop insurance. Cotton: 94 percent is covered by crop insurance.

Farmers will tell you what tobacco farmers know—all of these farmers will. Without crop insurance, there is no farm. That is because without crop insurance, banks will not make loans to growers for their farming operations. Farmers in my State do not just borrow money to grow tobacco, they borrow money to grow other crops. Their average income is $25,000, and their net profit is $11,000. But they would not have that if they could not get the crop insurance to lay down to the banker to support the loan.

No legitimate lender—and I say that, legitimate lender—will take the risk of lending to an uninsured operation. You cannot even borrow money on a house without an insurance policy, and there will not be a private-sector substitute for crop insurance, either. Talk about private sector. One of the reasons the USDA extends crop insurance to a particular crop is because a private-sector alternative does not exist. You say, ''Go out and get insurance.'' Well, you can't go out and get it; it doesn't exist. You can get hail insurance on tobacco at 7 percent of the loss. That is all you get from private carriers. I used to do it, I understand it.

This is what the American Association of Crop Insurers say:

> Privately, underwriting multiple peril insurance has been tried in the past and it has failed miserably. This is true for tobacco, as well. Hail, the only peril wholly privately underwritten, accounts for less than 7 percent of crop losses in tobacco-growing States. The private sector would be incapable of insuring the remaining 93 percent risk of loss on a multiple peril universal base without some form of catastrophic reinsurance from the Government, but while there is no farm without crop insurance, discriminating against tobacco farmers won't do anything to reduce tobacco use.

Won't do anything to reduce tobacco use.

Crop insurance doesn't promote increased use of tobacco any more than automobile insurance promotes an increase in car sales. The bottom line of the Durbin amendment is this: American farmers go out of business and whole communities in the South die. The big tobacco companies continue to make and sell cigarettes. While communities die, the manufacturers continue to make and sell cigarettes. If we are going to talk about making changes to the crop insurance system, it should not target the family farmer.

Before we get through, I will have a second-degree amendment to the amendment of the Senator from Illinois. My second-degree amendment would reform the crop insurance to make sure it supports family farms, not corporate farms. Let me repeat that. My second-degree amendment would reform the crop insurance to make sure it supports family farmers, not corporate farms. I'm prepared to fight this battle. If we are going to be changing crop insurance, I am prepared to offer second-degree after second-degree to make sure the changes are comprehensive and don't single out a commodity or a single type of farmer, because that is what the Durbin amendment does: It singles out one commodity grown in one part of the country by one type of farmer, a small family farmer.

Now, Mr. President, we just heard my friend from Illinois talk about the loss from tobacco insurance. Well, stand back. Here are all the losses from other crops. Wheat, since 1984, $288.7 million lost to the Federal Government—a subsidy to wheat farmers. I don't believe you would vote today to do away with crop insurance for the wheat farmer, because you say it is health. Well, everything Kentucky farmers or North Carolina, South Carolina, Georgia, or Tennessee farmers grow—even Wisconsin farmers grow tobacco—they get insurance. But they borrow money and insure other crops. Think about almonds. That was the very first one the Senator said—almonds. Almost $50 million in loss to the Federal Government. That is a lot more than tobacco. We could go down the list. Grain sorghum. I don't know where grain sorghum comes from—maybe from Illinois, maybe Wyoming, I don't know. But they lost $36.1 million. So we can get into even sunflowers lost, which is $22 million.

These are losses to other crops, and my friend would not vote to reduce the loss on wheat or almonds or barley or grain sorghum or these others, but he would on tobacco because he says tobacco is dangerous.

I am trying to help. I am trying to work out a package. I am trying to help negotiate. I have listened in every meeting. I have been to every meeting and we even had one group yesterday that the only thing they want in the negotiated agreement is some way to eliminate the addiction. That is fine. The biggest argument in the tobacco negotiated package will be what percentage of that package the trial lawyers are going to get. That will be most

contentious. It is not in there. That is to be negotiated yet.

The result of this elimination of the ability to secure crop insurance will be devastating to the farmers in my area. Yet, this is not the biggest loss to agriculture crop insurance. Mr. President, I have a letter from the Department of Agriculture addressed to Senator THAD COCHRAN, chairman of the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations, and I read just a couple of items. There were 89,000 tobacco growers—89,000 tobacco growers—with crop insurance policies in 1996. Tobacco growers in three States—North Carolina, South Carolina and Virginia—received $77.8 million in indemnities for losses due to back-to-back hurricanes that hit the east coast last year. These funds helped communities recover from disaster and were paid for in part by the producers themselves.

The significance of a program that encourages producers to assess their individual risk management needs and allows them to pay part of a cost for coverage must not be lost at a time when fewer dollars—fewer dollars—are available for other types of assistance. Elimination of tobacco crop insurance would place a greater burden on other sources of relief. So when you take it away from one place, you place the burden on other sources in case of a hurricane or tornado or flood.

But if you have insurance, that lifts the burden from these other areas that hasn't been offset in your figure here yet. The $77 million paid last year in three States hasn't been offset from the $34 million. So it makes a little bit of difference, I think, when you look at it in the true light. This idea of me crying crocodile tears for the small farmer, if that's what it takes, I will give you 30 minutes to draw a crowd to stop this amendment. This amendment is absolutely no different and the speech is no different than it was in 1992 or 1993 or 1994, or whenever it was.

So, Mr. President, I hope my colleagues will understand that, yes, we grow tobacco in Kentucky, yes, we grow a little corn, a little soybeans, a little wheat. We do the things that other small farmers do. I want you to remember that the farms in Illinois are almost three times as large as my average farm, and the net income to the farmer in the State of Illinois is more than twice what my farmers' net income would be. Yet, they do grow tobacco.

So, Mr. President, I am going to yield the floor soon so my colleague from Kentucky can have some time. But I want to make one final point. The distinguished Senator from Illinois said that all these other crops are not covered. I think about 1,600, something like that. First, they haven't petitioned the Federal Government for it. They haven't asked to participate. A lot of them have private insurance. So you have to be in a position of requesting it before the Government will consider it. I don't believe they have petitioned. So it's a little bit unusual.

We don't get anything in tobacco as it relates to the farm bill—not a dime. Corn gets crop insurance, and we have lost over $288 million. Yet, they get a check every year as a subsidy. They don't even have to grow it. That is what we call back in Kentucky a mailbox job. Just go out to the mailbox and get your check. Everybody lost that. So for every acre that they have and they signed up, they get a check every year for so much per acre, whether they grow it or not. The tobacco farmer doesn't get that.

So there is a bit of fairness here, I think, that ought to be given. As we work through the problems of the tobacco industry, we need to be sure that we understand that those who grow tobacco are just as human, just as religious, just as American, just as needy, just as hard working as the farmers that grow wheat or corn or granola or whatever. They are good Americans. I can take you anywhere in my State, in any town where we have a circle with a courthouse. Usually, on that courthouse is a monument of some kind to those tobacco farmers who gave their lives for this country in World War I, World War II, Vietnam, and the Persian Gulf.

So, let's try to work through this and understand that the people I represent have no control, basically, over what we are doing here. We are after the manufacturers, but we are getting at the farmer. Somehow, some way, we ought not make a farmer in my State who will net $1,800 off of an acre, which is labor intensive, to $4,000, and about half of that is expense. There is not as much work in corn, soybeans, or others. The weather works on all of them. But my people are just as hard working, just as sincere and, I think, need to be helped and looked after just as anybody else.

This amendment, according to the Secretary of Agriculture, would have a particular detrimental effect on thousands of small farmers in tobacco-producing States, not to mention the toll it would take on the economic stability of many rural communities. Just let me read that one sentence again. This amendment would have a particularly detrimental effect on thousands of small farmers in tobacco-producing States, not to mention the toll it would take on the economic stability of many rural communities.

An overwhelming majority of crop insurance policies in this area are sold to small farmers. It seems to me, rather than to cut the cord of economic stability on the farmer to get after something else, we ought to be sure that that farmer has an opportunity, and we will get around to others.

Mr. President, I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I congratulate my friend and colleague from Kentucky, Senator FORD, for his statement on behalf of the tobacco growers of our State.

Mr. President, the Durbin amendment is not directed at the tobacco companies; it's directed at the tobacco farmer. We don't have many big farmers in my State. We have about 60,000 tobacco growers in 119 of our 120 counties. They are everywhere. And the average base in Kentucky, Mr. President, is about an acre.

The profile of a typical tobacco farm family in Kentucky:

The husband probably works in the factory, the wife probably works in a cut-and-sew plant. They tend to their 1 acre of burley tobacco, and they sell it in the November and December auction, which provides for Christmas money and, for a lot of families, a lot more than Christmas money—Christmas plus a lot of other things they need for their families during the course of the year.

Now, the Durbin amendment seeks to drive these tobacco farmers out of business, as if somehow, if you drove the tobacco farmers out of business, there would not be any more tobacco grown. Of course, it would be grown. It would just be grown by others. It would be grown in big corporate farms of hundreds of thousands of acres under contract with the companies.

So bear in mind, my colleagues, you do nothing to terminate the growth of tobacco by driving the little tobacco grower out of business. It serves no useful purpose. Tobacco is going to be grown. It is going to be grown in this country, overseas, and already is grown in virtually a great many countries in the world. It is going to be grown, and nobody is proposing to make it illegal. The only issue before us, Mr. President, is who grows it? Who grows it? The tobacco program, which the tobacco growers themselves and the companies pay for at no net cost to the Government, guarantees that the production is in a whole lot of hands. In the case of the Commonwealth of Kentucky, it is in over 60,000 hands.

Senator DURBIN's amendment prohibits tobacco farmers from obtaining Federal crop insurance, as well as disaster payments. That is clearly directed at the farmer, the grower, not at the companies. The companies are going to get their tobacco, Mr. President. They are either going to get it from large corporate farmers under contract, or they will get it overseas. But they will get their tobacco, even if the 1-acre burley grower in Kentucky that Senator FORD and I represent is out of business and a whole lot poorer.

Currently, 1,500 crops are eligible for disaster payments under the non-insured assistance program. These are crops that are already eligible for traditional crop insurance. Therefore, if Senator DURBIN's amendment passed, in a natural disaster most small tobacco farmers would simply not be able

to recover their losses, putting them out of business. That is why I say—and as Senator FORD has said—this is an amendment directed at the farmer and not at the companies.

We have been plagued in Kentucky this year by natural disasters, as many other areas have as well, and with every other unpredictable element that farmers have to deal with—disease, labor, incredibly high expenses. Imagine that we would take away their only meager defense against Mother Nature just because they farm a legal commodity. It is simply unfair.

The amendment of the Senator from Illinois prevents many small- and medium-sized farmers from receiving protection against what could be catastrophic risks. Farmers may invest up to $2,800 per acre growing tobacco. Many of them do. A natural disaster—a loss of this magnitude—simply could not be overcome. So we are talking here about farmers who depend on their income from this crop.

Additionally, it is important to note that banks and lending institutions will find it difficult to approve loans for farmers who cannot obtain crop insurance. So we come down to the real issue here.

Senator DURBIN's amendment unfairly singles out tobacco farmers and tobacco-farming communities who grow a legal crop simply to try to get at the tobacco companies. Eliminating crop insurance for tobacco farmers does nothing to stop growing of tobacco or punish cigarette companies. The only individuals injured are those who can least afford it, those closest to the poverty level, and those most likely to be unable to find or afford alternative private insurance.

There is a lot of discussion about alternative private insurance. I don't think my typical grower with a 2,500-pound base is going to be able to afford to do that and still purchase that, and still grow the crop profitably. This amendment is not going to stop people from smoking. It will only hurt U.S. tobacco growers for whom tobacco pays the bills—not the big companies.

Tobacco farming, as we all know, is the starting point of over $15 billion that goes to Federal, State, and local governments in tax revenue, and contributes an additional $6 billion to the U.S. balance of trade. That is a $6 billion positive balance of trade.

By ignoring the need for disaster relief for the tobacco farmers, the precedent is being set for the elimination of crop insurance for other major commodities.

In 1994, we passed a law to end ad hoc disaster programs and have crop insurance be the primary risk management tool for farmers.

By ignoring the need for disaster relief for just one set of farmers—tobacco farmers who suffer natural disasters in the same manner that corn, wheat, soybean, and other farmers do—a precedent is being set to eliminate crop insurance for other commodities.

Mr. President, as Senator FORD has pointed out, Secretary Glickman is opposed to this amendment. The Farm Credit Council is opposed to this amendment. And the American Association of Crop Insurers is opposed as well.

Crop insurance is to protect families. That is what crop insurance is about: Helping to minimize the financial interruptions to their plans and lifestyles due to crop losses.

These are families who usually work two jobs, as I suggested earlier. In my State, these are not rich farmers. We are talking about people who cultivate about an acre of tobacco on the side, in addition to their normal sources of income. These farmers aren't in a business where they have excess amounts of money in savings. Everything is calculated, and income from tobacco is relied upon. By having crop insurance, it gives farmers, bankers, and communities peace of mind through income stability and minimizing risk.

Crop insurance also provides farm lenders with collateral that helps minimize liens on other assets, obviously avoiding or reducing a farmer's needs to rely on credit.

As I believe my colleague from Kentucky pointed out, Secretary Glickman said:

> I am determined that everyone will have access to crop insurance, large farmers and small farmers alike, especially those with limited resources—minorities and producers—in all areas of the country.

That certainly describes the 60,000 tobacco growers of Kentucky.

This amendment would have a particularly detrimental effect on thousands of small farmers in States like my own. An overwhelming majority of crop insurance policies in this area are sold to small farmers. Therefore, eliminating crop insurance for tobacco will not fulfill the Secretary's promise to poorer farmers. Rather, this amendment is squarely in opposition to the Department's stated policy of fighting discrimination against minorities and economically disadvantaged farmers.

Let me sum it up again. This amendment is directed at the farmer who is growing a legal crop. To the extent that this small farmer finds it difficult to acquire crop insurance, the potential for disaster for these small farm families is greatly enhanced.

The Durbin amendment does nothing to fight smoking. It does nothing to punish the companies. In fact, it is directed at the heart of the farming areas in the southeastern part of the United States.

I repeat: The average grower in Kentucky has about 2,500 pounds. That is about 1 acre. You push that fellow out of business, and tobacco will still be grown. It is going to be grown by big corporate farms. They are not going to be particularly concerned about this crop insurance issue. They do not have any trouble paying for it.

This amendment serves no useful purpose. If you want to fight smoking, this amendment is only directed at low- and medium-income farmers in places like the Commonwealth of Kentucky.

Mr. President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER [Mr. SANTORUM]. The Senator from Kentucky.

Mr. FORD. Mr. President, I ask unanimous consent that a letter from American Association of Crop Insurers, addressed to Chairman TED STEVENS and Ranking Member ROBERT C. BYRD, be printed in the RECORD.

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

AMERICAN ASSOCIATION OF CROP INSURERS,
Washington, DC, July 16, 1997.

Hon. TED STEVENS,
Chairman, Committee on Appropriations, U.S. Senate, The Capitol, Washington, DC.

Hon. ROBERT C. BYRD,
Ranking Member, Committee on Appropriations, U.S. Senate, The Capitol, Washington, DC.

DEAR MR. CHAIRMAN AND MR. RANKING MEMBER: It has come to our attention that an amendment may be offered to the Fiscal Year 1998 Agriculture, Rural Development, FDA, and Related Agencies Appropriations Bill that would eliminate crop insurance or any other form of government-supported disaster aid for tobacco. We are writing to express the American Association of Crop Insurers' (AACI's) opposition to such an amendment as well as to dispel a principal myth underlying the amendment.

AACI's membership consists of private insurance companies who deliver Federally reinsured multiple peril crop insurance to America's farmers as well as several thousand independent agents and adjusters affiliated with those companies. All AACI member companies are also involved in the private crop hail insurance business as well. AACI member companies and their affiliated agents collectively wrote over 80% of the Federal crop insurance sold by private companies in 1996.

Providing risk management protection to American crop producers is the sole reason that AACI member companies are in the crop insurance business. As long as data are available from which an actuarially sound insurance program can be developed, the insurance industry does not discriminate against crops that are insured nor the producers who grow those crops. If Congress were to discriminate against tobacco producers by denying them any form of Federal assistance related to their risk management needs, we believe that the economy of both the producers and the rural communities in which they live could be placed at severe risk that one disaster could substantially devastate. In addition, the economic health of several of our members who have considerable books of business in tobacco growing states would also be put at risk.

While it is true that the number of crops covered by Federal crop insurance is limited when compared with the total number of crops grown in the country, most if not all of the crops not currently insurable are covered by the noninsured disaster assistance program or NAP administered by the Farm Service Agency. However, both under existing law and under the proposed amendment, tobacco would be ineligible for such protection. This isolation among crops leaves the crop and its producers totally exposed to the uncontrollable risk of weather.

Some believe that this exposure could be covered by the private sector without assistance from the Federal Government. That is

not true for several reasons. First, the main reason the Federal Government is involved in crop insurance is due to the catastrophic nature of crop disasters and the inability of the private sector to bear that magnitude of loss. Privately underwritten multiple peril insurance has been tried in the past and it failed miserably. The inability of the private sector to bear the risk of loss from multiple perils is true for tobacco as well. Hail, the principal peril wholly privately underwritten, accounts for less than 7% of crop losses in tobacco-growing states. The private sector would be incapable of insuring the remaining 93% risk of loss on a multiple-peril, universal basis without some form of catastrophic reinsurance from the government.

Second, if tobacco farmers were to bear the full cost of the current policies, that cost would escalate from approximately $54 an acre to over $125 per acre—a more than 100% increase—when administrative costs are added, risk-based premium subsidies are removed, and some reinsurance costs are included. There would be many producers who could not afford those rates, especially the over 53,000 producers holding catastrophic policies for which they paid a total of $50, not $50 per acre.

Third, even if a private multiple peril tobacco policy was developed, private companies would be unable to make it universally available. Aside from it not being affordable to a large number of producers, the catastrophic nature of the risk would prevent companies from making it available to all producers. Individual risks would have to be underwritten and some risks would be denied insurance either directly or through cost-prohibitive rates. This is unlike the Federal program where companies must accept all insureds no matter what the risk without any individual adjustment of rates since the government sets the rates.

Providing risk management products to tobacco producers and producers of other crops in tobacco growing states constitutes a considerable source of income to a number of rural crop insurance agents and crop adjusters in those states. If crop insurance for tobacco were eliminated, that may actually threaten the ability of these agents and adjusters to stay in business thereby affecting insurance availability for producers of other crops as well. This is not to mention the impact on the rural community where the agents, adjusters, and their support staff live and work.

As long as it is legal to grow a crop in this country and there are actuarially sufficient data to provide insurance, AACI members do not believe that the crop or its producers should be discriminated against. Due to the inability of the private sector to offer an affordable, universally available private multiple peril insurance product on tobacco, there remains a proper role for government involvement. We encourage you to continue that role by rejecting any amendment that may terminate that responsibility.

Sincerely,

JOHN E. SHEELEY,
Counsel.

Mr. FORD. Mr. President, I would like to put in the RECORD at this point a letter from the Secretary of Agriculture to the chairman of the Subcommittee on Agriculture, Rural Development, Senator COCHRAN, and ask unanimous consent that it be printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, July 23, 1997.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR THAD: I am writing concerning an amendment to the fiscal year (FY) 1998 Agriculture Appropriations Act offered by Senator Richard Durbin, which would prohibit the use of funds to pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 and later crop years.

The Department of Agriculture (USDA) opposes this amendment. Crop insurance and noninsured crop disaster assistance programs comprise the principal remaining ''safety net'' for farmers suffering crop losses from natural disasters, since the elimination of *ad hoc* disaster aid. The adoption of this amendment will effectively end our ability to provide crop insurance and noninsured assistance payments for tobacco growers.

Crop insurance is an essential part of the producer ''safety net'' envisioned by the Administration's agricultural policy. There were some 89,000 tobacco growers with crop insurance policies in 1996, of which 69,000 actually planted the crop for the year. More than 550,000 acres were insured with liability exceeding $1.15 billion. Tobacco producers paid more than $20 million in premiums to insure their crops in recognition of the need to provide for their own risk management at a time when the Government is providing fewer and fewer farm subsidies.

Tobacco growers in three States (North Carolina, South Carolina, and Virginia) received $77.8 million in indemnities for losses due to back-to-back hurricanes that hit the East Coast last year. These funds helped communities recover from disaster and were paid for in part by the producers themselves. The significance of a program that encourages producers to assess their individual risk management needs and allows them to pay part of the cost for coverage must not be lost at a time when fewer dollars are available for other types of assistance. Elimination of tobacco crop insurance would place a greater burden on other sources of relief when disaster strikes.

This amendment would have a particularly detrimental effect on thousands of small farmers in tobacco producing States, not to mention the toll it would take on the economic stability of many rural communities. An overwhelming majority of crop insurance policies in this area are sold to small farmers.

I urge you and your colleagues to vote against this amendment when it is considered by the Senate. Please contact me if you should need further information.

Sincerely,

DAN GLICKMAN,
Secretary.

AMENDMENT NO. 966 TO AMENDMENT NO. 965

(Purpose: To limit Federal crop insurance to family farmers)

Mr. FORD. I send an amendment in the second degree to the Durbin amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 966 to amendment numbered 965.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the first word and insert the following:

LIMITATION OF CROP INSURANCE TO FAMILY FARMERS.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following:

''(6) CROP INSURANCE LIMITATION.—

''(A) IN GENERAL.—To qualify for coverage under a plan of insurance or reinsurance under this title, a person may not own or operate farms with more than 400 acres of cropland.

''(B) DEFINITION OF PERSON.—The Corporation shall issue regulations—

''(i) defining the term 'person' for purposes of subparagraph (A): and

''(ii) prescribing such rules as the Corporation determines necessary to ensure a fair and reasonable application of the limitation established under subparagraph (A).''.

Mr. FORD. Mr. President, what I have done here, as I said earlier, is to try to make crop insurance more comprehensive. So what this does is, it says that any farm with more than 400 acres that can be farmed not be eligible for crop insurance. The idea here is to let the corporate farmers pay for themselves, and try to protect the small farmer.

So I think that this amendment will make it fairer. It protects the small farmers. The corporate farmers, then, the big farmers, those over 400 acres of land that can be farmed—by the way, this does nothing out West as far as grazing land. It doesn't touch that part of it at all. It is land that can be farmed.

I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, this may surprise my colleague from Kentucky. I may support his amendment.

When I was chairman of the House Appropriations Subcommittee on Agriculture, I was considered by many to be pretty tough on the Crop Insurance Program, even though, as the Senator from Kentucky has noted, I come from a corn-growing State, a State with soybeans, a State which avails itself very much to a great extent in the Crop Insurance Program. I don't disagree with anything that my colleague from Kentucky said about the Crop Insurance Program. There are indefensible subsidies in this program.

I think, if he is going to address an overall reform of crop insurance, he may be surprised to find me as an ally. I had an amendment which I offered 1 year in the appropriations subcommittee. If I recall it correctly, it said that if you have sustained losses in 7 out of the last 10 years on your crop, you would be ineligible for crop insurance. I have this basic theory that if you couldn't grow a crop for 7 out of 10 years, God was telling you something about your land, that crop, or your talent, and that Uncle Sam and the Federal Government shouldn't be talking back to God in this instance and saying we will continue to insure the crop.

There were a lot of people critical of my amendment because they had worked out a very sweet deal where they would plant crops that could never grow. It wasn't a sufficiently long growing season. But the crop was eligible. They would make their application. Lo and behold, the crop would fail again, and the Federal taxpayers would be asked to make up the difference.

So, if the Senator from Kentucky is suggesting some basic reform of the Crop Insurance Program, I think I might be his ally. And if he is talking about limiting crop insurance to smaller farms, I think he might be surprised to find that we can work on that as well. But I think, in all honesty, that this amendment might never have been offered if I had not started an amendment on tobacco crop insurance.

That is what this is about. It is not about reform of the crop insurance. It is about tobacco. And the two Senators from Kentucky, whom I respect very much, in defense of their State and its crop, have stood up and said, ''Why are you picking on us? Why do you single out tobacco?'' As one Senator from Kentucky said, tobacco is perfectly legal. That is true. But tobacco is also perfectly lethal. Tobacco is a killer. You have to eat an awful lot of corn and soybeans to die. But you start smoking, get addicted, the chances are 1 out of 3 that it is going to kill you.

So, to the farmers who are growing it, who, for all intents and purposes and all appearances, look like any other farmer, what they are harvesting and what they are selling is devastating. For us to turn our backs on it and to say it is just another crop is to ignore the obvious.

Tobacco is the No. 1 preventable cause of death in America today—No. 1. Sure, we are concerned about AIDS. Certainly we are concerned about highway fatalities. Of course, we are concerned about violent crime. But if you want to save American lives, the first stop is tobacco. Take a look at what it does to us.

For my colleagues to stand up and say, ''It is just another farmer, it is just another agricultural product, why do you single us out,'' it is because it is the only crop, when used according to the manufacturer's directions, will kill you. You can't smoke in moderation. You start this addiction, and you will end up generally as a statistic.

So, when I bring this amendment to the floor to talk about crop insurance for tobacco, I can understand my colleagues from tobacco-producing States. I can understand it completely. I have represented a congressional district and a State which has its own interests, and I have try to defend those interests. I think that is part of my responsibility.

But I say to my colleagues who are viewing this debate and making up their own mind: Make no mistake, tobacco is not just another product. Crop insurance for tobacco is a blatant contradiction that we would piously pronounce through the Surgeon General's office and the Department of Health and Human Services that this crop is a killer, that these tobacco products are claiming lives—even innocent victims like these flight attendants who are now suing down in Florida who happened to be exposed to secondhand smoke. Their lives were in jeopardy, too. We know this. We concede this. We advertise this. We spend millions of dollars to police this industry because we know what they are doing. They are addicting our children, and they are killing our fellow citizens.

That is why it is totally inconsistent for us to be in a position where year after year we are plowing millions of taxpayer dollars collected from people across the United States into the subsidy—underline the word ''subsidy''—of tobacco growers.

I just marvel when my colleagues get up. We can argue a lot of this on the merits. But it takes my breath away to hear these colleagues stand up and say that there is no tobacco subsidy.

Let me go back to this Federal tobacco subsidy chart.

There is this tobacco subsidy: $65 million in 1993; $60 million in 1994; $51 million in 1995. In 1996, when I first took on this issue, they estimated our losses would be about the same—$50 million. They went to $97 million, and then in 1997 the estimate was $67 million.

Mr. FORD. Will the Senator yield for a question?

Mr. DURBIN. I am happy to yield for a question.

Mr. FORD. I am sure he will be able to answer this and make me look bad. But this is just on crop insurance.

Mr. DURBIN. It is on crop insurance and administering the program.

Mr. FORD. Administration of the program.

Mr. DURBIN. I think there are two or three other small, related areas.

Mr. FORD. This is just tobacco.

Mr. DURBIN. That is true.

Mr. FORD. What about the $77 million that went to the hurricanes in North and South Carolina and Virginia that was paid and helped the communities or they would have taken the money out of some other fund as it relates to disasters?

Mr. DURBIN. I don't believe that these figures include any national disaster assistance of that nature. It is strictly related to crop insurance.

Mr. FORD. Is the money in the premiums in your figures here paid by the farmer—deducted, and this is the net?

Mr. DURBIN. What this represents is the net cost to the Federal Treasury.

Mr. FORD. Just for that. And what about the overall loss from other crops?

Mr. DURBIN. Oh, it is substantial.

Mr. FORD. Substantial.

Mr. DURBIN. I can recall, 1 year it was $240 million, all crops included.

Mr. FORD. Here you are damaging the farmer that is beginning to feel the pinch anyhow and hoping that we could negotiate some kind of an agreement. He is left out. You still want to eliminate this part of his everyday life.

Mr. DURBIN. I want to eliminate crop insurance for tobacco. I will concede to my colleague that the overall subsidy for crop insurance, as I said at the outset, is an issue well worth addressing. The fact that we would spend—perhaps the Senator from Mississippi has more current figures—we would spend in the neighborhood of $200 million subsidizing crop insurance in America is an issue which I will happily join with my colleague from Kentucky and other States to address.

But lest we forget, this debate started on the issue of tobacco, and although many of my colleagues want to raise a variety of other issues, we still have to face the reality that when this debate is over, we are going to face this question time and again when we go home: Senator, what's going on here? I can't pick up a newspaper, a news magazine, turn on the radio or television and I am not being told how bad tobacco is for America. Why do you keep plowing millions of my tax dollars into the subsidy of this tobacco crop? How can you justify it?

I cannot. That is why I am offering the amendment. And I would say to my colleagues from the tobacco producing States, it is time to accept reality. And reality will tell you this. The day when the Federal Government rushed to the rescue of tobacco is over. I do not know if I will succeed with this amendment today, but tobacco's days in the U.S. Department of Agriculture are numbered. They know it, the tobacco farmers know it, and the tobacco companies know it. They know full well, as they have watched the course of events over the last 5 or 6 years, that each year we have eliminated another Federal program relative to tobacco—research, export assistance, market promotion program. We have closed those doors, and those doors have remained shut.

The tobacco growers and industry realized long ago that if they wanted an allotment program that gives them the advantage of making the kind of money we are talking about, they would have to pay for their own program. And they did it. And yet now we are in a part of this debate where they are saying we want to hang onto this last Federal subsidy.

Make no mistake; this second-degree amendment offered by my colleague, the Senator from Kentucky, does not just reform crop insurance. It strikes our prohibition before inserting his addition. So he is not adding to my amendment. He wants to get me out of the way. He wants to talk about crop insurance programs. He does not want to talk about tobacco. That is a delicate subject. But it is a delicate subject I have been talking about for 10 years.

And I want to tell you, too, I think the tide of history is on my side. I hope I am around to see that tide hit the

shore. I hope I am still standing when it does. But a little over 10 years ago, I offered the first amendment in my long and checkered career on this issue to ban smoking on airplanes—10 years ago. Every leader in the House of Representatives, Democrat and Republican, opposed me, every committee chairman, and we went to the floor. They said we were meddling with tobacco, and they did not care for it, and tobacco lobbied. Folks, I want to tell you, the monsters of the midway are not the Chicago Bears. The monsters of the midway are the tobacco lobbyists in this town. They came down like a ton of bricks on this amendment. But you know what. We won. By 5 votes we won, 198 to 193, and I was the most surprised Member of Congress standing in the Chamber of the House when it happened.

What it told me then and tells me now is that we are going to win this battle—maybe not today. I hope we do. Maybe not today, but we will. And the tobacco growers and tobacco companies have to accept the reality that if their product is to remain legal, if it is to remain legal, they have to change the way they do business. They have to stop asking for this Federal subsidy. They have to stop selling tobacco to our kids.

If they do not agree to those two things, they are going to continue to face this kind of opposition year in and year out, and it will continue unabated. Those who are here in the Chamber, my colleagues, and some who are in the gallery who have taken the time to tour this beautiful building—and it is magnificent. I am very proud to be a Member of the Senate and to be able to practice my profession in this building—they will take a look around at the columns as they walk through the corridors and they will find at the top of these columns a curious leaf.

What could it be? Well, you know what. Many of these columns are adorned with tobacco leaves. It tells you something about the history of the United States of America and the history of this Congress. When the President of the United States comes for an address to the Joint Session of Congress, State of the Union Address, for example, he stands in front of a wooden podium. Carved in the side of that wooden podium are tobacco leaves. It is part of America and it is part of our history. And there are some people who do not want to give up on that piece of history. They want to hang in there one more year for tobacco: Oh, we can do it. We can survive. We can offer perfecting amendments. We are going to fight for 1 more year.

But the tide of history is not on their side. It was not that long ago, even in my lifetime, when doctors used to advertise the healthiest cigarettes to smoke. It has not been that long ago that you could have a smoking and nonsmoking section on an airplane and create the fiction you were protecting people, knowing full well that you were not.

Those days are over. And as these tobacco companies come in here ready to negotiate, not because of a guilty conscience, because of their additional efforts to make money, we can see the tide changing. And yet we hang onto this vestige of the old school, this relic of history which for 60 years has said that the Federal taxpayers will defend and subsidize tobacco. That has to come to an end, and it has to come to an end sooner rather than later.

Let us take the money we save with my amendment and use it for valuable, positive things that will help all of rural America. Let us use it for programs that are beneficial, health assistance to everyone across this Nation. The amendment that has been offered by my colleague from Kentucky is an amendment which seeks to win this battle today, put it off, at least the overall issue, for another day. But that is not good for America. It does us no good as a nation to turn our back on this reality.

I say to my colleague as well, although he may question this, I will tell him in all sincerity, I understand his concern for his farmers. I give him my word now as I have in previous debates that if he is prepared to offer an amendment as part of this tobacco agreement to help his farmers, either phaseout of tobacco growth, move in other areas, I will be there, I will help him. Tobacco companies owe a great deal to the American tobacco growers, and I don't run into too many tobacco farmers who defend them, incidentally, because they know full well these same tobacco companies haven't treated America's tobacco farmers very well. They continue to import cheaper tobacco from overseas. They turn their backs on the very farmers whose tractors and skirts they have hid behind for decades. It was not fair the tobacco growers were not at the table.

If the Senator from Kentucky or anyone on that side of the debate wants to suggest a change in this overall agreement to provide assistance to those tobacco growers so that they can phase in to a different type of production or phaseout of tobacco growth, I am happy to join him in that effort. My war is not with those farmers. My war is with what they are growing in their fields, because what they grow in those fields is deadly. It is lethal. It is something that can't be ignored or swept aside as just another agricultural issue.

I can recall during past debates on this people have stood up and said you can't single out tobacco when it comes to America's export policy, and yet we have done it. People have said you cannot single out tobacco when it comes to research. Basically, we have done it. People have said time and again that you cannot separate tobacco as a crop. But I believe the American people know the difference. They know the difference between a bushel of corn that may be used for a variety of positive things. They know the difference between a bushel of soybeans that may be used for a variety of things, positive for American families, or a bail of cotton. You cannot say the same thing about these tobacco leaves.

So, Mr. President, I oppose this amendment, not because of its underlying wisdom but because it is offered only, exclusively, solely for one reason—push the tobacco debate off for another day. I believe, and I believe my colleagues will join me in this belief, that you cannot wait another day. You have to move forward with this debate and address this issue now.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this has been a very vigorous and informative debate, in my judgment. I have no parochial interest in that our State does not grow tobacco. We have no program for tobacco, for any of the producers of agricultural commodities in our State, but I am persuaded by the arguments that have been made by the Senator from Kentucky about the economic consequences of this amendment, and that is bolstered by the letter the distinguished Senator from Kentucky [Mr. FORD], mentioned that had been received by me today from the Secretary of Agriculture which points out the detrimental effect that the amendment offered by the Senator from Illinois would have on agriculture producers in the United States if it were to be passed by the Senate.

So I am constrained to oppose the amendment of the Senator from Illinois, but I am also troubled very much by the second-degree amendment that has now been offered by my good friend from Kentucky which limits the application of the crop insurance program to farmable acreage of less than 400 acres. And that is troubling because so many of our farmers in my State and elsewhere throughout the country have more than 400 acres under cultivation, and this would be discriminatory in a different kind of way. So I am troubled by that amendment and I do not want to see that passed.

So I am in a position and I think the best course of action for me as manager of the bill is to move to table the underlying amendment. If that motion to table passes, then it takes both the underlying amendment and the second-degree amendment with it as I understand it.

So at this point, knowing that debate has been occurring for a little over an hour now and with the knowledge that we will set this aside, not to vote on it now but at a time to be determined later, I now move to table the underlying amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GREGG). Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the vote on the motion to table be set aside and to

occur at a time to be established later in the day.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Alaska.

CONDEMNING THE GOVERNMENT OF CANADA

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 109, which was submitted earlier today by my colleague, Senator STEVENS, as well as myself and other Members.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 109) condemning the Government of Canada for failing to accept responsibility for the illegal blockade of a U.S. vessel in Canada and calling on the President to take appropriate action.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MURKOWSKI. Mr. President, this resolution expresses the sense of the Senate that the Government of Canada failed to act responsibly to quickly restore order and the rule of law during the recent blockade of the Alaska State ferry, the motor vessel *Malaspina*. I am pleased to be joined in this measure by the senior Senator from Alaska, Senator STEVENS, the chairman of the Foreign Relations Committee, Senator HELMS, and the senior Senator from Washington, Senator GORTON.

Mr. President, the amendment responds to this illegal blockade, in which a large number of Canadian fishing vessels joined forces to prevent the *Malaspina* from departing from Prince Rupert, BC, from approximately 8 a.m. Saturday morning until approximately 9 p.m. on Monday.

The actions of these Canadian fishermen was a clear violation of international law which provides for the right of free passage, and continued Monday in violation of a Canadian court order against the blockade, issued on Sunday. Obviously, Canadian authorities had a difficult task, but the reality is that they failed to take timely action to disperse this illegal demonstration. Indeed, they delayed even serving their own Canadian court's injunction against the blockaders.

This incident caused distress, financial harm, and inconvenience to some 300 passengers, primarily American passengers, on board the vessel, and to the State of Alaska that operates the system, and to companies which had consigned freight shipments to the vessel. While the Canadian fishermen claimed their action was in response to a fishing dispute, the blockade of this vessel went far beyond any fishing dispute into a very dangerous area, and created an international incident.

There is little difference, in reality, between this blockade and the interruption of traffic on a major international highway such as New York's Route 81 to Montreal. The Alaska Marine Highway System is part of our U.S. Interstate Highway System. Operating money for the *Malaspina* and other vessels in the system receive funding through ISTEA, our national highway legislation. Any vehicles that can traverse the interstate highways of Alaska can be accommodated in the MV *Malaspina*. It carries approximately 105 cars, vans—you name it. So, it is an official part of the U.S. National Highway System. Moreover, Mr. President, this ship was also carrying the U.S. mail.

This resolution will put the Senate on record in opposition to this and future illegal attacks on the U.S. transportation network, and specifically the Alaska Marine Highway System. It calls upon the President to do whatever is necessary and whatever is appropriate to ensure that the Government of Canada takes steps to guarantee that illegal actions against American citizens will not be allowed. It also calls on the President to assist American citizens who were harmed by this illegal action to recover damages from those responsible and/or from the Canadian Government.

Yesterday I spoke with Canada's Ambassador to the United States. He apologized for the burning of the U.S. flag by one of the fishing vessels—an unfortunate incident. On the other hand, even at that time, more than 2 days after the beginning of the blockade, the Ambassador was not able to confirm to me that his government had the necessary commitment to take appropriate steps that may be necessary in such illegal actions. He indicated that he would attempt to find out what action would be considered if the vessels didn't voluntarily depart the area.

I am still awaiting the call, although the issue has since been resolved. Ultimately, it was the fishermen themselves who decided to remove that blockade, not any formal action of the Canadian Government in enforcing, if you will, the Canadian court order. Indeed, the Canadian Minister of Fisheries, who met with the fishermen yesterday, was quoted in the press as saying he would not even ask the fishermen to cease the blockade.

I know emotions run high. I very much value our relationship with our Canadian neighbors. But an unlawful act such as this, where United States commerce is affected, United States mails are affected, the orderly transportation of United States citizens is affected, and the Canadian and the British Columbian justice systems fail to take immediate action to terminate the illegalities, was very disappointing to those of us in Alaska and the United States.

I know the administration views this matter seriously. I know they have under consideration certain steps that may be necessary to protect U.S. interests. I believe the Senate should show its support for the President in this matter and that is exactly what the resolution does.

It specifically encourages using United States assets and personnel to protect United States citizens exercising their right of innocent passage through the territorial seas of Canada from such illegal actions or harassment, until such time as the President determines the Government of Canada has adopted a long-term policy that ensures such protection. That could include escort by the U.S. Coast Guard, if necessary.

Second, it says we should consider prohibiting the import of select Canadian products until such time as the President determines that Canada has adopted a long-term policy that protects United States citizens exercising the right of innocent passage through the territorial seas of Canada from illegal actions or harassment.

Third, it suggests the possibility of directing that no Canadian vessel may anchor or otherwise take shelter in United States waters off Alaska or any other State without formal clearance from United States Customs, except of course in the case of storms or other emergencies.

Fourth, it reflects that the President might find it appropriate to say that no fish or shellfish taken in sport fisheries in the Province of British Columbia may enter the United States.

Last, it suggests enforcing U.S. laws with respect to all vessels in Dixon Entrance, including the waters where jurisdiction is disputed. It is my hope these actions will not be necessary, and that we will get the necessary assurances from the Canadian Government.

Many say this is a fishing issue. Mr. President, the fishing issue is paramount but that can only be resolved through negotiations. It is fair to say of the last negotiation, that the Canadians saw fit to walk out and have not been back since. It is my hope those negotiations will resume soon, but that takes two parties to begin.

In any event, I ask my colleagues for support on the Senate resolution.

Mr. President, It is my intention, with the permission of the floor manager, to ask for the yeas and nays on the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MURKOWSKI. I assume we could, perhaps, arrange for a rollcall vote around 4 o'clock, or stacked with the other votes that are pending, if that is in agreement with my friend?

Mr. COCHRAN. If the Senator will yield, I am prepared to make a unanimous-consent request to that effect, if that is satisfactory to the Senator.

Mr. MURKOWSKI. I yield the floor and I thank the Presiding Officer and my colleague.

Mr. COCHRAN. Mr. President, I ask unanimous consent that Senate Resolution 109, the Murkowski-Stevens resolution, be temporarily set aside and a vote occur on the adoption of the resolution at 4 o'clock p.m. today, to be immediately followed by the vote on the Cochran motion to table the Durbin amendment, No. 965. I finally ask consent that there be 2 minutes, equally divided, for debate prior to the second vote.

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

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate resumed consideration of the bill.

AMENDMENT NO. 963, AS MODIFIED

Mr. COCHRAN. Mr. President, I send a modification to amendment numbered 963 to the desk.

The PRESIDING OFFICER. Without objection, that amendment is modified.

The amendment (No. 963), as modified, is as follows:

At the appropriate place in the bill, insert the following:

SEC. ___. RURAL HOUSING PROGRAMS.

(a) HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(b) HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES AND OTHER LOW-INCOME PERSONS AND FAMILIES.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1997'' and inserting ''September 30, 1998''.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(3) LOAN TERM.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(A) in subsection (a)(2), by striking ''up to fifty'' and inserting ''up to 30''; and

(B) in subsection (b)—

(i) by striking paragraph (2) and inserting the following:

''(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;'';

(ii) in paragraph (5), by striking ''and'' at the end;

(iii) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(7) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

''(A) the Secretary determines—

''(i) it is more cost-efficient and serves the tenant base more effectively to maintain the current property than to build a new property in the same location; or

''(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

''(B) the Secretary determines—

''(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

''(ii) any other criteria established by the Secretary has been met.''.

(c) LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following:

''(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEE.—In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amount as may be provided in appropriation Acts for such fiscal year.'';

(2) by striking subsection (t) and inserting the following:

''(t) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1998 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year.''; and

(3) in subsection (u), by striking ''1996'' and inserting ''1998''.

Mr. COCHRAN. For the information of Senators, this amendment modifies the amendment previously agreed to, that had been offered by me for Senators D'AMATO and SARBANES regarding rural housing.

Mr. President, we hope to continue to consider amendments of Senators so we can proceed to complete action on this bill today. We now have two votes that have been set to occur beginning at 4 o'clock this afternoon.

There are, to our knowledge, at least two more amendments that are going to be offered that will probably require rollcall votes. What we would like to do is to stack votes on those amendments immediately following the votes that have now been ordered, and then have final passage of the bill.

To do that, we need to have the cooperation of all Senators who are interested in the passage of this bill and those who have amendments to the bill. We hope they will come to the floor as soon as possible to offer their amendments.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HARKIN. Mr. President, first I want to commend the chairman, Senator COCHRAN, and the ranking Democratic member, Senator BUMPERS, for their efforts in putting together this Agriculture appropriations measure. They have put a lot of work into crafting a bill that stays within the subcommittee's allocation while seeking to satisfy many competing demands for funding. I have appreciated very much working with them and with their staffs in the subcommittee on this bill.

AMENDMENT NO. 968

(Purpose: To provide funding for tobacco and nicotine enforcement activities of the Food and Drug Administration, with an offset)

Mr. HARKIN. Overall, I believe it is an excellent bill and one I wholeheartedly support. However, there is in this bill, I believe, a glaring shortfall relating to the level of funding provided for the Food and Drug Administration's enforcement and outreach efforts to prevent smoking by America's children.

The budget request for FDA includes $34 million for this purpose, but the reported bill provides only $4.9 million. The amendment that Senator CHAFEE and I will be offering will provide FDA the full $34 million it needs to implement a nationwide effort in all 50 States to help our kids avoid the deadly trap of tobacco. The needed funding is truly a drop in the bucket compared to the $50 billion or more our Nation spends each year on medical costs attributable to smoking.

Everyone, including even the tobacco companies, claims to be against underage smoking. But those assertions are just empty words if we fail to provide the necessary resources to carry out the FDA rules specifically designed to prevent sales of tobacco to children.

With this amendment, the rubber really meets the road. It presents this body with a clear choice whether we are really serious about attacking underage smoking.

In discussing our amendment, I hope that Members of the Senate will not lose sight of what is really at stake. Disease, suffering, and death caused by smoking and nicotine addiction is clearly at horrendous proportions in our Nation. With a death toll of more than 400,000 each year, smoking kills more Americans than AIDS, alcohol, motor vehicles, fires, homicides, illicit drugs and suicide all combined.

Here is a chart, Mr. President, that shows that in graphic detail: The comparative causes of annual deaths in the United States. Here we see 30,000 in AIDS deaths, 105,000 from alcohol, and those from homicides, illicit drugs, suicides. Here is smoking, 418,000 per year. There are more deaths caused by smoking than all of the rest put together.

This is truly an epidemic, an epidemic that begins with underage smoking. Mr. President, 4.5 million kids aged 12 to 17 are smokers today. Almost 90 percent of adult smokers began at or before the age of 18. The average youth smoker begins at age 13 and becomes a daily smoker by the age of 14½. Thousands of our kids are drawn into smoking every day. It is no longer even an arguable point that they have been targeted for recruitment into a deadly habit. Today, just like every day, 3,000 young Americans will begin

smoking and 1,000 of them will die from it. At current rates, 5 million American kids under 18 who are alive today will be killed by smoking-related disease.

The upward trend in teenage smoking is even more frightening. Smoking among high school seniors is at a 17-year high. Mr. President, again, here is a graph that shows it in detail. The smoking rates among high school seniors are at a 17-year high. These are the trends of cigarette smoking among high school seniors, 12th grade, 1980 to 1996. Look what has been happening since about 1991, 1992. This graph is going off the charts—a 17-year high.

The statistics on smoking among young women and girls are just as shocking. Smoking among eighth grade girls—yes, I said that correctly, eighth grade girls—jumped over 60 percent from 1991 to 1996, with rates of smoking now higher for 8th- and 10th-grade girls than for boys. And smoking among black children of this age nearly doubled during this time period.

Our children are our future, as we all know. But thanks to smoking, millions of American kids will not be leading long and fulfilling lives. Instead, they will be filling hospital beds and coffins long before their time.

The epidemic of teenage smoking is a crisis that is beyond partisanship. Responding to it should lift us up above everyday politics. That is why I am so proud to have the distinguished Senator from Rhode Island, Senator CHAFEE, as a cosponsor of this bipartisan amendment.

Unquestionably, Mr. President, a key factor in youth smoking is that it is far too easy for kids to buy tobacco. Not only is it far too easy, but we now know that the tobacco companies, through the use of slick advertising, through the use of Joe Camel, through the use of the Marlboro Man and Virginia Slims and all of the fancy advertising that they have done, have targeted kids with Marlboro gear, the Camel coupons you can redeem for Camel gear and for beach wear and radios and cassette players, jackets and all the things that teenagers like to accumulate. We know that the tobacco companies have targeted teenagers for smoking with their advertising.

When you combine that targeting of the advertising with the easy access for kids to buy tobacco, that is why you have teenage smoking at a 17-year high. I believe that this recent rise is due to the tremendous amount of advertising targeted to our youth and the ease with which youth can buy tobacco.

A review of numerous studies has shown that children and adolescents were able to buy tobacco products successfully 67 percent of the times that they tried. Over 60 percent of kids who smoke say they buy their own. One study showed that over 75 percent of underage high school students who had bought cigarettes in a store or a gas station in the past 30 days said they were not asked to show proof of age.

It has been demonstrated that enforcement of youth access laws can successfully reduce tobacco sales to minors and reduce youth smoking rates. That just makes good common sense and that is exactly the basis on which the FDA acted.

Let me describe the FDA initiative that our amendment funds. In August of 1996, FDA issued rules specifically designed to reduce the number of kids who start smoking. The most important of the rules set a national legal age of 18 for the purchase of tobacco products and require retailers to check photo ID's of consumers seeking to purchase tobacco who appear to be younger than 27 years of age. Those rules went into effect in February of this year.

Now, some might say, is this necessary that we have this photo ID rule with a cutoff of 27 years of age? Well, I ask you, Mr. President, and other Senators to look at this picture. Which one is age 16? Is it Melissa here on the left or is it Amy here on your right, both coming up to the counter to buy cigarettes? Can you tell which one is 16? If they walked into a store, would the clerk know which one was under age 18? Well, to eliminate the guesswork, FDA requires retailers to card anyone, to have proof of ID for anyone who appears under 27. In case you are wondering, Melissa here is 16 and Amy here is 25. That is the problem we have. And that is why FDA acted.

The public overwhelmingly supports putting a stop to illegal sales of tobacco to minors. A new poll shows that 92 percent of Americans agree that young people should be required to show a photo ID to buy tobacco products. Eighty-seven percent agree with the FDA rule setting a national minimum age of 18 for buying tobacco mandating ID checks of all tobacco purchasers appearing to be under the age of 27.

FDA needs $34 million for enforcement and outreach that will help all 50 States carry out the minimum age and photo ID rules. There is no question that the States need help in the area of enforcement. Despite the fact that it is against the law in all 50 States to sell cigarettes and smokeless tobacco to minors, our young people purchase an estimated $1.26 billion—billion—worth of tobacco each year. The FDA initiative directly addresses these enforcement problems. It will keep tobacco out of the hands of children.

Of the $34 million, $24 million will go to enforcement and evaluation, with the vast majority of that going out to the States through contracts. And $10 million of the $34 million will go to outreach efforts for educating retailers and the public about complying with the rules.

The point of the initiative is to prevent our kids from buying tobacco illegally and to help our small businesses and our retailers to come into compliance with the law. The FDA initiative is not a new, big Federal regulatory program. The bulk of the money will go directly to support State and local efforts. Without this funding, the States will not have the resources they need for their efforts against illegal tobacco sales to kids. By the end of fiscal year 1997, FDA expects to have contracted with the first 10 States. The increased funding will allow a comprehensive national enforcement effort with contracts in all 50 States.

Now, Mr. President, it is true that the tobacco industry has challenged FDA's tobacco regulation in court. Well, they went to court. They had their day in court. However, the authority of FDA to carry out the minimum age and photo ID rules was fully upheld in April by the Federal district court in Greensboro, NC. The $34 million request in FDA's budget, which our amendment would provide, would be used for activities that the Greensboro Federal court gave the green light to. That decision did not reduce the need for fully funding the FDA initiative.

Mr. President, I have a letter from Secretary of Health and Human Services Shalala supporting this point. I ask unanimous consent to have it printed in the RECORD.

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

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, July 14, 1997.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you approach your subcommittee's consideration of the Fiscal Year 1998 budget request for the Food and Drug Administration, questions have been raised about FDA's ability to spend the funds for the youth smoking initiative requested by the President.

Earlier this year, the Federal District Court in Greensboro, North Carolina, upheld the FDA's assertion of jurisdiction as well as all of the access and labeling provisions of FDA's 1996 regulations. The Court kept in place the age and photo ID provisions that have been in effect since February 1997 and stayed the effective date of the remaining provisions. Finally, it overturned the advertising restrictions. FDA has appealed this portion of the ruling.

The President requested $34 million in funding to enforce the tobacco rule, which will be used to implement the provisions upheld by the Court. Indeed, this funding is vital to oversee the age and photo ID requirements already in effect. There are approximately 500,000 retailers who sell tobacco products in the United States. Each year, more than $1 billion in illegal sales to children and adolescents occur. Stopping the sale to minors is of paramount importance to protect our nation's youth.

The bulk of the $34 million will be spent on contracts with the states that want to join FDA in ensuring retailer compliance with the provisions already in place. (By the end of this fiscal year, the agency expects to have contracted with the first ten states who have joined with us to address this problem.) Without these funds, FDA will not have the credible national enforcement program required to reduce significantly young people's access to tobacco.

The remaining funds are necessary to educate retailers and the public about the new rules. An effective compliance outreach program will increase the likelihood that retailers will understand and comply with the age and photo ID provisions of the tobacco regulations. Retailers who do not know about the rules cannot possibly comply with them.

By providing the full funding requested by the agency, FDA will be able to put in place a comprehensive enforcement and outreach program. Every day, another 3,000 young people become regular smokers; of these 1,000 will die prematurely because of their smoking. If funds are provided by the Congress, the new FDA tobacco regulation will significantly help prevent another generation of young people from endangering their lives because of this deadly addiction. I appeal to you to help us assure that funding.

An identical letter is being sent to Senator Bumpers.

Sincerely,

DONNA E. SHALALA.

Mr. HARKIN. Mr. President, as the letter from Secretary Shalala makes clear, the full $34 million is needed to carry out the minimum age and photo ID rules. She states:

Without these funds, FDA will not have the credible national enforcement program required to reduce significantly young people's access to tobacco.

Again, the pending litigation has not reduced FDA's need for or its ability to utilize the $34 million. So our amendment provides the full funding for FDA to work with the States to carry out the minimum age and photo ID rules.

Now, where do we get the money? We offset the full cost of the FDA youth smoking initiative by increasing the tobacco marketing assessment from the current 1 percent of the national price support level to 2.1 percent for the 1998 crop of flue-cured tobacco and for the 1997 crop of burley and other tobacco. The increase will apply to assessments expected to be collected in fiscal year 1998. That is because flue-cured tobacco is marketed in the summer, while burley and others are marketed almost entirely after October 1.

The full cost of the increase would be borne by purchasers of tobacco, that is, the tobacco companies. In addition, for the tobacco covered by the amendment, half of the current 1 percent assessment now paid by producers would be shifted to purchasers, thus providing assessment relief to tobacco farmers.

We have heard concerns expressed clearly and forcefully on the floor of the Senate about the consequences for our tobacco farmers of changes in tobacco policies. I am very sympathetic to the situation of any farmer, including tobacco farmers. They are just trying to make a living. I know how hard farmers work and what a struggle it is for them to make a living. So I am concerned, also, about the impacts on tobacco-farming families.

For that reason, this amendment is crafted to relieve tobacco farmers of their obligation to pay a part of the marketing assessment on the tobacco covered by the amendment. Currently, the producer of domestic tobacco—that is the farmer —pays half of the assessment. That is one-half of 1 percent of the support price, with the purchaser paying the other one-half of 1 percent. What our amendment says is that the tobacco companies will pay the whole assessment, including the increase. So this amendment provides relief for our tobacco farmers because it will relieve them of the burden they have now of paying that one-half of 1 percent of the assessment. I might add, parenthetically, Mr. President, I believe if tobacco companies have to pay the full 2.1 percent, then they are going to pass costs along to the consumers—that is, those who smoke tobacco. On the one hand, we relieve the tobacco farmers of this burden and we have made those who use tobacco pay more.

As a nation, we are in solid agreement that use of tobacco by minors must be reduced—or at least we say we are. When that happens, it also means that we eventually will have fewer adults smoking. So it is our national policy that there will be less of a market in this country for tobacco. Tobacco farmers need to recognize that change is coming. But I also know that when markets for agricultural commodities change, it is often the farmers who bear the brunt of that change. It is no different for tobacco than for corn or soybeans or hogs or wheat or cotton or any other commodity. I hope that we will find more ways to help tobacco farmers deal with this change. In the meantime, I am suggesting that at least we should require that tobacco companies pay the marketing assessment. It will ease the burden on tobacco farmers, who clearly are facing uncertainty.

Mr. President, we simply cannot continue to postpone addressing the monumental costs to society of tobacco use on the grounds that doing so may have some negative impact on farmers. There are too many lives at stake—lives of people who are children today.

Again, let me make it clear that this amendment does not give FDA any additional jurisdiction over tobacco farmers. It does not create any new authority for FDA to regulate tobacco farmers or become involved in the marketing by farmers of tobacco. The offset in the amendment involving an increase in the assessment involves only the Department of Agriculture, not the FDA.

Now, Mr. President, there is some misinformation floating around to the effect that we do not need this FDA funding because of the proposed tobacco settlement that is now under review by the Congress and the administration. Well, Mr. President, this FDA initiative against youth smoking was begun long before the tobacco settlement talks even started. The minimum age and photo ID check rules are in place and are working. But there is a pressing need for more funding to allow all 50 States to carry out enforcement efforts aimed at preventing youth smoking. There plainly is no good reason for delaying full implementation of the FDA initiative. We should not await the uncertain fate of the tobacco settlement before putting the necessary resources into FDA's enforcement and outreach efforts to stop underage smoking. As a nation, we cannot afford to continue losing our kids to tobacco at the horrendous rates that we are now experiencing. So the proposed tobacco settlement and this FDA initiative are totally separate matters—there should be no confusion on this point—and there is no inconsistency between them either.

Mr. President, I have here a letter from 33 attorneys general involved in the settlement activities, who write in support of full funding for the FDA initiative, what our amendment here provides. The 33 attorneys general who are involved in the settlement say they support full funding of this initiative. They would not have signed the letter if there were any reason to delay funding the FDA efforts pending possible legislation to carry out the settlement.

I ask unanimous consent to have that letter printed in the RECORD.

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

ATTORNEY GENERAL OF WASHINGTON,
Olympia, WA, June 20, 1997.

Hon. TED STEVENS,
Chair, Senate Appropriations Committee, Hart Senate Office Building, Washington, DC.

Hon. ROBERT BYRD,
Ranking Member, Senate Appropriations Committee, Hart Senate Office Building, Washington, DC.

Hon. THAD COCHRAN,
Chair, Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, Russell Senate Office Building, Washington, DC.

Hon. DALE BUMPERS,
Ranking Member, Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR STEVENS: We are writing as the attorneys general for our respective states in support of the Food and Drug Administration's (FDA) request for $34 million to implement the tobacco initiative in the Agriculture Appropriations bill. This funding is critical to our efforts to protect kids from tobacco sales.

There is no reason not to fully fund the FDA tobacco regulations. A Federal District Court recently upheld FDA's general jurisdiction over the sale of tobacco products to minors, and the American public overwhelmingly supports this initiative. The tobacco industry failed in its legal effort to derail FDA's important protections for kids. Now, local, state and federal officials must move forward and work together to implement FDA's regulations.

In 1994, attorneys general from around the country issued a report illustrating the need for comprehensive new policies to protect kids from tobacco. In the past three years, 40 attorneys general have filed suit against the tobacco industry to recover damages caused by their behavior. To stop the marketing of tobacco products to kids is a primary goal of these lawsuits against the tobacco industry.

We are prepared to work hand-in-hand with FDA to ensure that the provisions of its tobacco initiative are fully enforced. Towards this end, FDA has allocated a significant portion of the $34 million to go directly to

the states to help with enforcement. This money is critical to ensuring our country's success in reducing tobacco use by youth.

We need to act without delay: cigarette smoking among high school seniors is at a 17 year high and smoking among 8th and 10th graders has increased by more than 50 percent since 1991. Tobacco use is clearly a problem that starts with children: almost 90 percent of adult smokers started using tobacco at or before age 18, and the average youth smoker begins at age 13 and becomes a daily smoker by age 14½.

While some provisions of FDA's initiative are on hold pending appeal, the court fully upheld FDA's funding that cigarettes and smokeless tobacco products are both drugs and drug delivery devices. In addition, the court provided FDA with full authority to continue implementing provisions requiring retailers to check photo identification of consumers seeking to purchase tobacco who appear to be younger than 27 years of age. Strong enforcement of this provision is key to reducing youth access to tobacco products. The $34 million requested by FDA will provide much needed funding for enforcement by state and local officials.

Currently, it is far too easy for kids to buy cigarettes and chewing tobacco through vending machines and at retail outlets. A review of thirteen studies of over-the-counter sales found that, on average, children and adolescents were able to successfully buy tobacco products 67 percent of the time. We can substantially improve on this record by providing funding for the FDA regulations.

The tobacco industry's record of targeting our kids is clear. Now is the time to stand up for America's kids and protect them from cigarettes and chewing tobacco. FDA's jurisdiction over sales to minors has been upheld in court and enjoys strong support among the people of our states. We hope you will vote for full-funding of this critical initiative.

Sincerely,

CHRISTINE O. GREGOIRE,
Attorney General.

Bruce M. Botelho, Attorney General of Alaska; Grant Woods, Attorney General of Arizona; Gale A. Norton, Attorney General of Colorado; Richard Blumenthal, Attorney General of Connecticut; A. Jane Brady, Attorney General of Delaware; Robert A. Butterworth, Attorney General of Florida; Alan G. Lance, Attorney General of Idaho; Jim Ryan, Attorney General of Illinois; Tom Miller, Attorney General of Iowa; Carla J. Stovall, Attorney General of Kansas; Richard P. Ieyoub, Attorney General of Louisiana; Andrew Ketterer, Attorney General of Maine; A. Joseph Curran, Jr., Attorney General of Maryland; Scott Harshbarger, Attorney General of Massachusetts; Hubert H. Humphrey III, Attorney General of Minnesota.

Mike Moore, Attorney General of Mississippi; Jeremiah W. Nixon, Attorney General of Missouri; Joseph P. Mazurek, Attorney General of Montana; Frankie Sue Del Papa, Attorney General of Nevada; Philip McLaughlin, Attorney General of New Hampshire; Peter Verniero, Attorney General of New Jersey; Dennis C. Vacco, Attorney General of New York; Heidi Heitkamp, Attorney General of North Dakota; Betty D. Montgomery, Attorney General of Ohio; A. A. Drew Edmondson, Attorney General of Oklahoma; Hardy Myers, Attorney General of Oregon; D. Michael Fisher, Attorney General of Pennsylvania; Jeffrey B. Pine, Attorney General of Rhode Island; Jan Graham, Attorney General of Utah; William H. Sorrell, Attorney General of Vermont; Darrell V. McGraw, Jr., Attorney General of West Virginia; James E. Doyle, Attorney General of Wisconsin.

Mr. HARKIN. Mr. President, our amendment would in no way prejudice or in any way affect the outcome of any legislation designed to implement the settlement. Mr. President, I also have two additional letters here. One is from Secretary Shalala and one is from Michael Moore, the Mississippi attorney general who has led the attorneys general in the tobacco settlement negotiations. As you know, Mississippi already reached a settlement with the tobacco companies. Michael Moore led these efforts. I just want to read an excerpt from his letter dated July 21, 1997:

Dear SENATOR HARKIN:

I am writing to express my strong support for your amendment to the Agriculture Appropriations bill to provide full funding for the Food and Drug Administration's initiative to protect kids from tobacco. This is a critical program that must be supported without delay.

Attorney General Moore of Mississippi goes on to say:

There has been some confusion regarding your amendment and whether it would interfere or conflict with the proposed settlement with the tobacco industry. Some Members of Congress have also stated that they believe funding FDA's tobacco program is unnecessary because money will be forthcoming from a settlement. No one is more anxious than I to have Congress promptly address the settlement; but let me be very clear:

Again, I am reading from Attorney General Moore's letter.

passage of your amendment is critical because we can't be certain that the tobacco settlement will be passed or implemented in time to provide the needed funds for the upcoming fiscal year. Congress should not jeopardize the current FDA tobacco initiative unless we are assured of the immediate passage of legislation regarding the settlement.

Immediate full funding for the FDA rule is appropriate because the agency's initiative is already in place and has been implemented.

Secretary Shalala, in her letter dated July 22, says:

Let me emphasize that the funding requested by the administration is separate from any funds that might be available sometime in the future as a result of any settlement. Further, I do not believe it would prejudice or predetermine in any way future congressional action regarding the settlement.

I ask unanimous consent that the letter from Secretary Shalala and the one from Attorney General Mike Moore of Mississippi be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, July 22, 1997.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR TOM: Thank you for your leadership in the effort to fully fund the Food and Drug Administration's fiscal year 1998 budget request for the youth smoking initiative. I understand that questions have been raised regarding the relationship of this amendment to the funds discussed in the proposed tobacco settlement.

Let me emphasize that the funding requested by the Administration is separate from any funds that might be available sometime in the future as a result of any settlement. Further, I do not believe it would prejudice or predetermine in any way future congressional action regarding the settlement.

As you know, the Department intends to use the funding requested by the President for FY 1998 to enforce the age and photo ID provisions of the tobacco regulation that are already in effect. This regulation has been upheld by the Federal District Court in Greensboro, North Carolina and has the force of law.

By contrast, the proposed tobacco settlement is still under review by the Administration. No legislation has been considered by Congress and the appropriate committees have just begun to hold hearings. For these reasons, the time frame and likelihood for final action by the White House and Congress on the proposed settlement are entirely unclear. Even under the most optimistic scenario, it is unlikely that any funds under such a settlement would be available in FY98.

I hope that this addresses the questions that have been raised. Please let me know if any additional information is necessary.

Sincerely,

DONNA E. SHALALA.

STATE OF MISSISSIPPI,
OFFICE OF THE ATTORNEY GENERAL,
Jackson, MS, July 21, 1997.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN. I am writing to express my strong support for your amendment to the Agriculture Appropriations bill to provide full funding for the Food and Drug Administration's initiative to protect kids from tobacco. This is a critical program that must be supported without delay.

There has been some confusion regarding your amendment and whether it would interfere or conflict with the proposed settlement with the tobacco industry. Some Members of Congress have also stated that they believe funding FDA's tobacco program is unnecessary because money will be forthcoming from a settlement. No one is more anxious than I to have Congress promptly address the settlement; but let me be very clear; passage of your amendment is critical because we can't be certain that the tobacco settlement will be passed or implemented in time to provide the needed funds for the upcoming fiscal year. Congress should not jeopardize the current FDA tobacco initiative unless we are assured of the immediate passage of legislation regarding the settlement.

Immediate full funding for the FDA rule is appropriate because the agency's initiative is already in place and has been implemented. A Federal Court in Greensboro, North Carolina, fully upheld FDA's authority over tobacco products. I sincerely hope the settlement with the tobacco companies will be enacted into law, but in the meantime, let's immediately stop the illegal sale of tobacco to minors.

Regardless of what happens with the settlement, the FDA rule is in place and should remain a national priority. I commend you for your efforts to provide full funding for this historic program and wish you success.

Sincerely,

MIKE MOORE,
Attorney General.

Mr. HARKIN. Again, Mr. President, both letters make it clear that the tobacco settlement does not obviate the need for the FDA funding that we provide in our amendment and that providing the funding would not interfere with the settlement.

In closing, Mr. President, I want to thank Senator BYRD for his excellent addition to our amendment. Senator BYRD has been the leader in the Senate in focusing, also, on the horrendous problem of youth drinking and the need to clamp down on young people buying alcohol. Senator BYRD's addition requires that States be encouraged to coordinate their enforcement of the tobacco ID check with enforcement of laws that prohibit underage drinking.

Mr. President, this is a significant improvement to our original proposal. I commend my distinguished senior colleague from West Virginia for providing this language. As I said to Senator BYRD, if we tighten down on these ID checks, if we provide the funding so that when Melissa—Melissa is 16 and she looks older than Amy who is age 25—goes in to buy tobacco we will also attack underage drinking. A lot of times they may be buying beer or wine along with tobacco. As long as an ID check is made, it will stop underage drinking as well as smoking. So I agree with Senator BYRD that the States should coordinate their enforcement of tobacco ID checks with enforcement of laws that prohibit underage drinking.

Mr. President, again, I have an amendment here that incorporates that language from Senator BYRD. I thank my colleague, Senator CHAFEE, for his cosponsorship.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. BYRD, and Mr. REED, proposes an amendment numbered 968.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue reading the amendment.

The bill clerk read as follows:

At the end of title VII, insert the following:

SEC. . TOBACCO ASSESSMENTS.

Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended—

(1) in subsection (g)(1), by striking ''Effective'' and inserting ''Except as provided in subsection (h), effective''; and

(2) by adding at the end the following:

''(h) MARKETING ASSESSMENT FOR CERTAIN 1997 AND 1998 CROPS.—

''(1) IN GENERAL.—Effective only for the 1997 crop of tobacco (other than Flue-cured tobacco) and the 1998 crop of Flue-cured tobacco for which price support is made available under this Act, each purchaser of such tobacco, and each importer of the same kind of tobacco, shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

''(A) in the case of a purchaser of domestic tobacco, 2.1 percent of the national price support level for each such crop; and

''(B) in the case of an importer of tobacco, 2.1 percent of the national support price for the same kind of tobacco;

as provided for in this section.

''(2) COLLECTION AND ENFORCEMENT.—The purchaser and importer assessments under paragraph (1) shall be—

''(A) collected in the same manner as provided for in section 106A(d)(2) or 106B(d)(3), as applicable; and

''(B) enforced in the same manner as provided in section 106A(h) or 106B(j), as applicable.

''(3) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

Notwithstanding any other provision of this Act, $964,261,000 is provided for salaries and expenses of the Food and Drug Administration. In carrying out their responsibilities under the Food and Drug Administration's youth tobacco use prevention initiative, States are encouraged to coordinate their enforcement efforts with enforcement of laws that prohibit underage drinking''.

Mr. KENNEDY. Mr. President, I strongly support the Harkin amendment to the Agriculture appropriations bill. The illegal sale of tobacco products to teenagers is a serious national problem. Each year, it is estimated that a half a billion cigarettes are sold to Americans under the age of 18.

The Harkin amendment is an important test of the genuineness of the Senate's commitment to reducing teenage smoking by fully funding the enforcement of the FDA tobacco regulations. These FDA rules prohibit the sale of tobacco to minors, and require retailers to check the photo identification of consumers who purchase tobacco products if they appear to be 27 years old or younger. Of the $34 million, $24 million will go to the States for enforcement.

The Harkin amendment also represents an important test of the Senate's resolve to support FDA regulation of tobacco. Three months ago, a federal court in Greensboro, NC upheld FDA's authority to issue the youth access regulations. But rather than strengthening the FDA's hand by providing the agency with the necessary funds to enforce the rules, the current bill shamefully weakens the FDA's authority appropriating only $5 million for enforcement, or just one-seventh of the President's request for $34 million.

Some argue that the Senate should wait until the so-called global tobacco settlement is enacted into law before funding the regulations, despite the fact that serious concerns have been raised that the settlement doesn't adequately protect the public health. Even if some version of the settlement is approved, it will not be in time for the current budget cycle. In addition, 33 of the State attorneys general who negotiated the settlement support the $34 million funding level.

Each day we delay in funding the FDA regulations, 3,000 new smokers between the ages of 12 and 17 will take up smoking—or 1 million a year.

According to a spring 1996 survey conducted by the University of Michigan Institute for Social Research, the prevalence of youth tobacco use in America has been on the increase over the last 5 years. It rose by nearly 50 percent among 8th and 10th graders, and by nearly 20 percent among high school seniors between 1991 and 1996.

When children are hooked on cigarette smoking at a young age, it is especially hard for them to quit. Ninety percent of current adult smokers began to smoke before they reached the age of 18. Ninety-five percent of teenage smokers say they intend to quit in the near future—but only a quarter of them will actually do so within the first 8 years of beginning to smoke.

Tobacco companies have known this fact for years—and used it cynically to their advantage. Many experts believe that if the industry cannot persuade children to take up smoking, the industry will collapse within a generation.

That's why ''Big Tobacco'' targets children with billions of dollars in advertising and promotional giveaways, promising popularity, excitement, and success for those who take up smoking.

Because of these marketing practices, the Centers for Disease Control and Prevention estimate that 5 million of today's children will die prematurely from smoking-caused illnesses.

In addition, the Center on Addiction and Substance Abuse at Columbia University has found that smoking is a gateway to the use of illegal drugs. Children between the ages of 12 and 17 who smoke are 12 times more likely to use heroin and 19 times more likely to use cocaine than nonsmokers. The younger a person begins to use tobacco, the higher the likelihood of regular drug use as adults.

By providing the full $34 million that President Clinton requested to implement photo I.D. checks for the purchase of tobacco products by anyone under the age of 27, the Senate can make an important difference in reducing tobacco use among the Nation's youth.

The additional Federal funds in the Harkin amendment to enforce the FDA tobacco regulations are clearly needed, and I urge the Senate to approve the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 969 TO AMENDMENT NO. 968

(Purpose: To impose an assessment on ethanol manufacturers)

Mr. HELMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. HAGEL). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for himself, and Mr. FAIRCLOTH, proposes an amendment numbered 969 to amendment numbered 968.

Strike all after the first word and insert the following:

ASSESSMENT FOR ETHANOL PRODUCERS.

(a) IN GENERAL.—For fiscal year 1998, the rate of tax otherwise imposed on a gallon of ethanol under the Internal Revenue Code of 1986 shall be increased by 3 cents and such rate increase shall not be considered in any determination under section 9503(f)(3) of the Internal Revenue Code of 1986.

(b) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9512. TRUST FUND FOR ANTI-SMOKING ACTIVITIES.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Trust Fund for Anti-Smoking Activities' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or transferred to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—The Secretary shall transfer to the Trust Fund an amount equivalent to the net increase in revenues received in the Treasury attributable to section (a) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998, as estimated by the Secretary.

''(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, to the Secretary of Health and Human Services for anti-smoking programs through the Substance Abuse and Mental Health Administration.''.

(2) CONFORMING AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

''SEC. 9512. TRUST FUND FOR ANTI-SMOKING ACTIVITIES.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply fuel removed after September 30, 1997.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

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

Mr. HELMS. Mr. President, I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. It would take unanimous consent to have the vote on underlying amendment.

Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. BYRD. Mr. President, I am pleased to cosponsor the HARKIN amendment to fund the Food and Drug Administration's youth smoking prevention initiative at $34 million for fiscal year 1998. This is a worthwhile amendment which has my support. I applaud the efforts of Mr. HARKIN to provide funding for this important initiative. Tobacco use among minors is illegal, and we should make every effort to prevent it.

I am particularly pleased that the amendment by Mr. HARKIN has been strengthened at my urging to encourage States to couple their youth smoking prevention efforts with State laws that prohibit underage drinking. These issues go hand in hand in preventing our youth from using destructive substances.

Alcohol is the drug of choice among teens as well as a lot of adults, I am sorry to say, and the consequences are devastating. According to statistics compiled by the National Center on Addiction and Substance Abuse, among children between the ages of 16 and 17, 69.3 percent have at one point in their lifetime experimented with alcohol. In the last month, approximately 8 percent of the Nation's eighth graders have been drunk.

Think of that, eighth graders. Approximately 8 percent of the Nation's eighth graders have been drunk. What's the matter with the parents? I wonder what the parents are doing letting their children in the eighth grade drink. I wouldn't consider myself much of a parent if I let my children drink. If they do that, I blame myself. But the fact is that 8 percent of the Nation's eighth graders have been drunk. It is pretty hard to believe. That would not have happened in my day going to school.

In 1995, there were 2,206 alcohol-related fatalities of children between the ages of 15 and 20. According to the National Center on Addiction and Substance Abuse at Columbia University, 37.5 percent of the young people who have consumed alcohol have also used some illicit drug, while only 5 percent of young people who have never consumed alcohol have used some illicit drug; 26.7 percent of those who have consumed alcohol have tried marijuana, while of those who have never consumed alcohol only 1.2 percent have tried marijuana. And 5 percent of youths who have partaken of alcohol have tried cocaine, while of those who do not drink alcohol only one-tenth of 1 percent have tried cocaine.

So it is not just that alcohol is a real starter not only for more alcohol but for illicit drugs, for marijuana, for cocaine.

Every State has a law prohibiting the sale of alcohol to individuals under the age of 21. How is it then that two out of every three teenagers who drink report that they can buy their own alcoholic beverages? Again, what is wrong with the parents? The parents are sleeping on the job. Two out of every three teenagers who drink report that they can buy their own alcoholic beverages. In my case, they would buy a good basting as well. My parents, they would not have put up with that, not with me, nor would other parents back in those days. We are living in a time, of course, when anything goes.

Our children are besieged with media messages that create the impression that alcohol can help to solve life's problems, lead to popularity, and enhance athletic skills. Do you want to be a good athlete? Drink. Drink beer. Do you want to be popular with the girls? Drink beer. Do you want to be popular with the boys? Drink beer. The media messages help to leave that impression. These messages, coupled with insufficient enforcement of laws prohibiting the consumption of alcohol by minors, give our Nation's youth the impression that it is OK for them to drink. This impression has deadly consequences. In the three leading causes of death for 15- to 24-year-olds—accidents, homicides and suicides—alcohol is a factor. Alcohol is involved in the three leading causes of death for 15- to 24-year-olds.

Efforts to curb the sale of alcohol to minors have high payoffs in helping to prevent children from drinking and driving death or injury. So I urge my colleagues to join me in support of the Harkin amendment to actively address two areas that so seriously harm the physical and mental health of our Nation's children. We have seen a great drive on in recent years by our Nation to curb the use of tobacco. All that is very well and good. I am not against that at all. But who has the nerve to raise the finger against alcohol? Who has the nerve to say, ''Don't drink, period.'' ''Don't drink, period.''

I congratulate my colleague, and I thank him for allowing me to join in the support of his amendment and for allowing me to add the language of my proposal that deals with drinking.

Mr. HARKIN. Will the Senator yield?

Mr. BYRD. I will yield provided, Mr. President, I do not lose the floor. I have to do this——

Mr. HARKIN. I understand.

Mr. BYRD. Yes.

Mr. HARKIN. I just wanted to thank the Senator from West Virginia for his addition to this amendment. The Senator from West Virginia, as I mentioned earlier, is the leading voice in this Chamber about the dangers of alcohol and alcohol addiction, especially drinking under age. It has become, like tobacco, the scourge of our Nation, especially, as the Senator said, beer drinking among teenagers in college, and that is just a gateway to harder alcohol and other drugs.

The Senator from West Virginia has done us a great service because most of the data that we have seen indicate that the teenagers who illegally buy tobacco also illegally buy alcohol.

Sometimes we tend to get blinders on around here; we don't see other things, and I would admit freely and openly that I had been focusing on the teenage smoking and had not thought about the other aspects of the teenager who walks in to buy the tobacco. And you can bet your bottom dollar, I say to my friend from West Virginia, that if this

girl here—as I said earlier, which one of these is underage—you really cannot tell—Melissa or Amy. This one looks the youngest. She has a pair of overalls on. This one looks older. But it turns out this one is 16 and this one is 25.

And you bet your bottom dollar, I ask the Senator from West Virginia, if this one, who is 16, walks in and is successful in buying cigarettes, then the next thing might be, well, as long as she got by with that, how about a six-pack of beer, too.

Mr. BYRD. Sure. Why not?

Mr. HARKIN. Why not? So the Senator is right on the mark. As long as you ID them, you better make sure they don't get the alcohol, too.

So I thank the Senator from West Virginia for helping us take the blinders off to see this has broader implications than just tobacco. This can help us cut down a lot on teenage drinking, and I thank my friend.

Mr. BYRD. Absolutely. And I say this not in defense of smoking, but the young lady or the young man who buys alcohol, or who buys tobacco is not likely to go out and take a smoke and wrap his car around the telephone pole killing himself or possibly some other teenagers or striking an automobile and killing a lady and her daughter who are out grocery shopping.

Mr. HARKIN. The Senator is right on the mark.

Mr. BYRD. I thank the Senator.

Mr. HARKIN. I thank the Senator.

Mr. BYRD. Mr. President, I promised the distinguished Senator from North Carolina, [Mr. HELMS], if he would have no objection in my calling off the quorum, I would ask for a quorum when I completed my statement.

Mr. CHAFEE. Mr. President, I ask the distinguished Senator from North Carolina whether——

Mr. BYRD. Mr. President, I yield for that purpose, for the purpose——

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. The Senator is asking a question of the Senator from North Carolina.

Mr. HELMS. I will if the Senator will ask for the yeas and nays on the second-degree amendment.

Mr. CHAFEE. I do not want to get involved in the second-degree amendment. I just want to deliver a few pearls of wisdom in connection——

Mr. HELMS. Mr. President, I object.

Mr. CHAFEE. With the underlying amendment.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. I promised the Senator from North Carolina, the State whose motto is ''To Be Rather Than To Seem,'' that I would suggest the absence of a quorum when I had finished. I will keep my promise. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued to call the roll.

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

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

Mr. HELMS. Mr. President, I ask unanimous consent the following, and I believe it has been agreed to on the other side. One, that the yeas and nays be deemed to have been ordered on the second-degree amendment, the perfecting amendment; two, that the yeas and nays will be deemed to have been ordered on the underlying amendment; and then, at the appropriate time, that the vote to proceed, first on the second-degree perfecting amendment, and, if that fails, then there be an up-or-down vote on the underlying amendment—meaning that there will be roll-call votes, up or down, on both amendments.

AMENDMENT NO. 969, AS MODIFIED

First of all, I send to the desk a modification, before this is acted on.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 969), as modified, is as follows:

Strike all after the first word and insert the following:

ASSESSMENT FOR ETHANOL PRODUCERS.

(a) IN GENERAL.—For fiscal year 1998, the rate of tax otherwise imposed on a gallon of ethanol under the Internal Revenue Code of 1986 shall be increased by 3 cents and such rate increase shall not be considered in any determination under section 9503(f)(3) of the Internal Revenue Code of 1986.

(b) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9512. TRUST FUND FOR ANTI-SMOKING ACTIVITIES.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Trust Fund for Anti-Smoking Activities' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or transferred to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—The Secretary shall transfer to the Trust Fund an amount equivalent to the net increase in revenues received in the Treasury attributable to section (a) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998, as estimated by the Secretary.

''(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, to the Secretary of Health and Human Services for anti-smoking programs through the Substance Abuse and Mental Health Administration.''. The Secretary is directed to encourage States, in carrying out their responsibilities under the youth tobacco use prevention initiative, to coordinate their enforcement efforts with enforcement of laws that prohibit underage drinking.

(2) CONFORMING AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

''Sec. 9512. Trust Fund for Anti-Smoking Activities.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply fuel removed after September 30, 1997.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving right to object.

The PRESIDING OFFICER. There is an objection?

Mr. BYRD. Reserving the right to object, and I will object. I certainly have no objection to having the yeas and nays, but I prefer to do it in the constitutional route, have them ordered by one-fifth of the Senators who are present. For years we have objected to ordering the yeas and nays by unanimous consent.

Mr. HELMS. Very well.

Mr. BYRD. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. I object to the same thing, but I tried to hasten it a little bit.

I ask for the yeas and nays on the second-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. The second-degree amendment, as modified, of course.

The PRESIDING OFFICER. It has already been modified.

Mr. HARKIN. We ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on the first amendment?

Mr. BYRD. No objection.

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

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Parliamentary inquiry. I just want to know where we stand. We have now ordered the yeas and nays on both the underlying amendment and on the perfecting amendment, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. As I further understand——

Mr. HELMS. As modified.

Mr. HARKIN. As I understand it——

Mr. HELMS. No, I mean the second-degree perfecting amendment, as modified.

Mr. HARKIN. I understand. As I further understand, the Senator from North Carolina asked consent that we have an up-or-down vote on his amendment, his perfecting amendment, and then an up-or-down vote on the underlying amendment.

Mr. HELMS. If the perfecting amendment is defeated.

Mr. HARKIN. If the perfecting amendment is defeated. Is that correct?

The PRESIDING OFFICER. That amendment was objected to.

Mr. COCHRAN. Reserving the right to object, this is a new request, as I understand it.

Parliamentary inquiry. Would this Senator have the right, for example, when Senators have indicated that they do not care to debate the issue any further, to move to table the underlying amendment and get the yeas and nays and have a vote on the motion to table the underlying amendment?

The PRESIDING OFFICER. Not if this agreement were entered into.

Mr. COCHRAN. Further inquiring of the Chair, there have been two unanimous-consent requests granted, or there have been the yeas and nays ordered on two amendments.

The PRESIDING OFFICER. That is correct.

Mr. COCHRAN. But now there is a request pending that there be an up-or-down vote on both amendments; is that a correct understanding of the request?

The PRESIDING OFFICER. Is the Senator from Iowa making that request?

Mr. HARKIN. Mr. President, let this Senator be clear. This Senator, in good faith, just went over to my friend from North Carolina and asked if we could get past this impasse in the following manner: Could we agree to have the yeas and nays on this Senator's underlying amendment, then to let the Senator from North Carolina modify his amendment and then ask for the yeas and nays on that amendment, and further, we agreed and shook hands that we would then have a vote on his amendment up or down, and then if he failed, then we would have a vote up or down on my amendment. I believe that was what the agreement was.

Mr. HELMS. Mr. President, let me be sure I understand the Senator. The first vote would be on the perfecting amendment, is that it?

Mr. HARKIN. That is correct. It would be an up-or-down vote on the perfecting amendment.

Mr. HELMS. I have no objection to that.

Mr. COCHRAN. And that is the amendment of the Senator from North Carolina, is that correct?

Mr. HELMS. Yes, the perfecting amendment, as modified.

Mr. HARKIN. And then if that amendment failed, then there would be an up-or-down vote on the underlying amendment, and that is what we are asking the Senate to do, to carry out that agreement that we made.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Then I gather the Senator from Iowa is making the point that a motion to table the underlying amendment would not be in order.

Mr. HARKIN. That is correct.

Mr. MCCONNELL. Under this request.

Mr. HARKIN. That is correct.

Mr. MCCONNELL. That is an agreement we have already entered into?

The PRESIDING OFFICER. Not yet.

Mr. FORD. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. Senator from Kentucky.

Mr. FORD. I think I am getting to the point here where I don't like this agreement, and, I say with all respect, of what we are trying to do. One, if this agreement is accepted, then as I understand it—and I am not as good at the rules as I used to be or should be—but this precludes a tabling motion on the underlying amendment if we agree to this.

The PRESIDING OFFICER. That is correct.

Mr. FORD. And, second, if we agree to this and the second-degree amendment is defeated, then I am precluded from offering another amendment in the second degree.

The PRESIDING OFFICER. That is correct.

Mr. FORD. Then I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I suggest the absence of a quorum. We are going to be here for a long time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONDEMNING THE GOVERNMENT OF CANADA

The Senate continued with the consideration of the resolution.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to Senate resolution 109. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 81, nays 19, as follows:

The result was announced—yeas 81, nays 19, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—81

Abraham	Cochran	Glenn
Akaka	Collins	Gorton
Allard	Conrad	Grams
Ashcroft	Coverdell	Grassley
Baucus	Craig	Gregg
Bennett	D'Amato	Hagel
Bond	Daschle	Harkin
Boxer	DeWine	Hatch
Brownback	Domenici	Helms
Bryan	Dorgan	Hollings
Bumpers	Enzi	Hutchinson
Burns	Faircloth	Hutchison
Byrd	Feingold	Inhofe
Campbell	Feinstein	Inouye
Cleland	Ford	Jeffords
Coats	Frist	Johnson
Kempthorne	Murray	Smith (NH)
Kohl	Nickles	Smith (OR)
Levin	Reed	Snowe
Lieberman	Reid	Specter
Lott	Robb	Stevens
Lugar	Roberts	Thomas
Mack	Rockefeller	Thompson
McConnell	Roth	Thurmond
Mikulski	Santorum	Torricelli
Moseley-Braun	Sessions	Warner
Murkowski	Shelby	Wyden

NAYS—19

Biden	Gramm	Leahy
Bingaman	Kennedy	McCain
Breaux	Kerrey	Moynihan
Chafee	Kerry	Sarbanes
Dodd	Kyl	Wellstone
Durbin	Landrieu	
Graham	Lautenberg	

The resolution (S. Res. 109) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 109

Whereas, Canadian fishing vessels blockaded the M/V MALASPINA, a U.S. passenger vessel operated by the Alaska Marine Highway System, preventing that vessel from exercising its right to innocent passage from 8:00 a.m. on Saturday, July 19, 1997 until 9:00 p.m. Monday, July 21, 1997;

Whereas the Alaska Marine Highway System is part of the United States National Highway System and blocking this critical link between Alaska and the contiguous States is similar in impact to a blockade of a major North American highway or air-travel route;

Whereas the M/V MALASPINA was carrying over 300 passengers, mail sent through the U.S. Postal Service, quantities of fresh perishable foodstuff bound for communities without any other road connections to the contiguous States, and the official traveling exhibit of the Vietnam War Memorial;

Whereas international law, as reflected in Article 17 of the United Nations Convention on the Law of the Sea, guarantees the right of innocent passage through the territorial sea of Canada of the ships of all States;

Whereas the Government of Canada failed to enforce an injunction issued by a Canadian court requiring the M/V MALASPINA to be allowed to continue its passage, and the M/V MALASPINA departed only after the blockaders agreed to let it depart;

Whereas, during the past three years U.S. vessels have periodically been harassed or treated in ways inconsistent with international law by citizens of Canada and by the Government of Canada in an inappropriate response to concerns in Canada about the harvest of Pacific salmon in waters under the sole jurisdiction of the United States;

Whereas Canada has failed to match the good faith efforts of the United States in attempting to resolve differences under the Pacific Salmon Treaty, in particular, by rejecting continued attempts to reach agreement and withdrawing from negotiations when an agreement seemed imminent just before the Canadian national election of June, 1997;

Whereas neither the Government of Canada nor its citizens have been deterred from additional actions against vessels of the United States by the diplomatic responses of the United States to past incidents such as the imposition of an illegal transit fee on American fishing vessels in June, 1994: Now, therefore, be it

Resolved by the Senate, That it is the sense of the Senate that—

(1) The failure of the Government of Canada to protect U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions and harassment should be condemned;

(2) The President of the United States should immediately take steps to protect the interests of the United States and should not tolerate threats to those interests from the action or inaction of a foreign government or its citizens;

(3) The President should provide assistance, including financial assistance, to States and citizens of the United States seeking damages in Canada that have resulted from illegal or harassing actions by the Government of Canada or its citizens; and

(4) The President should use all necessary and appropriate means to compel the Government of Canada to prevent any further illegal or harassing actions against the United States, its citizens or their interests, which may include—

(A) using U.S. assets and personnel to protect U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions or harassment until such time as the President determines that the Government of Canada has adopted a long-term policy that ensures such protection;

(B) prohibiting the import of selected Canadian products until such time as the President determines that Canada has adopted a long-term policy that protects U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions or harassment;

(C) directing that no Canadian vessel may anchor or otherwise take shelter in U.S. waters off Alaska or other States without formal clearance from U.S. Customs, except in emergency situations;

(D) directing that no fish or shellfish taken in sport fisheries in the Province of British Columbia may enter the United States; and

(E) enforcing U.S. law with respect to all vessels in waters of the Dixon Entrance claimed by the United States, including the area in which jurisdiction is disputed.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 965

The PRESIDING OFFICER. There are 2 minutes, equally divided, on the motion to table amendment No. 965, the Durbin Amendment.

Mr. COCHRAN. Mr. President, I understand that we have 2 minutes, equally divided, on the motion to table the Durbin Amendment. I made the motion to table. The Durbin Amendment seeks to do away with crop insurance payments for tobacco farmers and any disaster assistance payments that might fall due under the law. I moved to table it. It carried with it a second degree amendment by the Senator from Kentucky [Mr. FORD], which limits crop insurance payments to farms 400 acres or smaller.

So, as you may see, unless we table the DURBIN amendment, you are going to cause a lot of disruptions in agriculture for two reasons. I hope that the Senate will vote to table this amendment. This is an agriculture appropriations bill. Both of these amendments would change the law, not funding levels. Let's stick to the purpose of our bill and please vote to table the Durbin amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, this amendment eliminates the Federal subsidy for tobacco. How many times have we faced that question?

Senators, the Federal Government says that tobacco is dangerous. Why do the taxpayers continue to subsidize it? We subsidize it in the form of crop insurance.

Senator GREGG and I are offering this amendment to eliminate once and for all crop insurance for tobacco. Some Senators have said that is unfair. Every crop gets insured. Right? Wrong. Sixty-seven crops are presently ensured. Sixteen hundred are not.

The list goes on and on and on. I am about to drop them.

What is this about? It is about a crop that is perfectly legal and perfectly lethal. Tobacco is the No. 1 preventable cause of death in America today.

Let's get our public health policy and our subsidies straight.

So, to vote against the crop insurance for tobacco, the appropriate vote is ''no'' on the motion to table and ''no'' on more subsidies.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Illinois. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 53, nays 47, as follows:

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—53

Akaka	Enzi	Leahy
Allard	Faircloth	Lott
Ashcroft	Feingold	McConnell
Baucus	Ford	Mikulski
Biden	Frist	Moynihan
Bond	Graham	Murkowski
Breaux	Grams	Nickles
Bryan	Grassley	Robb
Burns	Hagel	Roberts
Campbell	Helms	Roth
Cleland	Hollings	Sarbanes
Cochran	Inhofe	Sessions
Conrad	Inouye	Shelby
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thompson
Daschle	Kerrey	Thurmond
Domenici	Kohl	Warner
Dorgan	Landrieu	

NAYS—47

Abraham	Collins	Gregg
Bennett	D'Amato	Harkin
Bingaman	DeWine	Hatch
Boxer	Dodd	Hutchinson
Brownback	Durbin	Hutchison
Bumpers	Feinstein	Johnson
Byrd	Glenn	Kennedy
Chafee	Gorton	Kerry
Coats	Gramm	Kyl
Lautenberg	Murray	Snowe
Levin	Reed	Specter
Lieberman	Reid	Thomas
Lugar	Rockefeller	Torricelli
Mack	Santorum	Wellstone
McCain	Smith (NH)	Wyden
Moseley-Braun	Smith (OR)	

The motion to lay on the table the amendment (No. 965) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, what is the pending business before the Senate?

AMENDMENT NO. 969, AS MODIFIED

The PRESIDING OFFICER. The pending business is the Helms amendment No. 969.

Mr. COCHRAN. Mr. President, the issue here was joined with the offering of the amendment by the distinguished Senator from Iowa. It is an amendment related to the Food and Drug Administration's funds for an antismoking regulatory program that has been developed and put out by the Food and Drug Administration. The issue is whether or not there is sufficient funds in the FDA account to help pay the cost of this regulatory program.

Some Senators may not be aware of the fact that we have increased in this legislation the proposed funding for FDA by over $20 million. As a matter of fact, I think the total is around $30 million—$24 million for the FDA account for this next fiscal year. This is in comparison with this current year's funding level. So there are funds available to carry out the additional food safety initiatives that the Food and Drug Administration has proposed. There is a specified $4.9 million available, the same amount as last year, for the FDA's smoking regulatory program, or antismoking regulatory program.

One thing that has to be kept in mind, I think, to try to understand, get a perspective on this issue is that litigation is underway. There was a lawsuit filed in North Carolina. Some of the regulatory initiatives of the FDA were upheld and some are on appeal.

Mr. President, the other aspect of this issue is that there has been a negotiated settlement among attorneys general and the tobacco industry that involves the commitment of the tobacco industry to make certain payments to help pay health costs and Food and Drug Administration activities in connection with the use of tobacco and trying to convince people that smoking tobacco is bad for you.

This bill does not in any way try to adversely affect or take away from any initiative of that kind. We did say, when we were discussing this legislation in the subcommittee and at the full committee, that we assumed some funds could be made available from the tobacco industry to help pay costs that might not be fully funded in this legislation, costs of the Food and Drug Administration. So we see nothing wrong

with making that assumption in our bill. The Harkin amendment imposes an assessment on tobacco companies that would cause funds then to be created that could then be given to the FDA for additional program costs.

The Senator from North Carolina has offered a second-degree amendment changing the source of the funding from the assessment to an ethanol assessment, so that the funds would come from the ethanol program, in effect, for the antismoking program of FDA. And so there is where we stand now.

The yeas and nays have been ordered on the Helms amendment. The yeas and nays have been ordered on the Harkin amendment. And so that is the situation as I understand it. There was a suggestion that one way to deal with this is to put it before the Senate in the form of a motion to table the Harkin amendment.

Now, I could make that motion, but I do not want to make that motion and cut off the right of Senators who want to speak on this issue. And I understand from the Senator from Iowa that he might want to speak further on it. The Senator from Rhode Island is a cosponsor of the Harkin amendment and he wanted to speak. So I am reluctant to make that motion. But it would be my hope that we could resolve the issue in that way. If that is not satisfactory to the Senate, the Senate can work its will. But that is the suggestion that I have for dealing with the issue, of wrapping it all up in one vote, if the motion to table is approved. If the motion to table is not approved, then we have a vote on the Helms amendment and we have a vote on the Harkin amendment. So that is my suggestion for how we can wrap it all up.

Mr. HARKIN. If the Senator will yield.

Mr. COCHRAN. I am just one Senator. I am trying to help get this bill passed and get this issue resolved, and I hope that that can be embraced by the proponents of both sides.

Mr. HARKIN. Will the Senator yield for a question?

Mr. COCHRAN. I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. HARKIN. Mr. President, first of all, I say to my friend from Mississippi that the amendment I offered is an entirely separate matter the proposed tobacco settlement that is being worked out with the attorneys general and the tobacco companies. In fact, I submitted for the RECORD earlier a copy of a letter from 33 attorneys general involved in the tobacco settlement supporting full funding for FDA's tobacco initiative. I have also a letter here from Michael Moore, who is the attorney general of the State of Mississippi who is the lead attorney general in the negotiations. He stated here, ''I would like to express my strong support for your amendment.'' Dated July 21. That would be 2 days ago.

And he said, ''There has been some confusion regarding your amendment and whether it would interfere or conflict with the proposed settlement with the tobacco industry.'' He went on to say that he supported it.

So this has nothing to do with the proposed tobacco settlement whatsoever. What this has to do with is the part of the proposed FDA rule that was upheld by the court in Greensboro, NC. The court upheld the authority of FDA to regulate tobacco sales to minors. The FDA promulgated the rule. It was upheld by the courts.

Now, the administration has requested $34 million to implement the rule. It needs this amount to carry out the rules upheld by the court. However, in the Agriculture appropriations bill there is only $4.9 million to implement it. So we cannot reach out to all 50 States to get this rule implemented to cut down on sales of tobacco to young people. And due to the involvement, I might say the good involvement, of the Senator from West Virginia, a provision was added to our amendment that says that in carrying out the responsibilities under the Food and Drug Administration initiative, States are encouraged to coordinate enforcement efforts with the enforcement of laws that prohibit under-age drinking. That is, I might add, a very worthwhile addition to this amendment. So I hope Senators are not confused. This has nothing to do with the tobacco settlement whatsoever. This has everything to do with whether or not we are going to have enforcement of the FDA rule to prevent sales of tobacco to kids.

I would also point out there is some talk that somehow this FDA initiative is duplicative of the SAMHSA regulations. I am informed that it is not. This is because SAMHSA is not an enforcement program but FDA is. SAMHSA provides no incentives for retailers to stop illegal sales to kids. FDA will educate retailers about their responsibility and penalize retailers if they repeatedly sell to kids. And so SAMHSA is a lot different than FDA's tobacco initiative.

Now, why does the FDA need the full $34 million? Well, basically, the Court provided FDA with full authority to regulate cigarettes and smokeless tobacco products and with full authority to continue implementing provisions of the FDA initiative that sets a minimum age of 18 for buying tobacco and requires retailers to check the photo ID of consumers seeking to purchase tobacco.

Given that there are more than a half a million retailers in this country, it will be a big task to educate retailers about their responsibilities. Funds are also needed to conduct periodic compliance checks. So the $34 million is not that much money given the task at hand. The Court did strike down parts of the FDA rule, but resources are needed to enforce the minimum age and ID check rules that were fully upheld by the Court.

Mr. President, $34 million is a very small investment when you realize that tobacco use drains more than $50 billion from our health care system each year. So this is a very small amount of money.

Now, Mr. President, I have a parliamentary inquiry. Might I inquire of the Chair, what is the business before the Senate? I make a parliamentary inquiry.

The PRESIDING OFFICER. The question before the Senate is the Helms amendment. I believe that is 969.

Mr. STEVENS addressed the Chair.

Mr. HARKIN. Mr. President, I still have the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. Well, Mr. President, I think that we are all very clear on this. Now, I had in good faith with the Senator from North Carolina made an agreement earlier that I would be permitted the yeas and nays on my amendment, which required unanimous consent at that point, that the Senator would then be allowed to modify his amendment, which he did, and then we asked for the yeas and nays on the amendment of the Senator from North Carolina.

We could then have a vote on his amendment and then have a vote on my underlying amendment—in other words, a vote first on the amendment of the Senator from North Carolina. If that prevailed, well, that would be the end of it. If it went down, then there would be an up-or-down vote on my amendment. And the Senator can correct me if I am wrong, but I believe that was the agreement and we shook hands on it.

Mr. BUMPERS. Mr. President, will the Senator from Iowa yield for a question?

Mr. HARKIN. I yield only for a question.

Mr. BUMPERS. I think it might be helpful if we engaged in a few questions and answers to understand precisely what this amendment is. I have not been sure all along I understood it.

There is presently a Federal law which prohibits the sale of cigarettes to anybody under 18 years of age, is that correct?

Mr. HARKIN. Yes, that is true.

Mr. BUMPERS. And does the Federal Government provide any funds to the States for enforcement of that law at present?

Mr. HARKIN. I understand that that is, indeed, what the FDA initiative is for, is to provide funds to the States to implement it and to carry it out.

Mr. BUMPERS. The question is, do we provide any money for them at this moment for the enforcement of this law?

Mr. HARKIN. This Senator is not aware of any. However, I would not unequivocally state there is not.

Mr. BUMPERS. I understand there is $4.9 million available for that purpose, is that correct?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. The Senator from Arkansas is correct with respect to the $4.9 million. As I understand it, the $4.9 million is what is expected to be spent this year for the first step in this initiative, this FDA initiative to cut down on tobacco sales to minors under the age of 18. The $4.9 million is the first step in that process.

Mr. BUMPERS. Now, the administration has asked for an additional $34 million?

Mr. HARKIN. No, they have asked for $34 million. That includes the $4.9 million.

Mr. BUMPERS. That includes the present 4-plus million.

Mr. HARKIN. Yes. It raises the 4.9 up to 34.

Mr. BUMPERS. This money will be distributed to the States to assist them in the enforcement of this law?

Mr. HARKIN. Yes.

Mr. BUMPERS. Now, if we do not provide—we have imposed, in effect, a law that we are requesting the States to enforce. We passed a law saying to the States, you can't allow sales of cigarettes to anybody under 18, and we have not given them any money to enforce it. How does that play with the law we passed here either last year or the year before on mandates to the States with no money?

Mr. HARKIN. I am sorry.

Mr. BUMPERS. The Senator will recall the distinguished Senator from Idaho, [Mr. KEMPTHORNE], led the fight here to provide that the Federal Government in the future must pay the States for any mandates we impose on them and for which we do not provide any money. I am asking the Senator, why doesn't this come under the category of a violation, as long as we required them to enforce the ''18-year-old'' prohibition, but we haven't given them any money? Why is that not a violation of the law we passed here prohibiting mandates on local jurisdictions without money?

Mr. HARKIN. As I understand it, what the Senator is suggesting is that this money is to help the Federal Government meet its obligations of ensuring that we do not mandate States to do things which we do not fund.

Mr. BUMPERS. Well, essentially that is right, but what I am saying is at present we do not give the States but I think maybe $4-plus million, which is not nearly enough.

Mr. HARKIN. If I might respond, that $4.9 million only covers 10 States. We want to cover 50 States. Thus the need for the $34 million.

Mr. BUMPERS. Let me ask the Senator this question, changing gears just a little bit. Could the Senator tell us, is there a figure available as to what it would take to effectively enforce this law in all 50 States?

Mr. HARKIN. I am told that figure is $34 million. And that is what they are requesting. They are requesting $34 million to expand it from 10 States to 50 States.

Mr. BUMPERS. Under the rule of thumb, I come from a State that has 1 percent of the Nation's population. When I was Governor of that State we used to always assume that under all the formulas, welfare and otherwise, we would get 1 percent, because we have 1 percent of the population. In this case, if we had $34 million and we put it out on that basis, Arkansas would get $340,000.

I don't think that would be enough to even get the water hot, in enforcing this law.

Mr. HARKIN. If I may respond again to the Senator, I think there is a bit of confusion here. It is my understanding that the FDA rule does not impose a mandate on States. It imposes an obligation on retailers who sell tobacco or tobacco products not to sell them to anyone under the age of 18. In fact, the rule says that anyone under the age of 27 must provide a valid photo ID to prove their age is over the age of 18. The money that we are seeking here is to go out to the States and local communities to help them, and to help retailers, enforce and comply with the FDA rule.

The FDA rule does not apply to a State. It applies to retailers, and not to a State.

Mr. BUMPERS. Let me ask the Senator this question. If the amendment of the Senator fails and there is no money going to the States and the States simply take the position that they are not going to enforce this rule because they don't have the money to do it, then there will be no enforcement?

Mr. HARKIN. That is true.

Mr. BUMPERS. And there would be no way for the Feds to make them enforce it?

Mr. HARKIN. The Senator is absolutely correct, there is no way we could make them enforce it.

Mr. BUMPERS. If we develop a formula along the lines I mentioned a moment ago, where say my State of Arkansas would get 1 percent, what if we were to say to the Federal Government: We don't like the rule and we are not going to enforce it. Keep your $340,000. Would the Federal Government have any recourse against the State of Arkansas?

Mr. HARKIN. No, because the States will contract with FDA to help carry out the FDA rule. But there is no mandate that the States have to enforce the FDA rule. We are seeking, with this amount of money, $34 million, a way of implementing the rule through the use of State and local governments to help enforce this rule. But there is no mandate that they have to do so; absolutely none whatsoever.

Mr. BUMPERS. I thank the Senator.

Mr. STEVENS addressed the Chair.

Mr. FORD. Could I get in here just a minute?

The PRESIDING OFFICER (Mr. ALLARD). Does the Senator from Iowa yield to the Senator from Alaska, who is asking to be recognized?

Mr. HARKIN. I will yield for a question.

Mr. FORD. May I ask the Senator a question?

The PRESIDING OFFICER. The Senator from Iowa controls the times.

Mr. HARKIN. I yield for a question from the Senator from Kentucky.

Mr. FORD. You are talking about funding a regulation and not a statutory provision, isn't that correct?

Mr. HARKIN. That is true.

Mr. FORD. Isn't it true, under SAMHSA and the so-called Synar amendment, that the enforcement is there and there is about $1 billion in this particular area as block grants? Isn't that true?

Mr. HARKIN. I respond to the Senator this way, and we had this discussion earlier. The Synar regulation of SAMHSA is not an enforcement program. FDA is. SAMHSA provides no incentives for retailers to stop illegal sales to kids. Through its tobacco initiative, FDA will educate retailers about their responsibility, and can assess penalties and penalize retailers if they repeatedly sell to kids. SAMHSA does not provide enforcement power or enforcement money.

Mr. FORD. Under SAMHSA, as I understand it, the States are required to certify to SAMHSA that they are carrying out these laws and one of the requirements under SAMHSA, in the so-called Synar amendment, is sting operations. So the enforcement is there from the States certifying to SAMHSA that they are complying with the law. And $1 billion is there, as I recall, for the enforcement because, if you don't enforce it and you don't certify it, then you lose your block grants. And that is pretty tough enforcement, in my opinion.

Mr. HARKIN. I might respond to my friend from Kentucky, that, under the Synar amendment it is true that SAMHSA—SAMHSA imposes an—

Mr. FORD. That's Japanese.

Mr. HARKIN. Sets targets for the States to cut illegal sales to minors.

Mr. FORD. That is correct.

Mr. HARKIN. If they do not do so, then the State could lose block grant funding—

Mr. FORD. That is correct.

Mr. HARKIN. If they do not reduce smoking.

Mr. FORD. That is correct.

Mr. HARKIN. But here is the catch. The tobacco industry was successful in pulling the teeth from this provision. Synar has no teeth because there are no hard targets. It is discretionary whether any State will lose its block grant. That is why SAMHSA is not an enforcement program, no one is going to lose their block grants, because there are no teeth in the targets. If States miss their targets, they are not going to lose their block grants. To my knowledge, no State has.

Mr. FORD. I say to my good friend—

Mr. HARKIN. I yield further without losing my right to the floor.

Mr. FORD. Under the Synar amendment, the States have passed laws to comply with SAMHSA. And, under that

compliance they are required to enforce the law. And they are to so certify. They are to so certify to HHS that they are doing it. And part of that requirement is the so-called sting operations, that you wouldn't notify an operation that you are going to inspect them.

So, this to me is double jeopardy on the States. You are taking SAMHSA that can take away their block grants and you have FDA, that you are trying to give money to, to enforce something that you already have the enforcement mechanism to do.

We may disagree on this, but $1 billion is a lot of money. It is not an unfunded mandate.

Mr. HARKIN. I would reply to the Senator from Kentucky again in this way. SAMHSA does in fact provide that States should or must enforce this and reduce smoking by passing laws that would do that, to take action to do that. However, there are absolutely no teeth at all in this SAMHSA provision because, if States don't do it, there are essentially no effective penalties that apply.

Mr. FORD. Senator, losing their block grant is a penalty.

Mr. HARKIN. A State could conceivably lose its block grant but there are no hard targets that hold the states accountable to enforce laws that cut teenage smoking.

Mr. FORD. They passed a law saying what you have to do.

Mr. HARKIN. But there are no teeth saying if you don't meet the requirements of law that you lose their block grants. There are no teeth in it.

Mr. FORD. It reminds me of the military, the teeth and the tail. I believe the teeth here have been pulled.

Mr. HARKIN. The teeth have been pulled out of SAMHSA. But nonetheless, I say to the Senator from Kentucky, that SAMHSA applies to the States. The States do their thing. What the FDA initiative goes to are the retailers. The FDA rule goes directly to retailers. And what this money is used for is to go out and contract with State and local jurisdictions to enforce the rules to prevent teen smoking and to help retailers understand what they have to do. And the FDA can absolutely set up penalties for retailers who do not comply, who are repeat offenders in selling tobacco to underage kids. That is not the case under the SAMHSA rules. I am sorry.

Mr. FORD. Mr. President, without the Senator losing his right to the floor, I would like to ask him another question.

Mr. HARKIN. I will yield for a question.

Mr. FORD. How can States regulate the purchase of cigarettes without dealing with retailers? There is no way. Because that is where the tobacco is sold. So, therefore, they do deal with retailers. Under the SAMHSA rule they have, based on their law in their State, under that statute, to comply with SAMHSA. And you have funded it by $1 billion and that is a block grant to the States.

Mr. HARKIN. Mr. President, again, let's be clear what we are talking about when we are talking about SAMHSA. SAMHSA and the States can pass a law and they can deal with retailers. But there are no hard targets in SAMHSA to say: Here is what you have to do or you will certainly lose your block grant. The State can pass all kinds of laws but, if the State laws don't meet a target, then SAMHSA has no way of going to the State and saying, ''Look, you didn't meet the requirements of the law and therefore we will take away your mental health and substance abuse block grants.''

If there were, in the Synar amendment, a provision that said that, if a State, for example, cannot show that by year one they have taken this step and this step and this step, and that they have met the target—if in that case they then would lose their block grants, I would then agree with the Senator from Kentucky.

That is not the case in the Synar amendment. It is a lot of nice words, but it doesn't really get to the heart of it, because there are no effective penalties, there is no real trigger, there is no hard target that, if a State doesn't do something, they then will lose their block grant.

On the other hand, the proposed FDA rule upheld by the courts goes to the retailers, and FDA can—not must—but can contract with States and contract with local jurisdictions for enforcement of the FDA rules. FDA will also provide information, resources, support and help through outreach. A lot of times the small businesses don't really know what they have to do, and outreach can help them carry out this rule requiring the photo ID under age 27.

So I don't want to get this FDA initiative confused with SAMHSA at all. This is something entirely different. I don't know if the Senator from Alaska wanted me to yield for a question.

Mr. STEVENS. The Senator from Alaska would like to have the floor, Mr. President.

Mr. HARKIN. Mr. President, as I was saying earlier before I yielded to the Senator from Arkansas, I was talking about the situation that we had agreed to, that I thought I agreed to. I might just also say that the Helms amendment provides no funds to reduce tobacco smoking in any way. It creates a 3-cent tax on each gallon of ethanol. It puts it in a trust fund to be used for programs within the Substance Abuse and Mental Health Services Administration, but it doesn't allow the money to be spent unless funding is included in some appropriations bill. So it really doesn't provide an alternative source of funding. It just sets up a trust fund that you take money out of ethanol and put in there. But it really doesn't do anything.

As I understood it, I had agreed with the Senator from North Carolina that I would not object to a unanimous consent request to have the yeas and nays on my amendment, which was required at that point in time; then he would modify his amendment; and then we would have the yeas and nays on his amendment; and if we could have an up-or-down vote on his amendment, which I thought was fair, and if we could have an up-or-down vote on my amendment, which I thought would be fair.

Now I understand that that may not be the case; that now there may be a motion made to table the underlying amendment without a vote happening on the Helms amendment. I think there should be a vote on the Helms amendment to see whether or not people want to take the money out of ethanol and put it into a trust fund which doesn't go anywhere, or whether Senators would rather raise the assessment, as the amendment by Senator CHAFEE and I, and others, does: to raise the marketing assessment now from 1 percent to 2.1 percent, remove the half a percent that farmers have to pay now, make tobacco companies pay the full 2.1 percent, in order to offset the $34 million needed to fund the FDA's youth tobacco initiative.

That really is the essence of the two amendments, and I believe we ought to have a vote on the two amendments. So, therefore, Mr. President, I move to table the Helms amendment, and I ask for the yeas and nays.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, the pending amendment is the amendment offered by the Senator from North Carolina to raise a tax. The underlying amendment is an amendment to raise a fee, and then it turns around and spends the fee. I view my job as chairman of the Appropriations Committee—I beg your pardon, did he make a motion to table?

The PRESIDING OFFICER. If the Senator will suspend for just a moment, apparently we have a motion to table, which is a nondebatable motion.

Mr. STEVENS. I am sorry. I apologize. I did not hear that motion. When was the motion made?

The PRESIDING OFFICER. It apparently was made just prior to the Senator from Iowa taking his seat.

Mr. STEVENS. Parliamentary inquiry. Is it in order to table the underlying amendment now?

The PRESIDING OFFICER. Not at this point in time.

Mr. STEVENS. I regret that, and I apologize to the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the Helms amendment No. 969, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 76, nays 24, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—76

Abraham	Dorgan	Lugar
Akaka	Durbin	Mack
Allard	Enzi	McCain
Ashcroft	Feingold	Mikulski
Baucus	Feinstein	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Gorton	Murray
Bond	Graham	Reed
Boxer	Grams	Reid
Breaux	Grassley	Robb
Brownback	Hagel	Roberts
Bryan	Harkin	Rockefeller
Bumpers	Hatch	Santorum
Burns	Inouye	Sarbanes
Byrd	Jeffords	Sessions
Chafee	Johnson	Shelby
Cleland	Kempthorne	Smith (NH)
Coats	Kennedy	Smith (OR)
Collins	Kerrey	Snowe
Conrad	Kerry	Specter
Coverdell	Kohl	Thomas
Craig	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
DeWine	Leahy	Wyden
Dodd	Levin	
Domenici	Lieberman	

NAYS—24

Bennett	Gregg	McConnell
Campbell	Helms	Murkowski
Cochran	Hollings	Nickles
D'Amato	Hutchinson	Roth
Faircloth	Hutchison	Stevens
Ford	Inhofe	Thompson
Frist	Kyl	Thurmond
Gramm	Lott	Warner

The motion to lay on the table the amendment (No. 969), as modified, was agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

AMENDMENT NO. 968

Mr. STEVENS. Mr. President, I want to appeal to the Senate on this bill. It is my hope that we can finish this bill tonight and move on to State, Justice, Commerce bill tomorrow and finish it before we recess for this week. We still will have two more to do or three more to do next week, in terms of appropriations bills. Our goal has been to try and finish all that we can before the recess.

Mr. President, this amendment that is pending, the Harkin amendment, as I understand it, would require that this bill be referred to Ways and Means when it goes to the House. I do not believe that we should be handling this amendment on this bill. The Senator knows that has been my feeling. I am grateful to the Senator for bringing it to the floor rather than having a prolonged discussion of it in the Appropriations Committee. But it is my hope that the Senate will understand this motion I am about to make and support it, so that we can keep the momentum we have for our appropriations bills and finish this bill tonight. I do not think the bill will be able to be finished tonight unless we do get this motion of mine agreed to.

Mr. HARKIN. Mr. President, will the Senator yield for a question?

Mr. STEVENS. Mr. President, I move to table the Harkin amendment.

Mr. HARKIN. Will the Senator yield for a question?

Mr. STEVENS. Mr. President, I move to table the Harkin amendment and I will yield in a minute.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. STEVENS. Mr. President, I move to table the Harkin amendment, and I ask unanimous consent that I be able to yield to the Senator from Iowa, and I also ask unanimous consent that my motion then be set aside so that the two leaders can arrange the balance of the program for this evening. There are Senators who have problems, as I understand it. The two leaders will address that. I have made the motion to table, right?

The PRESIDING OFFICER. The motion has been made to table.

Is there objection to the request?

Mr. HARKIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The question is on the motion to table.

Mr. STEVENS. I made a motion to table, and I asked unanimous consent that I be able to listen to the Senator from Iowa.

Mr. HARKIN. I can't hear anything. What is the pending business?

The PRESIDING OFFICER. The pending question is the motion to table the Harkin amendment.

Mr. HARKIN. Mr. President, I asked the Senator to yield for a question.

The PRESIDING OFFICER. The Senator didn't choose to do that. He moved to table.

Mr. STEVENS. What is the question, Senator?

Mr. HARKIN. The Senator from Alaska stated that this amendment would mean that the bill would be referred to the Ways and Means Committee of the House. However, the amendment that Senator CHAFEE and I offered is on an assessment that was passed by the Agriculture Committee in 1990, not the Ways and Means Committee. The Ways and Means Committee never had any jurisdiction over this.

I am somewhat perplexed as to why this would then go to the Ways and Means Committee, since it was the Agriculture Committee that passed the assessment in 1990.

Mr. STEVENS. I just want to say that my information was that that committee of the House has taken one of our bills previously.

I do ask for the yeas and nays and renew my request that the leaders be recognized.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senate will please come to order.

The majority leader is now recognized on the leader time.

Mr. LOTT. Mr. President, we have a unanimous consent request that we have been working on for the past few minutes with the members of the Appropriations Committee and the leadership on both sides of the aisle. This will give the Members some clear understanding of what they can expect for the balance of the evening and first thing in the morning.

I ask unanimous consent that the vote on the motion to table the Harkin amendment occur at 6:30 p.m. this evening and, between now and 6:30, Senator BRYAN be recognized to offer an amendment regarding market promotion and there be 30 minutes for debate to be equally divided in the usual form and the vote occur in relation to that amendment following the motion to table at 6:30 and no amendments be in order to the Bryan amendment.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. Reserving the right to object. I ask that you might include in the request that I be recognized to offer an amendment tonight—it won't be voted on tonight—after the votes on tabling the Harkin and Bryan amendments.

Mr. LOTT. Will the Senator repeat the question?

Mr. WELLSTONE. I was asking whether or not you would modify the request that I be able to offer an amendment after we have those 2 votes tonight. It won't be voted on tonight, I say to colleagues.

Mr. LOTT. Mr. President, I had hoped to do that. I would be willing—well, if I could get an agreement to what I have asked, and then I would like to propound a second unanimous consent request.

The PRESIDING OFFICER. Is there objection?

Mr. BURNS. Mr. President, reserving the right to object, and I don't think I will. I have not seen the Bryan amendment and I think in your unanimous consent you stated that there could be no second-degree amendments, is that correct?

Mr. LOTT. The Bryan amendment is available and we do have 30 minutes reserved for debate equally divided, and I don't believe—under the request we asked for, no second-degree amendments would be in order.

Mr. BURNS. I lift the objection. That will be fine.

Mr. HARKIN. Reserving the right to object.

The PRESIDING OFFICER. Objection is still heard.

Mr. HARKIN. Reserving the right to object, I ask the majority leader, because there is some, I think, misunderstanding here about going to the Ways and Means Committee, which I don't believe is correct, since customs fees are normally within the jurisdiction of the Ways and Means Committee in any event. There are in this bill more provisions that deal with authorization in

the agricultural area. I have a letter from Senator LUGAR here saying that he supports our amendment, and he finds it fully consistent with his views. So this amendment would not be referred to the Ways and Means Committee of the House. There is other language in the bill that is in the authorizing level of the Agriculture Committee. This assessment was created in the reconciliation bill of 1990, under the jurisdiction of the Agriculture Committee. It is not a customs fee. I was wondering whether we could have a few more minutes to discuss this issue so we can clear it up.

Mr. LOTT. Mr. President, we are working very feverishly trying to accommodate a number of Senators that have very important meetings and matters they need to go to. We will have 35 more minutes here in which discussions or clarifications can be worked out, I hope, or at least an understanding of what is going on. I personally am not aware of what jurisdictions are involved. We are just trying to get a time schedule here that would accommodate everybody. I am sure that the Senators will continue discussing this issue in the meantime.

Mr. HARKIN. As I understand the UC, there was to be a vote on the Harkin amendment at 6:35.

Mr. LOTT. That's correct. Between now and 6:30, Senator BRYAN will offer his amendment, with 30 minutes of debate. During that time, you can continue to talk.

Mr. HARKIN. Can we have 5 minutes to discuss my amendment before the vote, from 6:30 to 6:35?

Mr. LOTT. Mr. President, I modify my unanimous consent request that between 6:30 and 6:35 we have 5 minutes of debate, 2½ on each side.

The PRESIDING OFFICER. Is there objection to the request, as modified?

Hearing no objection, it is so ordered.

Mr. LOTT. Mr. President, I will propound another unanimous-consent request.

Mr. President, I ask unanimous consent that after these two votes, a Grams amendment with regard to compact language be in order, followed by a Wellstone amendment, followed by the managers' amendment, with the vote or votes on those amendments and final passage to occur in the morning at 9:30.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. Reserving the right to object, Mr. President. I had said to the minority leader that I know colleagues have a schedule tonight and are willing to do the amendment. I wanted to have at least 5 minutes tomorrow to summarize this amendment before people vote. That would be 10 minutes—in other words, 5 minutes equally divided.

Mr. LOTT. I modify my unanimous consent request that there be 10 minutes, equally divided, before the votes in the morning on the Grams amendment, if necessary, and the Wellstone amendment, if necessary, and then final passage.

The PRESIDING OFFICER. Is there objection to the unanimous consent request, as modified?

Mr. DASCHLE. Reserving the right to object, is it my understanding that the compact amendment deals with the dairy matter? It is my understanding that, if it does deal with the dairy matter, there are Senators on our side that would object to any time agreement. So we will have to work out additional time agreements in regard to the Grams amendment before we can agree on this particular—

Mr. LOTT. I didn't ask for any time agreements on the Grams amendment or the Wellstone amendment, thinking that Senators could have a full time opportunity tonight to discuss their amendments, without time limit. The only time limit would be that we would come in at 9:30 and have 10 minutes on Wellstone, equally divided, and then go to final passage.

Mr. DASCHLE. Unfortunately, the Grams amendment reopens the question of the dairy compact, as described to me. That is an extraordinarily controversial issue involving the Northeast as well as the Midwest. I am told that Northeastern Senators would not agree to any time agreement so long as this amendment is pending.

Mr. LOTT. So that we can get the train underway, we have one UC agreed to. Let's have the debate and we will have the votes at 6:30 and, in the meantime, we will see if we can work out the final agreement that would get us to final votes tonight.

I have to say that because we don't have this agreement, then we have no conclusion about whether or not there would be additional votes after 6:30. We will try to clarify that when we get through with those votes, sometime shortly before 7.

Mr. BIDEN. Mr. President, I wish to comment on my vote on tobacco farmers' eligibility for Federal crop insurance. I begin by noting that no substance rivals tobacco in its negative impact on our Nation's health: It is estimated that tobacco use is responsible for the premature deaths of 400,000 people annually.

Caught up in the battle between elected and public health officials and tobacco companies are the tobacco farmers, whose honest labor is spent raising this dangerous but unfortunately often lucrative crop. It is contradictory at best—and irrational at worst—for the American taxpayers to on the one hand pay for the medical costs associated with tobacco use, and on the other, pay to subsidize tobacco production through reduced-rate crop insurance. For this reason, I oppose continuing to provide tobacco farmers with taxpayer-subsidized crop insurance.

I do, however, believe that tobacco growers ought to be given reasonable warning that they stand to lose their Federal insurance, enabling them to find comparable coverage in the private insurance market. To me, it is simply an issue of fairness. I was troubled by the immediacy of the Durbin amendment's provisions, and, though I supported its objective, voted against it for this reason.

AMENDMENT NO. 970

(Purpose: To limit funding for the market access program)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, Mr. GREGG, Mr. GRAMS, and Mr. REID, proposes an amendment numbered 970.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 63, strike line 24 and all that follows through page 64, line 5, and insert the following:

SEC. 718. None of the funds made available by this Act may be used to provide assistance under, or to pay the salaries of personnel who carry out, a market promotion or market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)—

(1) that provides assistance to the United States Mink Export Development Council or any mink industry trade association;

(2) to the extent that the aggregate amount of funds and value of commodities under the program exceeds $70,000,000; or

(3) that provides assistance to a foreign person (as defined in section 9 of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508)).

Mr. BRYAN. Mr. President, as I understand the unanimous consent, it is 30 minutes equally divided, if I might inquire of the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. BRYAN. I yield myself 7½ minutes.

Mr. President, the amendment I am offering today, along with Senator KERRY, Senator GREGG, and Senator GRAMS, addresses a continuing misuse of taxpayer dollars by the now infamous Market Access Program, which has previously been known as the Market Promotion Program, and before that the Targeted Export Assistance Program.

As most Senators know, I have worked to eliminate this unjustifiable program for more than 5 years. But the resilient program keeps coming back to life under different names and without the consent of the full Senate. When efforts to eliminate the program have been blocked, I have tried to reform the program and end its subsidies to large corporate and foreign interests. Twice now the Senate has voted to reduce funding for this program to a level of $70 million annually, and twice the funding has been restored off the Senate floor.

Today, I am asking the Senate to join me once again to put an end to this program's abuses. It is inexcusable to allow this program to continue to funnel Americans hard-earned tax dollars to foreign companies to subsidize their advertising budgets. When the Market Access Program was created more than 10 years ago it was called the Targeted Export Assistance Program and was intended to be used by trade organizations to counter unfair trading practices by foreign competitors to disadvantage U.S. exports, and reduce funds from the Department of Agriculture's Commodity Credit Corporation to promote U.S. goods in foreign markets. I don't think that anyone would disagree that expanding foreign markets for U.S. products is an important part of the overall competitive trade strategy. However, as this program evolved over the past 10 years the program was no longer limited to exporters facing unfair competition. Even as this body labored to cut back on Federal expenditures, scarce U.S. tax dollars continued to flow to major U.S. corporations as well as to foreign companies.

Make no mistake. We are talking about more than $1.5 billion given away to corporate entities over the past decade. Unlike the Promotion Assistance Program provided through the Department of Commerce, these are grants. So they are never repaid.

From 1986 to 1993, nearly $100 million of Market Promotion Program funds went to foreign companies. From 1993 to 1995, the program gave roughly $10 million to $12 million each year to foreign corporations.

Many of my colleagues will recall that I joined with the distinguished ranking member of this subcommittee, Senator BUMPERS, to try to end this blatant waste of taxpayer dollars, and the Senate backed us in our efforts. During consideration of the 1996 farm bill, the Senate voted 59 to 37 in favor of my amendment to prevent Market Access Program funds from flowing to foreign companies. The amendment provided that only ''small business,'' as defined by the Small Business Administration, and Kapra Vaultsted Cooperatives, would provide for assistance through programs.

In addition, funds for the program which were at that time set at $110 million were capped at $70 million. So the Senate has been on record to limit the amount of money in this program at $70 million and to eliminate money from this program going to foreign companies.

I make it clear. My preference would be to eliminate the entire program because I believe this is corporate welfare in its worst form. That has not been the will of the Senate. But twice the Senate has been on record capping this program and preventing money from going to foreign companies.

In reviewing the action of the Foreign Agriculture Service since the 1996 farm bill changes took effect, it is clear however, that the Foreign Agriculture Service has not carried out the intent of the Senate in spite of the Senate's action to bar the distribution of Market Access Program funds to foreign companies. Companies based in the United Kingdom, Australia, and Saudi Arabia received more than $475,000 in fiscal year 1996 through this same program.

There is a partial list of foreign companies that received funds after the Senate added in the 1996 agriculture bill a prohibition against money going to foreign companies. They did it by an ingenious but somewhat convoluted definition of what constitutes a foreign company.

The purpose of this amendment is simply to do what the Senate has gone on record to do twice before, and that is to cap the amount of money going into the program at $70 million and to prevent money from going to foreign companies.

I ask my colleagues to be supportive of this amendment.

If I might cite an example. The Alaska Seafood Marketing Institute has received $55 million through this program since 1987. Supporters of this corporate giveaway would no doubt point out the importance of supporting Alaskan industry in foreign markets. But the Alaskan Seafood Marketing Institute gave at least $724,000 to USDA-listed foreign corporations in 1996 alone.

So I must say it boggles the mind to imagine how much money has gone to these same companies since the program began in 1986.

The National Peanut Council in 1996 distributed $50,000 to Internut Germany, $60,000 to Felix Polska, and $30,000 to the Basamh Trading Company of Saudi Arabia. All three of these companies were openly listed as foreign on the USDA list in past years. Yet, they continue to receive funds from the Market Access Program.

The PRESIDING OFFICER (Ms. COLLINS). The Senator has used 7½ minutes.

Mr. BRYAN. I thank the Chair.

I reserve remainder of my time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Madam President, I yield myself such time as I may consume.

One part of the amendment of the distinguished Senator from Nevada suggests that foreign corporations should not be eligible for funds under this provision of our bill.

Our bill does not contain any language relating to this program because we are not limiting the spending of funds that are directed by the legislative language in the farm bill. The last farm bill that was passed directs that funds be made available by the Department of Agriculture for this program in the amount of $90 million. Our bill does not limit the use of those funds. It does not any further restrict the use of those funds.

The amendment the Senator has offered will change existing legislative language. I want to read the amendment.

Funds made available to carry out this section shall not be used to provide direct assistance to any foreign for-profit corporation, or the corporation's use in promoting foreign-produced products. It shall not be used to provide direct assistance to any for-profit corporation that is not recognized as a small business concern described in section 3(a) of the Small Business Act, ''excluding a cooperative . . . an association described in the first section of the act,'' et cetera—''. . . a nonprofit trade association.''

So the whole point is that this program has been reformed, reformed, and reformed. The Senator from Nevada just cannot be pleased that this program continues to be authorized and funded and funded. Our committee is simply letting the funds be used, as directed by law, by the Department of Agriculture.

So what he is suggesting is cut the funds that are directed by law to be spent by the Department of Agriculture on this program, and to further restrict them with additional legislative language.

What amount of reform is going to be enough? I mean it gets to the point where I suggest we are nit-picking this program now. Once upon a time there were charts in here with McDonald's hamburger signs saying that they were benefiting from this program, and we were appropriating money that was being used by huge corporations to increase their sales. All the program was ever designed to do was to combat unfair trade practices overseas in foreign markets where we were trying to compete for our share of the market in the sale of agriculture commodities and food products. We were giving the Department of Agriculture money. It was called the Targeted Export Assistance Program first. Then it was the Market Promotion Program. Now it is the Market Access Program. We can't even get the right name so that it is acceptable. So the Senator continues to make changes.

I think we ought to just say this program is working. It is increasing sales of U.S. farm-produced commodities in overseas markets. There is a limited amount of money available. It is prescribed by law.

Everyone here had a chance to debate the farm bill. We had a chance to debate all of the limiting language that any Senator wanted to offer. And that was done. It is over with. It is not being abused anymore, if it ever was. It is not being subjected to any kind of abuse that I know anything about.

So my suggestion to the Senate is to table this amendment and get on with the consideration of the rest of the bill. It is not necessary to adopt it to seek any reforms that need to be made.

So I am hoping the Senate will reject the amendment and vote for the motion to table.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. I yield myself another 4 minutes, and I would certainly provide whatever time the distinguished ranking member would like to speak if he chooses to comment on this.

Madam President, let me just point out that this program ought to be eliminated. The Senate has been resistant. But the Senate has gone on record twice as having said the program ought to be limited to $70 million. The present level would be $90 million.

So this amendment seeks to in effect do what the Senate twice has gone on record as trying to accomplish.

Second, my colleagues will recall that the other part of the amendment that we offered was passed by a vote of 59 to 31, which, I believe, was to eliminate money going to foreign companies.

The bureaucracy is extraordinarily creative and ingenious. So companies that have historically since the advent of this program back in the 1980's were designated as foreign companies miraculously under a new definition after the Congress—this is the current law—went on record as saying not to allow this money to go to foreign companies. They have redefined ''foreign companies'' as ''nonforeign'' or ''domestic companies'' for purposes of this legislation.

So one of the reforms that we thought that we got enacted in the last Congress—that is, to eliminate the flow of money to companies like this to Saudi Arabia, to France, to the Netherlands, to Germany, to Canada, the United Kingdom, and other companies. We thought we had closed that door. But the Foreign Agriculture Service had redefined what constitutes a foreign company.

So what this amendment tries to do is to reinstate the intent of the Senate as passed by an overwhelming margin, and is currently the law to prohibit the flow of money in this program, the taxpayer dollars to foreign companies.

I hope my colleagues will be supportive of this amendment as they have on two previous occasions.

I yield the floor but reserve the remainder of my time.

Mr. COCHRAN. Madam President, I know of no other Senators who are seeking recognition on this issue.

Might I inquire how much time remains under the order on the amendment?

The PRESIDING OFFICER. The Senator from Mississippi has 10 minutes, and the Senator from Nevada has 5 minutes remaining.

Mr. COCHRAN. Madam President, I yield myself the additional 10 minutes.

I was just handed a chart that shows how much money comparatively is being spent on export or market promotion by the European Union as compared with how much we are spending in the United States of taxpayer funds for the same purpose.

I do not have one of these big charts on an easel, and I don't know if everybody can see this, but this big colored part of the chart here is how much is spent by the European Union, and it is $10.11 billion. This is this year. You cannot see anything on the other side except white, but if you look very, very carefully, you can see just a little bit of a line here and it is $0.15 billion. And the Senator is trying to cut that further.

Now, think about it. The European Union is spending more money promoting the sale of wine than we are spending as a nation in our Federal programs on all of our United States-produced commodities and foodstuffs that are being sold in the overseas markets. Think about it. And this program is available only to trade associations, cooperatives and small businesses. Think about it.

Now, this is getting ridiculous. We have changed this program every time it has come up, or changes have been attempted every time it has come up. It has been reformed and modified and refocused. We are trying to give the Department of Agriculture some funds to use in situations where our exporters are being denied access to markets or are being unfairly treated in some way by barriers that are being erected to prevent the sale of United States-produced agriculture foodstuffs and commodities.

Whose side are we on, for goodness sakes? Think about this. We are being asked to cut the program more and to limit it more so it is tied down tighter than you can imagine.

Finally, I think those who ask for access to these funds, these market access program funds are going to finally give up. It is going to be so much red-tape, so many new rules and regulations, that it is going to take a whole firm of lawyers to figure out how to get some of these funds to use if you need them.

I am hoping that the Senate will say OK, enough is enough. In the farm bill of last year—year before last—language was used to try to define as carefully as could be the authority for using these funds, and the amount of money was not given any discretion at all in terms of the appropriations process. It was directed in the farm bill that $90 million be spent or made available to the Department of Agriculture to spend under these tightly constricted and restrained definitions. Now the Senator is saying the appropriations bill, because it does not limit the expenditure of these funds that are directed, ought to be amended so that it will, and that there ought to be further limitations on the spending. I say I think enough is enough. We have reformed the program.

There is a coalition of exporters that has written me a letter again saying that the Senate, they understand, may have to consider another amendment to further reduce or eliminate funding for the Market Access Program. A similar amendment was defeated last year, they point out in this letter. The program has been substantially reformed and reduced; it is targeted toward farmer-owned cooperatives, small businesses and trade associations; it is administered on a cost-share basis with farmers and ranchers and other participants; they are required to contribute as much as 50 percent toward the program costs; on and on and on.

Here is a list of all of those who are a part of this coalition, double-spaced columns here, a whole page of U.S. agriculture producers and growers trying to sell our share in the world market. Exports have become so important to U.S. agriculture. There are markets out there that are growing and expanding. There are opportunities for us. They create jobs here in the United States for our U.S. citizens. Vote for America for a change. Vote against this amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. My friend and colleague from Mississippi propounded, I think, a very fair question. Whose side are you on? Those who support the Bryan amendment are on the side of the American taxpayer. I believe that whether you come from a farm State or nonfarm State, when you are told that your hard-earned tax dollars go to foreign companies, that is offensive. I think it is not only offensive, it is without justification.

How can we call upon the American people, in effect, to subsidize foreign companies with their own tax dollars. It is my view that this program is corporate welfare. It is also my view that this program ought to be eliminated. But that is not the issue today. The issue today is whether you favor cutting off money, taxpayer dollars, to foreign companies such as these that are illustrated here from Saudi Arabia, from France, the Netherlands, Germany, and Canada. We tried to do that. We tried to do that. But the bureaucrats have come up with some convoluted definition of what constitutes a foreign company that now makes it possible for foreign companies to receive these moneys notwithstanding the overwhelming vote of the Senate to express its displeasure.

I could not resist a comment when my friend from Mississippi talked about the reforms that have taken place. This is a program that is in need of elimination. But I will say to you that the General Accounting Office as recently as March of this year had this to say about this Market Access Program, and I quote:

> Adequate assurance does not exist to demonstrate that Market Access Program funds are supporting additional promotional activities rather than simply replacing company industry funds.

So, in effect, what is occurring here is a big scam, and the American taxpayer is the victim. Companies that receive these subsidies simply reduce the amount of money of their own corporate funds for their advertising budget and have it supplemented at the expense of the taxpayer. That neither encourages nor helps agricultural exports

nor helps American agriculture, but it certainly dips deep into the taxpayer pocket, as it has for many, many years.

This is the time to eliminate one of the fundamental abuses. That is money going to foreign companies. We thought we had done that in the last Congress. This definition in this amendment tightens that loophole that apparently the bureaucrats have been able to find and would put a cap which the Senate has previously voted on at $70 million.

I will yield the floor and the remainder of my time.

Mr. KERRY. Madam President, I am pleased once again to join with my friend, the distinguished Senator from Nevada, as a cosponsor of his amendment to reduce funding for the Market Access Program [MAP]. I urge my colleagues to support this effort to scale back funding for the Market Access Program by $20 million for fiscal year 1998.

I would like to eliminate totally the Market Access Program, formerly known as the Market Promotion Program. This is a subsidy program which has been roundly criticized by research institutes across the political and economic spectrum—the National Taxpayers' Union, the Progressive Policy Institute, Citizens Against Government Waste, the Cato Institute, and others.

The MAP Program makes possible some of the most obvious cases of corporate welfare to which we can point in the Federal budget today. But, as my friend from Nevada knows, we have tried year after year to terminate this program which has funneled more than $1 billion of taxpayer money into the advertising budgets of some major American corporations. Unfortunately, our efforts to eliminate this program have been unsuccessful, but we have proscribed some of the more egregious uses of MAP funds.

For example, American taxpayers no longer will be subsidizing the advertising expenses of the mink industry to promote fashion shows abroad. My amendment to the MAP passed the Senate last year and I am pleased that the distinguished chairman and ranking member of the Agriculture Subcommittee have agreed to continue this prohibition another year. In addition, last year, the distinguished Senator from Arkansas, Senator BUMPERS, and Senator BRYAN successfully led the fight to limit this program to small businesses and agricultural cooperatives. That was another giant step in the right direction—taxpayers should not be subsidizing the foreign advertising accounts of McDonald's, Gallo Wines, M&Ms, Tyson's and all the other corporate giants that have received MAP funds in the past.

American taxpayers also should not be asked to subsidize foreign firms. And this program has benefited foreign companies. From 1986–1993, $92 million of MPP funds went to foreign-based firms. Senator BRYAN successfully passed an amendment that will keep MAP funds from going to foreign corporations. Yet, as we heard while he described his amendment today, more than 40 foreign companies received funding from the MAP last year. This is outrageous, and makes obvious the necessity for the distinguished Senator's amendment.

At a time when we are asked to cut back on education funding, on Medicare, on environmental programs, how can we justify paying the advertising expenses of foreign agricultural companies?

Our work to eliminate corporate welfare from this program certainly is not finished. As long as foreign-owned companies with subsidiaries in the United States are still able to receive subsidies to advertise their products in their own countries, I will be back in this Chamber arguing against this program. I am hopeful that the Senate will pass this amendment today, because it will take us a long way toward the goal of removing the nonsensical from this program by eliminating funding for foreign-owned subsidiaries and for large corporations.

I think most Americans are not even aware that this kind of egregious subsidy is taking place, and when I discuss this program with people in my state, they express astonishment and dismay. They know it is inappropriate and unnecessary, and measured against the other choices we are making here, it is plainly and simply wrong.

I commend my distinguished colleague from Nevada, Senator BRYAN, for his continuing leadership fighting inappropriate Federal subsidies, and the MAP in particular. He and I have joined forces in this effort on so many occasions, fighting against the wool and mohair subsidy, fighting the mink subsidy, fighting wasteful subsidies in the MAP Program. I urge all my colleagues to vote for this amendment to reduce funding for the Market Access Program.

Mr. COCHRAN. Madam President, I urge that the amendment be defeated. I am prepared to yield back the remainder of my time.

I ask unanimous consent that there be printed in the RECORD a copy of a letter to me from the Coalition to Promote U.S. Agricultural Exports that I referred to in my remarks.

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

COALITION TO PROMOTE
U.S. AGRICULTURAL EXPORTS,
Washington, DC, July 22, 1997.

DEAR SENATOR: It is our understanding the Senate may consider the FY 1998 agriculture appropriations bill as early as today. Accordingly, we want to take this opportunity to urge your strong opposition to any amendment which may further reduce or eliminate funding for USDA's Market Access Program (MAP). A similar amendment was defeated last year by a 55–42 vote.

MAP has been substantially reformed and refocused. It is now specifically targeted towards farmer-owned cooperatives, small businesses and trade associations. Further, it is administered on a cost-share basis with farmers and ranchers, and other participants, required to contribute as much as 50 percent or more toward the program's cost. In addition to encouraging U.S. agricultural exports, it has helped create and maintain needed jobs throughout the economy. Over one million Americans have jobs which depend on U.S. agricultural exports.

The program is also a key part of the new 7-year farm bill (FAIR ACT of 1996), which gradually reduces direct income support to farmers over 7 years and eliminates acreage reduction programs, while providing greater planting flexibility. As a result, farm income is more dependent than ever on maintaining and expanding exports, which now account for as much as one-third or more of domestic production. The export market, however, continues to be extremely competitive with the European Union and other countries heavily outspending the U.S. when it comes to market development and promotion efforts. Recently, the European Union announced a major new initiative aimed at Japan—the largest single market for U.S. agriculture. This underscores the continued need for MAP and similar programs.

Enclosed for your use are additional fact sheets, including a table highlighting the value of agricultural exports and number of export-related jobs by state.

Again, we appreciate your leadership and support on this important issue.

Sincerely,

COALITION MEMBERSHIP—1997

Ag Processing, Inc.
Alaska Seafood Marketing Institute
American Farm Bureau Federation
American Forest & Paper Association
American Hardwood Export Council
American Meat Institute
American Plywood Association
American Seed Trade Association
American Sheep Industry Association
American Soybean Association
Blue Diamond Growers
California Agricultural Export Council
California Canning Peach Association
California Kiwifruit Commission
California Pistachio Commission
California Prune Board
California Table Grape Commission
California Tomato Board
California Walnut Commission
Cherry Marketing Institute, Inc.
Chocolate Manufacturers Association
CoBank
Diamond Walnut Growers
Eastern Agricultural and Food Export Council Corp.
Farmland Industries
Florida Citrus Mutual
Florida Citrus Packers
Florida Department of Citrus
Ginseng Board of Wisconsin
Hop Growers of America
International American Supermarkets Corp.
International Dairy Foods Association
Kentucky Distillers Association
Mid-America International Agri-Trade Council
National Association of State Departments of Agriculture
National Cattlemen's Beef Association
National Confectioners Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Dry Bean Council
National Grange
National Hay Association
National Grape Cooperative Association, Inc.
National Milk Producers Federation
National Peanut Council of America
National Pork Producers Council
National Potato Council
National Renderers Association

National Sunflower Association
NORPAC Foods, Inc.
Northwest Horticultural Council
Pet Food Institute
Produce Marketing Association
Protein Grain Products International
Sioux Honey Association
Southern Forest Products Association
Southern U.S. Trade Association
Sun-Diamond Growers of California
Sun Maid Raisin Growers of California
Sunkist Growers
Sunsweet Prune Growers
The Catfish Institute
The Farm Credit Council
The Popcorn Institute
Tree Fruit Reserve
Tree Top, Inc.
Tri Valley Growers
United Egg Association
United Egg Producers
United Fresh Fruit and Vegetable Association
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
USA Rice Federation
U.S. Apple Association
U.S. Feed Grains Council
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Wheat Associates
Vinifera Wine Growers Association
Vodka Producers of America
Washington Apple Commission
Western Pistachio Association
Western U.S. Agricultural Trade Association
Wine Institute

Mr. COCHRAN. I yield back the remainder of my time. I move to table the Bryan amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 968

The PRESIDING OFFICER. The question now is on agreeing to the motion to table the Harkin amendment. There is 5 minutes of debate remaining.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. FORD. Madam President, am I correct that 5 minutes is now running on the debate on the Harkin amendment with 2½ minutes equally divided?

The PRESIDING OFFICER. It is not yet running.

Mr. FORD. May I be recognized since there is no pending business?

The PRESIDING OFFICER. The Senator is recognized.

Mr. FORD. I thank the Chair. And I might get a few more minutes here.

The motion to table the Harkin amendment is significant because the Senator from Iowa talked about the goals; there were no goals under the SAMHSA amendment or what we refer to as the Synar amendment.

The PRESIDING OFFICER. The Senator may proceed.

Mr. FORD. I thank my neighbor. I have in my hand the explanation and rationale for the budget request of FDA as it relates to tobacco. There is not a goal in here. There is not a goal in here. So if SAMHSA does not have a goal, then FDA does not have one. So if the teeth are not in the SAMHSA amendment, there are no teeth in the FDA amendment that the Senator from Iowa said there were.

So it is a little bit confusing to me for him to say that FDA has a goal and they have teeth, and yet when you look at the explanation of the program, the rationale for the budget request, there is no goal in here, none whatsoever. None whatsoever. We hear a lot about health, but the enforcement is there. The enforcement under SAMHSA is there. The ability to take from the States is there—that is enforcement—to carry out and comply with the law.

Now, this is double jeopardy. We have SAMHSA on one side telling the States what to do. They passed a law. Now we are trying to give FDA $34 million, taken directly from the farmers' pocket—whether you want to agree with that or not—and say FDA is going to get involved, also. It just does not seem fair. Then the $34 million that we have, that the Senator is asking for, is the budget request of the administration prior to the court case which threw out several of these items and, therefore, $34 million would not be needed anyhow.

So, I say to my colleagues, tobacco is something that everybody wants to shoot at. But what we forget about is the farmer. He is sitting there. He does not set a price on anything. What will you give me? So they say the manufacturers will pay all of it. They just reduce the price of tobacco, and the farmer pays for it. He pays for the warehouse; he pays for the grading; he pays the deficit reduction charge. All these are paid by the farmer before he gets the check. So now we find ourselves saying FDA has rules to go by. There are no rules. The Senator from Iowa gave me this piece of paper, and there are no criteria in here that say the States have to do anything, if they want to give them money to enforce it. Well, it is already there, and the States have already passed the laws.

So, Madam President, I will yield the floor and I still have the opportunity to get 2½ minutes, I understand. I thank the Chair.

The PRESIDING OFFICER. There are now 5 minutes equally divided on the Harkin amendment.

Mr. HARKIN. Madam President, I understand we have 2½ minutes. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. I just listened to my friend from Kentucky—and he is my friend, I mean that in all sincerity—talking about this amendment not being fair. Madam President, what is not fair is this: Kids all over America walking into gas stations, small retail outlets, not being asked to show an ID, buying cigarettes and getting hooked, getting hooked on tobacco. That is what is not fair. That is what is not fair, and that is what this amendment seeks to prevent.

The FDA promulgated a rule. The tobacco companies took them to court. The court in Greensboro, NC, upheld that part of the FDA rule that says FDA can set a minimum age for tobacco purchases and require that retail establishments have to card anyone who appears to be under 27. The Court said FDA can promulgate that rule. The rule is in place.

What our amendment does is provide some money to the States and local jurisdictions to enforce the rules and also money to help the private establishments meet their obligations not to sell to minors and to have an ID check on young people so they do not buy tobacco when they are under the age of 18. That is what is fair. States need the funds.

This funding for FDA's youth tobacco initiative is supported by 33 attorneys general from around the country who have been part of this tobacco settlement that they are working on. The attorney general of Mississippi, Mike Moore, wrote me a letter supporting this amendment saying it would not interfere or conflict with the proposed tobacco settlement.

Lastly, this offset is totally within the jurisdiction of the Agriculture Committee. It is supported by both Chairman LUGAR and by me, the ranking member. This amendment will not go to the Ways and Means Committee. It is under Agriculture's jurisdiction. It was in the 1990 reconciliation bill and it is today.

Mr. LUGAR. Mr. President, I strongly support Senator HARKIN's amendment to increase the tobacco deficit-reduction assessment and devote the proceeds to enforcement of the Food and Drug Administration's rules to deter underage smoking.

Senator HARKIN has discussed this amendment with me and I find it fully consistent with my own views on the urgency of preventing smoking. The increased assessment will still contribute to future deficit reduction because it will assist us in preventing smoking. When a young person makes the mistake of beginning to smoke, serious health risks are created for the individual. The problems do not end here, however. A decision to smoke is also a decision to increase potential future health care costs. Many of these costs are borne by the Federal and State governments. People who do not begin smoking will be less a burden on the Nation's health care system and on the Nation's treasury.

The primary benefit of the amendment, however, will be on the lives of individual young people. If they do not begin smoking in youth, they are unlikely to start once they attain greater maturity. Preventing smoking at an especially vulnerable age is a national priority and I commend Senator HARKIN for advancing it in this amendment.

Mr. HARKIN. Madam President, I yield the remainder of my time to the Senator from Rhode Island, and thank him for his support.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Madam President, I stand in strong support of the Harkin amendment. We know today 90 percent of the adults who are smoking started when they were children. We know, if current trends continue, 5 million kids today under 18 years old will die because of smoking related diseases. We know all this, yet we are doing nothing effective to stop the use of tobacco products by children under 18 years of age.

The Harkin amendment would actually provide resources to ensure that the FDA regulations are enforced. That, to me, is the most critical test. I believe we should support this amendment wholeheartedly.

I yield the floor.

Mr. HARKIN. Madam President, how much time do we have?

The PRESIDING OFFICER. The time of the Senator has expired. There are 2½ minutes available on the other side.

The Senator from Alaska.

Mr. STEVENS. Madam President, I have made this motion to table. We have an extraordinary procedure, having the right to debate before it is voted upon, but, in fairness, I thought that should be the case.

Let me state to the Chair and the Senate, we have checked with the Ways and Means Committee. The tax counsel for that committee has informed my staff that this provision will require a review by the Ways and Means Committee. What it is, it is a revenue-raising measure. This is an appropriations bill, a bill to spend money. It is not a bill for legislation. Until just a couple of years ago, we had a point of order about legislation on appropriations bills. That is no longer a valid technique for us to control the bill. The only way we can control a bill and keep amendments like this off is to have a motion to table.

I urge the Senate to come back to our senses concerning legislation on appropriations bills, particularly legislation that raises money. The House is the place where revenue-raising measures start, under the Constitution. They have every right to take this bill to their committee. I do not disagree with the purpose that the Senator from Iowa seeks to fulfill with this money. But if he wants to do it, he should go to the legislative committees and have the tax committees raise the money, and then we will help him spend it. Our job is to spend money, not to raise money.

This is a wrong provision on this bill. It is going to delay. We are not through tonight. I don't think we are through with this amendment unless we table it.

Beyond that, if it passes, it is going to go over and this bill will go to the Ways and Means Committee, and the Ways and Means Committee will send it back to the Senate. That is no way to handle appropriations bills.

I have tried my best as Appropriations Committee chairman to move these bills, to move them through, to be absolutely fair in consideration of provisions that could be in an appropriations bill. The Senator has part of his amendment which provides money to spend to FDA. We don't have that money. So what he does, he also puts in a provision to raise revenue. We do not have that right in an appropriations bill. The Senate doesn't have that right. Revenue-raising measures must start in the House of Representatives.

I urge the Senate to read the Constitution, read it again, and table this amendment. Because that is the only way to handle amendments like this, is to table them, now, under our procedure. I believe we should not vote on this in a substantive way. We should table it and leave it to the tax-raising committees to raise the revenue. We should handle spending.

Has my time expired?

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to table. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced, yeas 52, nays 48, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—52

Abraham	Frist	Moynihan
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Breaux	Grams	Reid
Brownback	Hagel	Robb
Bryan	Hatch	Roberts
Burns	Helms	Roth
Campbell	Hollings	Santorum
Cleland	Hutchinson	Sessions
Coats	Inhofe	Shelby
Cochran	Inouye	Smith (NH)
Coverdell	Kempthorne	Stevens
Craig	Kyl	Thomas
Daschle	Landrieu	Thompson
Domenici	Lott	Thurmond
Enzi	McCain	Warner
Faircloth	McConnell	
Ford	Moseley-Braun	

NAYS—48

Akaka	Durbin	Leahy
Baucus	Feingold	Levin
Bennett	Feinstein	Lieberman
Biden	Glenn	Lugar
Bingaman	Graham	Mack
Bond	Grassley	Mikulski
Boxer	Gregg	Murray
Bumpers	Harkin	Reed
Byrd	Hutchison	Rockefeller
Chafee	Jeffords	Sarbanes
Collins	Johnson	Smith (OR)
Conrad	Kennedy	Snowe
D'Amato	Kerrey	Specter
DeWine	Kerry	Torricelli
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	Wyden

The motion to lay on the table the amendment (No. 968) was agreed to.

Mr. COCHRAN. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 970

The PRESIDING OFFICER. The question now occurs on agreeing to the motion to lay on the table the amendment offered by the Senator from Nevada, amendment No. 970. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—59

Akaka	Feinstein	Lott
Baucus	Ford	Mack
Bennett	Frist	McConnell
Bond	Gorton	Moseley-Braun
Boxer	Graham	Murkowski
Breaux	Gramm	Murray
Burns	Grassley	Roberts
Campbell	Hagel	Santorum
Chafee	Harkin	Sarbanes
Cleland	Hatch	Sessions
Cochran	Helms	Shelby
Collins	Hutchison	Smith (OR)
Conrad	Inhofe	Snowe
Coverdell	Inouye	Specter
Craig	Jeffords	Stevens
Daschle	Kempthorne	Thomas
Domenici	Kerrey	Thurmond
Dorgan	Landrieu	Warner
Durbin	Leahy	Wyden
Enzi	Levin	

NAYS—40

Abraham	Glenn	Mikulski
Allard	Grams	Moynihan
Ashcroft	Gregg	Nickles
Bingaman	Hollings	Reed
Brownback	Hutchinson	Reid
Bryan	Johnson	Robb
Bumpers	Kennedy	Rockefeller
Byrd	Kerry	Roth
Coats	Kohl	Smith (NH)
D'Amato	Kyl	Thompson
DeWine	Lautenberg	Torricelli
Dodd	Lieberman	Wellstone
Faircloth	Lugar	
Feingold	McCain	

NOT VOTING—1

Biden

The motion to lay on the table the amendment (No. 970) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. BROWNBACK). The majority leader.

Mr. LOTT. Mr. President, I have another unanimous-consent request we would like to make on the amendments that are pending and how we can get to a conclusion. Then we can advise the Members that there would be no more votes tonight if we can get this agreement worked out. I think we have talked to all the interested Senators, and we should get this agreed to.

I ask unanimous consent that the following be the only remaining amendments in order and they be limited to relevant second-degrees and votes ordered with respect to those amendments be stacked to occur beginning at 10 a.m. on Thursday, with 2 minutes for debate between each stacked vote, equally divided. Those amendments are

as follows and subject to time restraints where noted: Grams, dairy compact amendment; Wellstone, school breakfast, 1 hour equally divided; a managers' amendment; the Bingaman amendment with regard to CRP; the Robb amendment with regard to farmers' civil rights; and the Johnson amendment regarding livestock packers.

I further ask unanimous consent that following the disposition of the above-listed amendments, the bill be advanced to third reading and, if the Senate has received H.R. 2160, the Senate proceed to the House companion bill, all after the enacting clause be stricken, the text of S. 1033, as amended, be inserted, and the bill be advanced to third reading, and the Senate proceed to vote on passage of the Agriculture appropriations bill, and following the passage the Senate insist on its amendment and request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, reserving the right to object, two questions of the majority leader. When we had this discussion about how to proceed, I had asked for 10 minutes to be equally divided before the vote because I think the amendment is an important one. Colleagues will not be here tonight.

Mr. LOTT. Mr. President, the Senator is correct. That was the agreement. So we need to modify the agreement that there would be 10 minutes equally divided before the Wellstone amendment would be voted on tomorrow morning.

Mr. WELLSTONE. I thank the majority leader.

The second question was, my understanding is I will proceed next, or is there——

Mr. LOTT. The request we have here is that the Grams amendment would go first, because I think we have that worked out where it will be just a very brief period of time, and we would go right to your amendment after that with a time limit of 1 hour equally divided.

Mr. WELLSTONE. Reserving the right to object, the Grams amendment has been worked out? We are not going to have a long time on that; is that correct? Is that what you are saying?

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. Any other objection?

Mr. MCCAIN. Reserving the right to object, I have been waiting all day to make a brief statement of 3 or 4 minutes. I would like to have the opportunity.

Mr. LOTT. Is it regarding the legislation?

Mr. MCCAIN. Regarding the bill.

Mr. LOTT. Did the Senator from Minnesota have a question that I did not respond to?

Mr. WELLSTONE. No. I thank the leader.

Mr. LOTT. I thank the Senator from Minnesota for his cooperation and his understanding that these things are very difficult and sometimes we all get a little carried away in our comments. I appreciate his cooperation on this. He will have time to make his case and he will have 10 minutes in the morning. I thank him for his cooperation.

Mr. President, in furtherance of this reservation, Mr. President, I—how long does the Senator need?

Mr. MCCAIN. Four minutes.

Mr. LOTT. I also ask unanimous consent that the Senator from Arizona have 4 minutes before we begin on the amendments we have lined up.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, Mr. President. I might ask the majority leader, I understand from in the UC request that, after all these amendments are disposed of, we go to the third reading of the bill, and that there would be a vote on final passage.

Mr. LOTT. That's right.

Mr. HARKIN. After that, the UC also says that the House bill would then come in and be substituted for the Senate bill and then proceed to a third reading of the House bill at that point in time. However, it is my understanding that when the House bill is substituted for the Senate bill, it is also open for amendment at that point in time; is that not correct?

Mr. LOTT. This is the normal language that we use in this type of consent, getting the final passage. It is the normal procedure and the normal language. I guess, in theory, it is subject to amendment.

Mr. HARKIN. Yes. I would like to inform the distinguished majority leader that when this point happens, I intend to offer an amendment on the House bill. It would be subject to the Senate bill at that point in time.

Mr. LOTT. It would be what? Subject to what?

Mr. HARKIN. When the House bill takes the place of the Senate bill, when you strike all after the enacting clause and put in the House bill, at that point the House bill is then open for amendment. It is my intention to offer an amendment to the House bill at that point in time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MCCAIN. Mr. President, while the leaders are discussing this issue, I will make my brief statement at this time so that we can proceed with the business of the Senate.

Mr. President, once again, the hard work of Chairman COCHRAN and Senator BUMPERS is readily apparent in this bill and report. I congratulate them for their efforts.

This is the eighth appropriations bill to come before the Senate in these 2 weeks. And I must say that this bill and report, so far, take the cake for earmarks and set-asides for Members' special interests.

Most of these earmarks are in the report language and do not, therefore, have the full force of law. But I have no doubt that the Department of Agriculture will feel compelled to spend the funds appropriated to them in accordance with these earmarks.

These earmarks are the usual collection of add-ons for universities and laboratories, prohibitions on closing facilities or cutting personnel levels, special exemptions for certain areas, and the like. There is little on this list that would surprise any of my colleagues.

There is, however, a new type of earmark that I do not recall seeing in other appropriations bills. I am referring to the practice of earmarking funds to provide additional personnel at specific locations. For example, in the report:

$250,000 is earmarked for a hydrologist to work for the Agricultural Research Service on south Florida Everglades restoration;

$500,000 is earmarked for additional scientists to do research on parasitic mites and Africanized honeybees at the Bee Laboratory in Texas;

Language specifies funding at fiscal year 1997 levels for the peanut research unit of the Agricultural Research Service in Oklahoma to retain two scientists at the facility;

Language specifies funding at fiscal year 1997 levels to maintain the potato breeder and small grains geneticist positions at the Agricultural Research Service facility in Aberdeen, ID—the report notes that the current potato breeder is getting ready to retire;

An additional $250,000 is earmarked for an animal physiologist position at the Fort Keough Laboratory in Montana;

$1.05 million is added for additional staffing at the Rice Germplasm Laboratory in Arkansas;

$250,000 is added for additional scientific staffing at the Small Fruits Research Laboratory in Mississippi;

$250,000 is added to establish a small grains pathologist research position for the Agricultural Research Service in Raleigh, NC;

Language acknowledges the importance of the horticulturist position specializing in grape production at the Agricultural Research Service station in Prosser, WA;

$200,000 is added for 21 additional full-time inspectors at agriculture quarantine inspection facilities at Hawaii's airports;

$200,000 is added for the cattle tick inspection program to ensure current staffing levels are maintained along the border with Mexico; and

Language recommends continued staffing and operations at the cooperative services office in Hilo, HI.

Mr. President, I am amazed again. We have found a new way of earmarking. I congratulate the appropriators for doing so. I have never before seen earmarking funds for the hiring of a specialist at a particular job. So I want to again say we have broken a new frontier here and one that I am sure will be emulated by others in the appropriations bills to come.

Mr. President, I won't delay the Senate further. I ask unanimous consent that a listing of the provisions that I find objectionable in the agriculture appropriations bill be printed in the RECORD at this time.

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

OBJECTIONABLE PROVISIONS IN S. 1033 FISCAL YEAR 1998 AGRICULTURE APPROPRIATIONS BILL

BILL LANGUAGE

$24.5 million earmarked for water and waste disposal systems for the Colonias along the U.S.-Mexico border.

$15 million for water systems for rural and native villages in Alaska.

Section 725 exempts the Martin Luther King area of Pawley's Island, South Carolina, from the population eligibility ceiling for housing loans and grants.

Section 726 prohibits closing or relocating the FDA Division of Drug Analysis in St. Louis, Missouri, or closing or consolidating FDA's laboratory in Baltimore, Maryland.

REPORT LANGUAGE

Agricultural Research Service:

Earmarks and directive language for research programs—$250,000 for apple-specific E. coli research at the Eastern Regional Research Center, Wyndmoor, Pennsylvania.

$250,000 for research at the ARS Pasture Center in Logan, Utah.

$500,000 for fusarium head blight research at the Cereal Rust Laboratory in St. Paul, Minnesota.

$500,000 for research on karnal bunt at Manhattan, Kansas.

$1.25 million for Everglades Initiative, of which $1 million is for research on biocontrol of melaleuca and other exotic pests at Fort Lauderdale, Florida, and $250,000 is for a hydrologist to work on south Florida Everglades restoration.

$1 million each for Texas and Arkansas entities to perform dietary research, and $250,000 for each of five other centers proposing to do dietary research.

$250,000 each for laboratories in Colorado, Maryland, and California to do critical plant genetics research.

$50,000 each to 4 entities in Hawaii, California, and Oregon for clonal repositories and introduction stations.

Additional earmarks for clonal repositories and introduction stations at College Station, Texas ($100,000), Ames, Iowa ($200,000), and Pullman, Washington ($250,000).

Continues funding for ARS laboratories and worksites in North Dakota, Washington, Maine, and California which had been proposed for closure.

Increase of $250,000 for Appalachian Soil and Water Conservation Laboratory.

$750,000 for ARS to assist Alaska in support of arctic germplasm.

$250,000 to initiate a program for the National Center for Cool and Cold Water Aquaculture at the Interior Department's Leetown Science Center, where the national aquaculture center will be collocated.

$250,000 for high-yield cotton germplasm research at Stoneville, Mississippi.

$198,000 for center of excellence in endophyte/grass research to be operated cooperatively by the University of Missouri and the University of Arkansas.

$250,000 to support research on infectious diseases in warmwater fish at the Fish Disease and Parasite Research Laboratory at Auburn, Alabama.

$500,000 increase for the National Aquaculture Research Center in Arkansas.

4 separate earmarks for the Hawaii Institute of Tropical Agriculture and Human Resources—$298,000 to develop a program to control the papaya ringspot virus; another $298,000 to establish nematode resistance in commercial pineapple cultivars; $275,100 to develop efficacious and nontoxic methods to control tephritid fruit flies; and funding at FY 1997 levels for environmentally safe methods of controlling pests prominent in small scale farms in tropical and subtropical agricultural systems.

$250,000 for grain legume genetics research at Washington State University.

$950,000 for Hawaii Agriculture Research Center (formerly called the Hawaii Sugar Planters' Association Experiment Station) to maintain competitiveness of U.S. sugarcane producers.

$500,000 increase for additional scientists to do research on parasitic mites and Africanized honeybees at the ARS Bee Laboratory in Weslaco, Texas.

$388,000 to continue hops research in the Pacific Northwest.

$500,000 for integrated crop and livestock production systems research at ARS Dairy Forage Center in Wisconsin.

Funding at FY 1997 levels for kenaf research and product development efforts at Mississippi State University.

$14.58 million for methyl bromide replacement research, directed to ''facilities and universities that have expertise or ongoing programs in this area.''

Funding at FY 1997 levels for the National Center for Agricultural Law Research and Information at the Leflar School of Law in Fayetteville, Arkansas.

Funding at FY 1997 levels for the National Sedimentation Laboratory.

$500,000 increase for the National Warmwater Aquaculture Research Center in Mississippi.

$1 million increase for University of Mississippi pharmaceutical research.

Funding at FY 1997 levels for Northwest Nursery Crops Research Center in Oregon.

Funding at FY 1997 levels for two scientists for the peanut research unit in Oklahoma

Funding for FY 1997 levels for pear thrip control research at University of Vermont

Funding at FY 1997 level to maintain the potato breeder position at Aberdeen, Idaho, after the current person retires

Numerous earmarks at the FY 1997 funding levels for continued research on a variety of projects at the following locations [page 26–27 of report]:

$370,700 for Albany, California
$245,700 for Fresno/Parlier, California
$144,100 for Gainsville, Florida
$1.6 million for Hilo, Hawaii
$160,700 for Aberdeen, Idaho
$1.2 million for Peoria, Illinois
$350 million for Ames, Iowa
$250,000 for Manhattan, Kansas
$400,000 for New Orleans, Louisiana
$1.5 million for Beltsville, Maryland
$393,000 for East Lansing, Michigan
$147,000 for St. Paul, Minnesota
$491,500 for Stoneville, Mississippi
$393,200 for Columbia, Missouri
$208,400 for Clay Center, Nebraska
$143,100 for Lincoln, Nebraska
$50,000 for Ithaca, New York
$877,200 for Raleigh, North Carolina
$210,100 for Wooster, Ohio
$150,000 for Stillwater, Oklahoma
$930,800 for Corvallis, Oregon
$691,500 for Wyndmoor, Pennsylvania
$350,000 for Pullman, Washington
$919,800 for Washington, D.C.

$300,000 increase for Southeast Poultry Research Laboratory in Georgia

$250,000 increase for an animal physiologist position at the Fort Keough Laboratory in Montana

$1.05 million increase for additional staffing at the Rice Germplasm Laboratory in Arkansas

Funding at FY 1997 levels for Geisinger Health Systems Geriatric Nutrition Center in Pennsylvania to develop programs to assist the rural elderly population in nutrition

$250,000 increase for additional scientific staffing at Small Fruits Research Laboratory in Mississippi

Funding at FY 1997 level to maintain small grains geneticist position at Aberdeen, Idaho, ARS station

$250,000 increase to establish a small grains pathologist research position in Raleigh, North Carolina

At least $180,000 to continue program at National Center for Physical Acoustics to develop automated methods of monitoring pest populations

$144,100 for subterranean termite research in Hawaii

$600,000 for sugarcane biotechnology research at Southern Regional Research Center in Louisiana, with direction to collaborate with American Sugar Cane League to coordinate research

$1.6 million for aquaculture productivity research and requirements and sources of nutrients for marine shrimp projects in Hawaii

EARMARKS FOR UNREQUESTED BUILDING PROJECTS

$7.9 million for two projects in Mississippi (planning and design for a Biocontrol and Insect Rearing Laboratory in Stoneville, and National Center for Natural Products in Oxford)

$606,000 for a pest quarantine and integrated pest management facility in Montana

$5 million for Human Nutrition Research Center in North Dakota

$4.8 million for the U.S. Vegetable Laboratory in South Carolina

$600,000 for a Poisonous Plant Laboratory in Utah

$6 million for a National Center for Cool and Cold Water Aquaculture in West Virginia

SUPPORTIVE LANGUAGE

Notes importance of barley stripe rust research at Pullman, Washington, laboratory

Impressed with results of work at the Midsouth research unit on biological controls of cotton insect pests

Supports expansion of catfish research at Mississippi Center for Food Safety and Postharvest Technology

Urges ARS to continue cotton textile processing research at New Orleans, Louisiana

Expects ARS to provide adequate funding for ginning research at laboratories in New Mexico, Mississippi, and Texas

Acknowledges the importance of the horticulturist position specializing in grape production at the ARS station in Prosser, Washington, and urges that more resources be placed on grape production research

Urges ARS to continue needed research for meadowfoam at Oregon State University and the ARS facility at Peoria, Illinois

Urges continued funding for Poisonous Plant Laboratory at Logan, Utah

Urges continued research at the Idaho ARS station on potato late blight

Expects ARS to continue to support the South Central Family Farm Research Center in Arkansas

Expects no less than FY 1997 funding level for agroforestry research at the University of Missouri

Expects funding at FY 1997 levels for research in Iowa and Mississippi on soybean production and processing

Expects ARS to provide increased emphasis on viticulture research for that U.S. can remain competitive in the international marketplace for wine

Should continue and expand research at the Midsouth Research Center on water quality and pesticide application

Cooperative State Research, Education, and Extension Service:

EARMARKS

$47.5 million for 121 special research grants:

—Only $10 million of this amount was requested for 7 projects, and the committee eliminated funding for one requested project and reduced funding for another requested project.

—The entire $47.5 million is earmarked for particular states.

$7.7 million for unrequested administrative costs in connection with 13 research programs in specific states [pages 33–37 of report], including:

—$200,000 for the Center for Human Nutrition in Baltimore, Maryland

—$844,000 for the Geographic Information System program in Georgia, Chesapeake Bay, Arkansas, North Dakota, Washington, and Wisconsin

—$200,000 for the mariculture program at University of North Carolina at Wilmington

$5.8 million for 10 unrequested special grants for extension activities in specific states [page 40 of report]

$400,000 of pest management funds for potato late blight activities in Maine

$2.6 million for unrequested rural health programs in Mississippi and Louisiana

Animal and Plant Health Inspection Service:

EARMARKS AND DIRECTIVE LANGUAGE

$200,000 increase for 21 additional full-time inspectors at agriculture quarantine inspection facilities in Hawaii's airports

$200,000 increase in the cattle tick inspection program to ensure current staffing levels for U.S.-Mexico border control

Directs that vacancies at Gulfport APHIS office be filled once the Southeast Regional Office is transferred to the eastern hub

Funding at FY 1997 levels to continue cattail management and blackbird control efforts in North and South Dakota and Louisiana

$150,000 increase for the beaver damage control assistance program for the Delta National Forest and other areas in Mississippi

Funding at FY 1997 levels for Hawaii Agriculture Research Center for research into rodent control in sugarcane and macadamia nut crops

Funding at FY 1997 levels for depredation efforts on fish-eating birds in the mid-South

Funding at FY 1997 levels for Jack H. Berryman Institute of Wildlife Damage Management in Utah

$115,000 increase for coyote control program in West Virginia

Directs use of available funds to control spread of raccoon rabies in the Northeast

$455,000 increase for the Texas Oral Rabies Vaccination Program

Funding at FY 1997 levels for imported fire ant research at University of Arkansas at Monticello

$50,000 increase to initiate a demonstration project on kudzu as a noxious weed

$1 million increase for construction of a bison quarantine facility in Montana to hold and test bison leaving Yellowstone National Park

SUPPORTIVE LANGUAGE

—Supports plans by APHIS to assist producers who have suffered losses due to karnal bunt

—Expects APHIS to maintain animal damage control office in Vermont at FY 1997 levels

—Expects APHIS to use reserve funds for management of western grasshopper and Mormon cricket populations

—Expects APHIS to continue funding eradication of orbanche ramosa in Texas

Agricultural Marketing Service:

EARMARKS

$1.05 million increase for marketing assistance to Alaska

Supportive language:

—Expects AMS to continue to asses existing inventories of canned pink salmon, pouched pink salmon, and salmon nuggets made from chum salmon and determine whether there is a surplus in FY 1998; encourages Agriculture Department to purchase surplus salmon

National Resources Conservation Service:

EARMARKS

$250,000 for agricultural development and resource conservation in native Hawaiian communities serviced by the Molokai Agriculture Community Committee

$250,000 for Great Lakes Basin Program for soil and erosion sediment control

$3.5 million increase for technical assistance in Franklin County, Mississippi

$4.75 million for continued work on Chesapeake Bay

Funding at FY 1997 levels for Mississippi Delta water resources study to move into next phase

Funding at FY 1997 levels for Golden Meadow, Louisiana, Plant Materials Center, in collaboration with Crowley, Louisiana, Rice Research Station, for development and commercialization of artificial seed for smooth cord grass to prevent coastal erosion

$40,000 to continue development of techniques to address loess hills erosion problem in Iowa

$120,000 increase for a poultry litter composting project utilizing sawdust in West Virginia

$300,000 to carry out a long-range grazing lands initiative to reduce current erosion in West Virginia

Directs Agriculture Department to work with Hawaii Department of Agriculture in securing environmentally safe biological controls for alien weed pests introduced into Hawaii and to provide funding

$200,000 increase to develop a feasibility study for a watershed project in Waianae, Hawaii, to alleviate and prevent flood disasters

$500,000 for West Virginia Department of Agriculture to continue operation and testing of concepts, such as the Micgas methane gas process, at the poultry waste energy recovery project in Moorefield, West Virginia, and to study the feasibility of resource recovery at Franklin, West Virginia, to reduce poultry-related pollution in the South Branch of the Potomac River

SUPPORTIVE LANGUAGE

Expects NRCS to continue support of groundwater activities in eastern Arkansas and programs related to Boeuf-Tensas and Bayou Meto

Expects continuation of planning and design activities for the Kuhn Bayou, Arkansas project

Supports and encourages Agriculture Department to provide technical assistance and funding to assist Great Lakes watershed initiative

Supports work of GIS Center for Advanced Spacial Technology in Arkansas in developing digital soil maps, and supports continuation of the National Digital Orthophotography Program, and urges NRCS to maintain its strong relationship with the center

Notes the economic potential of expanding aquaculture in West Virginia and supports development of water treatment practices for wastewater from aquaculture

Supports needed financial assistance to complete the Indian Creek Watershed project in Mississippi

Urges NRCS to provide additional support to initiate work on Poinsett Channel main ditch no. 1 in Arkansas

Expects NRCS to find necessary resources to complete innovative community-based comprehensive resource management plans for West Virginia communities devastated by floods

Encourages the Agriculture Department to raise the priority of developing greater capacity water storage systems and improving the efficiency of water delivery systems in Hawaii and Maui

Encourages Agriculture Department to give consideration to emergency watershed needs in 41 of the 52 counties in the State of Mississippi, and 3 counties in Oregon, Pennsylvania, and New York [page 70 of report] when allocating watershed and flood prevention funds to states

Is aware of need for a pilot flood plain project for the Tygart River basin in West Virginia

Encourages Agriculture Department to finish 5 river projects in Vermont, 1 project in North Dakota, and 1 project in Mississippi [page 71 report]

Encourages NRCS to assist FEMA in flood response and water management activities in Devils Lake basin in North Dakota

Rural Community Advancement Program:

EARMARKS

Directs Agriculture Department to assist in financing Alaska Village Electric Cooperative work to alleviate environmental problems of leaking fuel lines and tanks

SUPPORTIVE LANGUAGE

Encourages Agriculture Department to give the utmost consideration to a grant application from the Native Village Health Clinic in Nelson Lagoon, Alaska, for community facility funding

Encourages Agriculture Department to give consideration to rural business enterprise grant applications from 11 entities listed in the report [page 76 of report]

Encourages Agriculture Department to consider applications from 7 cities in Pennsylvania, Mississippi, and Alaska for water and waste disposal loans and grants [page 77 of report]

Rural Business Cooperative Service:

EARMARKS AND DIRECTIVE LANGUAGE

Directs RBCS to develop and implement a pilot project to financing new or expanded diversified agricultural operations in Hawaii because of the closure of sugarcane plantations

$250,000 for an agribusiness and cooperative development program at Mississippi State University

Recommends continued staffing and operations of the cooperative services office in Hilo, Hawaii, to address the demand for cooperatives for the expanding diversified agricultural sector

SUPPORTIVE LANGUAGE

Encourages RBCS to work with Union County, Pennsylvania, to explore options to facilitate construction of the Union County Business Park

Encourages RBCS to consider cooperative development grants to New Mexico State University for rural economic development

through tourism and to America's Agricultural Heritage Partnership in Iowa

Rural Utilities Service:

Encourages Agriculture Department to give consideration to the following applications for distance learning and medical link program funds:

University of Colorado Health Science Center telemedicine project

Demonstration project with Maui Community College

Hawaii Community Hospital system

Nutrition education activities of the University of Hawaii's Tropical Agriculture and Human Resources College

Vermont Department of Education proposal to provide high schools in rural areas with two-way audio/video connections

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I want to renew my unanimous-consent request, with the modifications that we think are appropriate at this time. So I will begin again.

I ask unanimous consent that the following be the only remaining amendments in order, and limited to relevant second-degree amendment and votes ordered with respect to those amendments be stacked to occur beginning at 10 a.m. on Thursday, with 2 minutes for debate between each stacked vote, equally divided, except that there will be 10 minutes prior to the Wellstone amendment.

Those amendments are as follows and subject to time restraints where noted:

Grams, on dairy compact; Wellstone, on school breakfast; a manager's package; a Bingaman amendment on CRP; Robb, concerning farmers' civil rights, and a Johnson amendment with regard to livestock packers.

I further ask that following disposition of the amendments, the Senate then proceed to vote on S. 1033 and, following passage, the bill remain at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Therefore, there will be no further rollcall votes this evening. The next rollcall votes will be a series of votes completing action on the Agriculture appropriations bill occurring at 10 a.m.

I yield the floor.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to proceed for 3 minutes.

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

Mr. BUMPERS. Mr. President, I am sorry the Senator from Arizona, Mr. MCCAIN, left the floor. He listed a number of what he called earmarks, and the implication was that any money in this bill earmarked for specific kinds of research or specific kinds of personnel in a particular State was—he didn't say it in these words, but that it was pork and that earmarks are automatically bad. I could not disagree more. Every earmark the Senator from Arizona mentioned tonight, listed tonight in the bill, he was absolutely correct about it. Every one of them were for research projects.

I said in my opening statement this morning that it is a tragedy that in this country we have become complacent about our food supplies, and, yet, we are adding 2 million people a year in this Nation alone to feed, and almost 100 million people a year worldwide to feed. And at the same time in this Nation, as we add 2 million people to feed, we are also taking between 2 million and 3 million acres of arable land out of cultivation for airports, urban sprawl, housing, you name it.

Now, it is quite obvious to me that when you spend about $1.2 billion for research—I don't know precisely how much is in this bill, but when you consider the fact that we spend $13 billion a year on medical research, which I applaud, $13 billion a year for NASA, all of which I applaud—except space station, of course—and $36 billion to $40 billion—I believe $40 billion we approved the other day to make things explode in the Defense authorization bill, without so much as a whimper from one person in this body—about $40 billion in research and development.

I am not saying it is all bad. All I am saying is here is poor old agriculture which is going to be charged with the responsibility—and is charged with the responsibility—of providing a good, safe, reliable food supply for this country. The American housewife spends 10 cents of every dollar for food, the lowest of any nation on Earth. And to suggest that somehow or other these items in here simply because they earmarked are bad and a waste of money—I can tell you, for example, that the new poultry and meat inspection system which is being implemented right now as the ultimate in providing safe food for us to eat is the result of a very small appropriation to a consortium of the University of Arkansas, Kansas State, and Iowa State—one of the best bargains we ever got. And every dime of it was earmarked to start that program several years ago.

Mr. President, I am about to get exercised. And I could go on with all the earmarks that have provided great research for this country that we have all benefited from.

I know there is some pork in this bill, as there is in every bill. But I can tell you just because someone says it is for the State of Mississippi or the State of Arkansas doesn't mean it is bad. The truth of matter is we have reaped tremendous benefits from some of these earmarks.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I must say that I agree with the Senator from Arkansas on the last part of his comments.

THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM ACT —MOTION TO PROCEED

Mr. LOTT. Mr. President, I have a motion that I need to file. I believe that there is a Senator who will want to object on this.

Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar 109, S. 39, regarding the International Dolphin Conservation Program.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Yes. With some reluctance, Mr. President, I must object.

The PRESIDING OFFICER. Objection is heard.

CLOTURE MOTION

Mr. LOTT. Mr. President, in light of the objection, I now move to proceed to S. 39, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 109, S. 39, the International Dolphin Conservation Program Act:

Trent Lott, Fred Thompson, Larry Craig, Don Nickles, Chuck Grassley, Christopher Bond, Pete Domenici, Alfonse D'Amato, Thad Cochran, James Jeffords, Bill Frist, Olympia Snowe, Rick Santorum, Lauch Faircloth, Daniel Coats, and Ted Stevens.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur on Friday at a time to be determined by the majority leader after consultation with the Democratic leader.

I understand that there is a good likelihood that a compromise agreement has been worked out on this. If it has, that would be what I really want to do.

I am pushing this issue at the request of the President of the United States. I think it is a good conservation policy.

But if an agreement has been worked out between the differing sides, that would be our preference. If that is the case we would vitiate, of course, the cloture, and not have a vote.

But as it now would stand we would have the opportunity for this vote on Friday.

So I ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

Mr. LOTT. It will be the intention of the leadership to schedule this vote to occur on Friday.

I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion to proceed is withdrawn.

Mr. LOTT. I yield the floor.

I believe we are ready to proceed with the order.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Minnesota is recognized.

Mr. GRAMS. Thank you, very much, Mr. President.

AMENDMENT NO. 971

(Purpose: To require the Director of the Office of Management and Budget to conduct, complete, and transmit to Congress a comprehensive economic evaluation of the direct and indirect effects of the Northeast Interstate Dairy Compact)

Mr. GRAMS. Mr. President, tonight I am pleased that an amendment by Senator FEINGOLD and I, which we intended to offer, has now been accepted in modified form.

Because this issue is so important to my State, I wanted to take some time to briefly review why I offered the amendment and why this amendment is requiring a study of the Northeast Dairy Compact.

My amendment is straightforward and is noncontroversial. It simply requires the Secretary of Agriculture to study and report the economic impacts of the Northeast Interstate Dairy Compact.

The focus of this amendment is to examine the impact of the Northeast Interstate Dairy Compact on food nutrition programs and on the entire Nation's dairy industry.

This amendment will help protect senior citizens, children, and the most needy among us.

This amendment helps all who rely on food stamps, the School Lunch Program, the Summer Food Service Program, the Child and Adult Care Food Program, the Special Milk Program, the School Breakfast Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children, as well as dairy producers in 44 States.

Joining me in offering this amendment are Senators FEINGOLD, THOMAS, KOHL, LEVIN, WELLSTONE, DEWINE, and CRAIG.

As many of my colleagues may know, on July 1, 1997, the Compact became effective in a six-State region in New England giving producers there an arbitrary, fixed price for their milk—nearly $17 per hundredweight.

Unfortunately, few of us know exactly what this will mean for consumers in that region, particularly the poor; for the cost of delivering food nutrition assistance by Federal, State, and local governments; and for dairy producers in 44 other States, including my producers in Minnesota, who receive far, far less for their milk than their New England counterparts.

We are not sure of the Compact's impact, in large part, because there has been so little light shed on it. It became law attached in a conference committee. The Compact has always seemed to travel under a cloud with no justification for its existence.

For example, in the 103d Congress, the Senate Judiciary Committee held a business meeting to consider the Compact—without the benefit of a single hearing—and reported the Compact to the floor. The Senate never considered it.

A House Judiciary subcommittee held one hearing on the proposal, but eventually sent it to full Committee without recommendation because the vote was evenly divided for and against the Compact. The bill died in Committee.

In fact, at the House hearing, the administration's testimony was ''we believe this is a matter that warrants further review and consideration''. Hardly a ringing endorsement.

In the 104th Congress, the Compact was the subject of not a single hearing in either the Judiciary Committee or the Agriculture Committee of the Senate. Nor was it the topic of a single hearing in counterpart Committees in the House.

Despite this, the Compact wound up in the Senate's version of the farm bill. In response, a majority of this body voted to strip it out. The House never included the Compact in its version of the farm bill. Yet, somehow the Compact found its way back into the farm bill during conference, and survived buried in a conference report most of us supported overall.

Subsequent to the authority for the Compact becoming law, the Secretary of Agriculture decided to go ahead with implementation of the Compact despite the fact that the President's own Council of Economic Advisors recommended against it.

As a matter of fact, it was reported that the former head of the President's Council of Economic Advisors, Mr. Joseph Stiglitz, lashed out at the * * * Compact, noting it was a cost to U.S. consumers and lowered real benefits paid out via food stamps by 10 percent.

I wish I could share with my colleagues the Council of Economic Advisor's actual recommendation against the Compact. Unfortunately, however, when I wrote to the current Chairman of the Council, Ms. Janet Yellen, for that information, my request was denied.

I also took the time to show up at an Agriculture Appropriations Subcommittee hearing to submit the request to Secretary Glickman who was testifying at the time. A month or two later, I received from the Secretary yet another denial of my request for this information.

Adding insult to injury, when the Compact was being challenged in court, it seemed for a while that the Department of Agriculture was going to have a tough time just beating back that challenge even though the Federal court hearing the case was applying the lowest possible threshold—the rationale basis test—in scrutinizing the Compact.

As my colleagues are aware, the rationable basis test applied by courts only requires that there be just a little bit of logic in a government action—it just has to make some kind of sense.

Yet, on the Secretary's first attempt to explain the Compact, the judge in a frustrated tone, stated that the Secretary of Agriculture's concerns—about the Compact—expressed in four paragraphs, overshadow the four reasons, expressed in two sentences, that the Secretary gave—in favor of the Compact.

In short, the Secretary could not even supply a meager rational reason for the Compact's existence.

Shortly after that pronouncement from the court, the Secretary of Agriculture asked Judge Friedman for a second shot at rationalizing the Compact.

However, the amended brief supporting the Compact did not address the economic impacts of the Compact or even the Secretary's own concerns. But, since the court only required some kind of reasoning—any kind of reasoning—the Compact survived in court.

Mr. President, it is plain to see from all this that the cloud covering the Compact has still not lifted. The Compact and its exact economic effects are very uncertain, at best, and this should rightly concern Members from the Compact region as well as those of us in the other 44 States.

In his August 9, 1996, statement, Secretary Glickman himself stated:

> I am concerned about the potential effects of the Compact in several respects and intend, therefore, to monitor closely its implementation.

Secretary Glickman also continued:

> I expect that the Compact Commission will implement the Compact in a way that does not burden other regions of the country, consistent with the provisions of the FAIR Act and the Compact. I will monitor whether the Compact has any adverse effects on the income of dairy producers outside the Compact region.

Further, the Secretary announced, and again I quote:

> Perhaps most significantly, I am deeply concerned about and will closely monitor the effect of the Compact on consumers, especially low-income families, within the Compact region.
>
> I expect that the Commission will pay close attention to monitor the effects of its decisions on consumers before and after it takes any action.

He went on to say, and again I am quoting:

> I also expect the commission and the Compact States to provide assistance to offset any increased burden on low-income families in the Compact region. I am also concerned about the effect of the Compact on the Department of Agriculture's nutrition programs, and I expect the commission to exercise its authority to reimburse participants in a special supplemental nutrition program for WIC and to fulfill its obligation to reimburse the CCC, as provided in the Compact and in the FAIR Act.

Mr. President, despite the concerns expressed by the Secretary of Agriculture regarding the compact, we still

have no way of knowing whether the compact is in fact having an adverse effect on consumers, especially the poor, and, if it is, to what extent.

We have no way of knowing whether the compact is increasing the cost of food nutrition programs, adversely affecting taxpayers who foot the bill. We also have no way of knowing whether the compact has an adverse effect on the dairy producers of 44 other States in this country or whether the CCC will pick up bigger tabs because of the compact. The only information we have today are newspaper articles from the compact region reporting that retail milk prices have climbed 20 to 26 cents per gallon since the compact was implemented, and retailers and consumer groups are blaming the compact.

We are also hearing word that milk production in the compact region is on the rise in response to the fixed prices New England dairy producers are receiving. I am told that one large processor in the compact region is not accepting any additional milk at one of its plants and is instead shipping five to seven loads a day of excess milk to the Midwest where it is sold for around $7 to $8 per hundredweight for processing.

If these reports are correct, New England lawmakers should be extremely concerned about their consumers, especially the poorest among them. My colleagues from the other 44 States, especially those States that produce dry powdered milk or cheese, should be equally concerned about producers in their home States having to compete with $7 and $8 milk coming out of New England. But the fact is none of us know for sure what is happening out there due to the compact because the cloud lingers, and, therefore, all I am asking from my colleagues is a little bit of sunshine.

It seems to me that last Congress we bought this rig sight unseen without even so much as kicking the tires. Under those circumstances, I don't think it is unreasonable to now ask that we take a look under the hood. If the folks who sold us the compact are right, then there is nothing to hide. At this juncture, I believe that a study of the compact is not only appropriate but it is very necessary.

Mr. President, in the August 9, 1996, statement of Secretary Glickman, which I mentioned earlier, the Secretary also stated:

> I also encourage Congress to exercise its oversight function and to monitor the implementation of the compact.

Mr. President, I think the Secretary has offered us some very sound advice. This is the best way to provide that necessary oversight. If the compact is compromising our efforts to help the disadvantaged, the senior citizens and children through nutrition programs or disadvantaging dairy producers in 44 States, I want to be one of the first to learn that information and then to do something about it.

So, Mr. President, I understand again that this amendment I offer with Senator FEINGOLD is accepted, and I thank all of those who have helped us work on this and support it.

Also, Mr. President, I ask unanimous consent that I add Senator ABRAHAM to the list of cosponsors of this amendment as well.

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

Mr. GRAMS. I thank the Chair. I thank you for the time and I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Is the Senator's amendment offered for a vote?

Mr. GRAMS. Mr. President, I understand that the amendment has been accepted.

The PRESIDING OFFICER. The amendment would need to be offered and a voice vote taken.

Mr. GRAMS. Mr. President, my understanding is that the amendment has been accepted and no recall vote is needed.

The PRESIDING OFFICER. The Senator needs to send the amendment to the desk.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Minnesota [Mr. GRAMS], for himself, Mr. FEINGOLD, Mr. KOHL, Mr. LEVIN, Mr. WELLSTONE, and Mr. CRAIG, proposes an amendment numbered 971.

Mr. GRAMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

> On page 66, between lines 12 and 13, insert the following:
>
> **SEC. 728. STUDY OF NORTHEAST INTERSTATE DAIRY COMPACT.**
>
> (a) DEFINITIONS.—In this section:
>
> (1) CHILD, SENIOR, AND LOW-INCOME NUTRITION PROGRAMS.—The term ''child, senior, and low-income nutrition programs'' includes—
>
> (A) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);
>
> (B) the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.);
>
> (C) the summer food service program for children established under section 13 of that Act (42 U.S.C. 1761);
>
> (D) the child and adult care food program established under section 17 of that Act (42 U.S.C. 1766);
>
> (E) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772);
>
> (F) the school breakfast program established under section 4 of that Act (42 U.S.C. 1773);
>
> (G) the special supplemental nutrition program for women, infants, and children authorized under section 17 of that Act (42 U.S.C. 1786); and
>
> (H) the nutrition programs and projects carried out under part C of title III of the Older Americans Act of 1965 (42 U.S.C. 3030e et seq.).
>
> (2) COMPACT.—The term ''Compact'' means the Northeast Interstate Dairy Compact.
>
> (3) NORTHEAST INTERSTATE DAIRY COMPACT.—The term ''Northeast Interstate Dairy Compact'' means the Northeast Interstate Dairy Compact referred to in section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256).
>
> (4) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.
>
> (b) EVALUATION.—Not later than December 31, 1997, the Director shall conduct, complete, and transmit to Congress a comprehensive economic evaluation of the direct and indirect effects of the Northeast Interstate Dairy Compact, and other factors which affect the price of fluid milk.
>
> (c) COMPONENTS.—In conducting the evaluation, the Director shall consider, among other factors, the effects of implementation of the rules and regulations of the Northeast Interstate Dairy Compact Commission, such as rules and regulations relating to over-order Class I pricing and pooling provisions. This evaluation shall consider such effects prior to implementation of the Compact and that would have occurred in the absence of the implementation of the Compact. The evaluation shall include an analysis of the impacts on—
>
> (1) child, senior, and low-income nutrition programs including impacts on schools and institutions participating in the programs, on program recipients and other factors;
>
> (2) the wholesale and retail cost of fluid milk;
>
> (3) the level of milk production, the number of cows, the number of dairy farms, and milk utilization in the Compact region, including—
>
> (A) changes in the level of milk production, the number of cows, and the number of dairy farms in the Compact region relative to trends in the level of milk production and trends in the number of cows and dairy farms prior to implementation of the Compact;
>
> (B) changes in the disposition of bulk and packaged milk for Class I, II, or III use produced in the Compact region to areas outside the region relative to the milk disposition to areas outside the region—
>
> (C) changes in—
>
> (i) the share of milk production for Class I use of the total milk production in the Compact region; and
>
> (ii) the share of milk production for Class II and Class III use of the total milk production in the Compact region;
>
> (4) dairy farmers and dairy products manufacturers in States and regions outside the Compact region with respect to the impact of changes in milk production, and the impact of any changes in disposition of milk originating in the Compact region, on national milk supply levels and farm level milk prices nationally; and
>
> (5) the cost of carrying out the milk price support program established under section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251).
>
> (d) ADDITIONAL STATES AND COMPACTS.—The Secretary shall evaluate and incorporate into the evaluation required under subsection (b) an evaluation of the economic impact of adding additional States to the Compact for the purpose of increasing prices paid to milk producers.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 971) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. By previous order, the Senator from Minnesota has the floor and has an amendment.

Mr. WELLSTONE. Mr. President, my understanding is that the Senator from—I thought that this amendment was going to be much more brief. That was my understanding. I am anxious to go on with my amendment, but my understanding is that the Senator from Vermont had wanted to speak on this, and out of courtesy to a colleague, I defer to him.

I ask the Senator, does he know how long he will be speaking?

Mr. LEAHY. Mr. President, I tell my good friend from Minnesota that I will speak probably about 1 minute.

Mr. WELLSTONE. More than that.

Mr. LEAHY. It will be very brief.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank Senators who worked very hard in working this matter out. I thank the distinguished chairman of the subcommittee, my good friend, the senior Senator from Mississippi, for his efforts and, of course, the senior Senator from Arkansas [Mr. BUMPERS], for his efforts.

I thank the members of my staff who worked so hard, and my colleague from Vermont, Senator JEFFORDS. And, of course, Senator GRAMS and Senator FEINGOLD, from Wisconsin, who as a Member of the Judiciary Committee, while involved in a very difficult markup today, also spent a great deal of time in trying to work out this matter of great concern to his dairy farmers, as it is the other Senator from Minnesota, Mr. WELLSTONE.

We have worked out an understanding regarding a study of the Northeast Dairy Compact and regarding milk pricing practices as they effect consumers.

The Director of OMB will do a study on dairy, retail store, wholesaler and processor pricing in New England.

Many Senators are very concerned, and I have not found one who is not, that when the price that farmers get for their milk drops that the retail price—the consumer price—often does not drop.

Wholesalers or retail stores appear to be simply making more profits at the expense of farmers.

This is one issue we are very interested in.

Also, the price of milk in New England, in the South, in the Midwest, and in the West is supported by a variety of milk marketing orders. These have a tremendous impact on the price of milk in retail stores, and these marketing orders will continue to exist for years to come.

The Northeast Dairy Compact will exist for only about 18 months—it terminates in 1999, or when the Secretary reforms the milk marketing order system, whichever comes first as provided in the farm bill.

I want to remind everyone that the compact was first approved by each of the six legislative bodies in New England, and signed into law by each of their Governors.

So the impact on retail prices of the milk marketing order system, the impact on prices of wholesaler and retail profits, the impact on prices of the dairy compact, among other factors will be examined by the Director.

The prices farmers get for their milk dropped substantially last November nationwide. They dropped quickly, and have stayed low for months.

It amounted to a 35 cent to 40 cent drop on a per gallon basis. That is a huge drop for farmers. Yet retail stores did not lower their prices to consumers except by a few pennies.

Prices that farmers got stayed low, and prices paid by consumers stayed high.

How did the stores make out during this big price drop to farmers? There has been a major increase in retail store profits for milk.

In some areas of the country there is now a $1.40 per gallon difference between the raw milk price—which farmers get—and the retail price of milk.

Now that stores took advantage of that price drop to lock in huge profit margins for milk are they going to give consumers a break? Of course not.

The Compact Commission did its job. They picked a fair return for farmers that is lower than the average price last year for milk.

Let me repeat that: under the Compact farmers in New England are getting less for their milk than the average price they got for their milk last year.

Because retail stores now have huge built-in profit margins on milk there should be no increases in price under the compact—yet retail stores are not satisfied.

The Wall Street Journal and the New York Times have exposed this retail store overcharging for milk.

The Wall Street Journal pointed out that the value of milk for farmers plunged by 22 percent since October of 1996—but that no comparative decline occurred in the retail price of milk.

Farmers got one-fifth less for their milk, and stores made a bundle. The dairy case is now the most profitable part of a supermarket.

The last time I asked GAO to look at store profits for milk I was amazed at what they discovered.

GAO found then, and its the same now, that when farm prices collapse that retail milk prices to consumers stay high.

The failure of stores to lower prices may have had a significant adverse impact on nutrition programs. Also, I know from newspaper accounts that one chainstore in Maine dropped the price of a gallon of skim milk by one penny after the compact was implemented. Other stores reacted differently even though they enjoyed the benefit of a major price drop which I previously discussed. We need to know if stores unfairly increased prices by taking advantage of the compact even though they did not have to increase prices at all.

I thank my good friend from Minnesota for the courtesy of letting me take this time, and my friend from Minnesota, Mr. GRAMS.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 972

(Purpose: To provide funds for outreach and startup for the school breakfast program, with an offset)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 972.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 28, line 21, strike ''$202,571,000'' and insert ''$197,571,000''.

On page 47, line 6, strike ''$7,769,066,000'' and insert ''$7,774,066,000''.

On page 47, line 13, insert after ''claims'' the following: '': *Provided further,* That not less than $5,000,000 shall be available for outreach and startup in accordance with section 4(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(f))''.

On page 66, between lines 12 and 13, insert the following:

SEC. 728. OUTREACH AND STARTUP FOR THE SCHOOL BREAKFAST PROGRAM.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by adding at the end the following:

''(f) OUTREACH AND STARTUP.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE SCHOOL.—The term 'eligible school' means a school—

''(i) attended by children, a significant percentage of whom are members of low-income families;

''(ii)(I) as used with respect to a school breakfast program, that agrees to operate the school breakfast program established or expanded with the assistance provided under this subsection for a period of not less than 3 years; and

''(II) as used with respect to a summer food service program for children, that agrees to operate the summer food service program for children established or expanded with the assistance provided under this subsection for a period of not less than 3 years.

''(B) SERVICE INSTITUTION.—The term 'service institution' means an institution or organization described in paragraph (1)(B) or (7) of section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)).

''(C) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—The term 'summer food service program for children' means a program authorized by section 13 of the National School Lunch Act (42 U.S.C. 1761).

''(2) PAYMENTS.—The Secretary shall make payments on a competitive basis and in the following order of priority (subject to the other provisions of this subsection), to—

''(A) State educational agencies in a substantial number of States for distribution to eligible schools to assist the schools with nonrecurring expenses incurred in—

''(i) initiating a school breakfast program under this section; or

''(ii) expanding a school breakfast program; and

''(B) a substantial number of States for distribution to service institutions to assist the institutions with nonrecurring expenses incurred in—

''(i) initiating a summer food service program for children; or

''(ii) expanding a summer food service program for children.

''(3) PAYMENTS ADDITIONAL.—Payments received under this subsection shall be in addition to payments to which State agencies are entitled under subsection (b) of this section and section 13 of the National School Lunch Act (42 U.S.C. 1761).

''(4) STATE PLAN.—To be eligible to receive a payment under this subsection, a State educational agency shall submit to the Secretary a plan to initiate or expand school breakfast programs conducted in the State, including a description of the manner in which the agency will provide technical assistance and funding to schools in the State to initiate or expand the programs.

''(5) SCHOOL BREAKFAST PROGRAM PREFERENCES.—In making payments under this subsection for any fiscal year to initiate or expand school breakfast programs, the Secretary shall provide a preference to State educational agencies that—

''(A) have in effect a State law that requires the expansion of the programs during the year;

''(B) have significant public or private resources that have been assembled to carry out the expansion of the programs during the year;

''(C) do not have a school breakfast program available to a large number of low-income children in the State; or

''(D) serve an unmet need among low-income children, as determined by the Secretary.

''(6) SUMMER FOOD SERVICE PROGRAM PREFERENCES.—In making payments under this subsection for any fiscal year to initiate or expand summer food service programs for children, the Secretary shall provide a preference to States—

''(A)(i) in which the numbers of children participating in the summer food service program for children represent the lowest percentages of the number of children receiving free or reduced price meals under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

''(ii) that do not have a summer food service program for children available to a large number of low-income children in the State; and

''(B) that submit to the Secretary a plan to expand the summer food service programs for children conducted in the State, including a description of—

''(i) the manner in which the State will provide technical assistance and funding to service institutions in the State to expand the programs; and

''(ii) significant public or private resources that have been assembled to carry out the expansion of the programs during the year.

''(7) RECOVERY AND REALLOCATION.—The Secretary shall act in a timely manner to recover and reallocate to other States any amounts provided to a State educational agency or State under this subsection that are not used by the agency or State within a reasonable period (as determined by the Secretary).

''(8) ANNUAL APPLICATION.—The Secretary shall allow States to apply on an annual basis for assistance under this subsection.

''(9) GREATEST NEED.—Each State agency and State, in allocating funds within the State, shall give preference for assistance under this subsection to eligible schools and service institutions that demonstrate the greatest need for a school breakfast program or a summer food service program for children, respectively.

''(10) MAINTENANCE OF EFFORT.—Expenditures of funds from State and local sources for the maintenance of the school breakfast program and the summer food service program for children shall not be diminished as a result of payments received under this subsection.''.

Mr. WELLSTONE. Mr. President, I am sorry it is late tonight. I am going to have a chance to summarize this amendment for colleagues tomorrow. Let me just start out with a poster from the Children's Defense Fund: ''Remember Those Hungry Kids In China? Now They Are In Omaha.'' But it could be in any of our States. Currently there are an estimated 5.5 million American kids who don't eat regularly. They don't get enough to eat.

Mr. President, we have to do better. I offer an amendment to the agriculture appropriations bill which would revive the outreach and startup grants program for school breakfasts. They are called outreach grants. It may come as a shock to some of the Members of this body that children, too many children, are going to school hungry and we are not doing anything about it. Let me repeat that. I have brought this amendment to the floor of the Senate before. I now have an amendment on the agriculture appropriations bill. I hope I will win on this amendment. I appeal to my colleagues to please support this amendment, but I will come back with this amendment over and over and over again, until I restore the funding.

This program was eliminated. Let me just repeat what is going on here. There are too many children who go to school who are hungry. We are not doing anything about it. There are too many children who go to school with rotting teeth from non-nutritious foods. There are too many children who go to school with aching, empty stomachs. There are too many children who go to school who are unable to learn because they are malnourished and hungry. And that is not the goodness in our country.

Mr. President, the welfare law of 1996 eliminated—eliminated the school breakfast outreach and startup grants. They were created in 1990 and they were made permanent in 1994. What these outreach grants are all about—and we are talking about $5 million and only $5 million to reestablish this program—these were grants that enabled States and school districts to set up school breakfast programs. Some 45 States have received these funds. Every student who is eligible for a free lunch is eligible for school breakfast as well. However, only about 40 percent of those who are hungry, those who come from very low-income families and are eligible for school lunch program, are able to participate in the school breakfast program as well.

This program, this outreach program which was combined with the public awareness program by the Food Research and Action Committee—and thank God we have FRAC, because they do wonderful work, and other nutrition advocacy groups—was a catalyst. We were able, through this outreach program, to expand the school breakfast program by 26,000 schools to an additional 2.3 million poor children between 1987 and 1994.

I would like my colleagues to listen carefully to this, not only tonight, many are gone but staffs are around, but also tomorrow when I summarize. This program was extremely successful. It was eliminated because of the almost Orwellian argument that the $5 million outreach program should be eliminated because it was effective, because it was providing States and school districts with the information they needed to set up a school breakfast program to help hungry, malnourished children.

I need to repeat that argument. This was completely eliminated. We eliminated an outreach program for poor children in America to make sure that they were able to participate in the school breakfast program because the argument was made it was encouraging school districts to set up school breakfast programs and therefore the Federal Government would have to contribute some money.

Yes, we would. And that would be a good thing. Because today there are 14.3 million children who receive free and reduced-price lunches, but 8 million of them, spread across 27,000 schools, go to school hungry and receive no school breakfasts at all. Mr. President, 8 million children who need the help, 8 million children who could be starting out the day with a nutritious breakfast, do not receive that assistance, in part because we eliminated a $5 million outreach grant program. We eliminated the whole program. My colleagues know that hungry children cannot learn. And they know that if they cannot learn, when they are adults they won't be able to earn. I could not think of anything that is more shortsighted.

Let me just repeat, talking about children and the importance of an equal chance for every child, too many children in our country, 8 million children—maybe more, maybe a few less, what difference does it make?—go to school and there is no school breakfast program. They are eligible. We eliminated the outreach program that would give States and school districts additional information so they could help hungry children, and as a result of that there are too many children who don't do well in school.

Let me go with the next chart, although I will hold this up tomorrow. I would like my colleagues to see this.

There are hungry kids in our country, an estimated 5.5 million American kids don't regularly get enough to eat. That is the Food Research in Action Coalition report, that is the Children's Defense Fund, this comes from the work of Tufts University. I mean, the evidence is there, colleagues. We have too many children who are malnourished. We have too many children that do not have an adequate diet. And we eliminate a $5 million program, an outreach program, because we said it was too effective.

This chart points out the percentage of children from hungry and nonhungry households, and how it relates to health-related problems. Let me point out, the red is percent of nonhungry children, the green is percent of hungry children. Whether you are looking at unwanted weight loss, or fatigue, or frequent colds, or inability to concentrate, or ear infection, dizziness, asthma, allergies, diarrhea, irritability, frequent headaches—over and over and over again—this is from the Food Research Action Council, 1995—it is dramatic: The much larger percentage of children who are hungry children experience all of these specific health related problems.

It is not too much, I say to my colleague from Mississippi, this is not too much to ask for. I don't think, when we voted on the welfare bill, the debate was really on this one $5 million outreach program. It was just one program in a large bill that we eliminated and we should not have. We set it up in 1990. It was very effective between 1990 and 1994; 1995, it was an excellent program, it was a program that provided outreach to 45 States. It meant that some additional school districts knew how to set up a school breakfast program. And, yes, we ended up providing some funding for that. But we should. Where there are children in need, where there are children who could really be helped by a program that would give them a nutritious meal, would give them a nutritious breakfast, we ought to make sure that happens. Otherwise these children don't do as well in school.

I would just say to my colleagues, this is really all about our national vow of equal opportunity for every child. How can anybody here in the U.S. Senate say that we truly have equal opportunity for every single child when we have over 5 million children that do not get enough to eat and we don't even allocate $5 million for an outreach program that would help those children start out the day with a nutritious breakfast? This is wrong. I am just sure of it. This is wrong. We have to be able to do this.

I just want to say, because my colleague is on the floor, Senator COCHRAN from Mississippi, that the Ag Appropriations Subcommittee did not cut this program at all. They didn't eliminate this program. This happened in the overall welfare bill. This was not action of the Appropriations Committee.

I also want to say that Senator COCHRAN has been an advocate for children's nutrition programs. So let me be crystal clear, this is not aimed at some action taken by the Ag Appropriations Committee. But, Mr. President, what we did in the last Congress was profoundly mistaken.

Let me just read for a moment—and there are many different studies I could read from—from the Tufts study. This really went back to 1987, in which Meyer Sampson, et al, examined the effect of the School Breakfast Program on school performance of low-income students in Lawrence, MA.

In any case, what they found out is that from standardized tests to lateness and absences, over and over again, children who participated in the School Breakfast Program were shown to do much better on achievement tests, were shown to get to school on time, were shown to not be absent from school so often.

It is just so clear. Can't we come up with $5 million? Now we have a doctor, Dr. FRIST, who is presiding. This is a medical issue. I am just saying to Dr. FRIST that we have a study here from the Food Research Action Council which points out the correlation between children who are malnourished and some of the health problems—unwanted weight loss, fatigue, frequent colds, inability to concentrate, ear infection, dizziness.

I am saying I don't think any of us realize that in the welfare bill, we eliminated a $5 million—that is all it is—outreach program that was very effective. It was in operation in 45 States, and for the $5 million investment, we help provide school districts with information about how they can set up a school breakfast program.

I am pointing out that there are some 8 million children who are eligible for the School Breakfast Program who don't receive any help, and there are too many children who go to school and don't get a nutritious meal. For $5 million, I say to my colleagues, we could have this outreach program. We never should have eliminated it. We know that when children are hungry, they don't do as well in school. The evidence is irrefutable and irreducible. We know that when children are malnourished and hungry that they don't have the same opportunities as our children do to do well in school. And we know that there is, as reported by the Tufts study, as reported by some of the work of the Food Research Action Council, and I have here about—if I had wanted to, I could have taken several hours to go over this amendment—a variety of different studies that have been done, and over and over and over again, it is the same. This is the Tufts University School of Nutrition, I say to the Presiding Officer, ''The Link Between Nutrition and Cognitive Development in Children.''

Look, if we have children in our country—and the evidence is clear—who go to school and, because their parents are so poor or for other reasons, and they are eligible because they are from low-income families, they don't get that nutritious breakfast, and we know there is a link between nutrition and cognitive development, we know there is a link in early years, we know there is a link in terms of how children do in school, why in the world would we have eliminated an outreach program? That is what we did.

I will tomorrow, in summarizing this amendment, talk about what the offset will be, but I want to be real clear to everybody who is listening tonight—and I will do my very best to talk about this tomorrow again—that it may come as a shock, but the fact of the matter is, there are too many children who are going to school hungry, and we are not doing what we could do to help those children.

It is a fact that there are too many children who go to school with rotting teeth from non-nutritious foods, and we could allocate $5 million for an outreach program which, as I pointed out, multiplies itself over and over and over again, and, in fact, has made a huge difference for some 2.3 million children.

It is a fact that too many children are going to school with aching, empty stomachs, and we are not doing all that we can do to help those children.

It is a fact that there are too many children who, because they do not start out the day with a decent meal, are not able to learn, and I will say it one more time, they are not able to learn, and because they are not able to learn, when they are adults, they are not able to earn.

How shortsighted can it be to not be willing—we had a $270 billion Pentagon budget. We have all sorts of subsidies that go to oil companies, to pharmaceutical companies, to big insurance companies. We find all sorts of places and areas to spend money, and this $5 million outreach program was eliminated.

Mr. President, maybe some people who are watching tonight will have a chance to speak on the floor about something I think is important tomorrow morning. I will have a chance to summarize this amendment. But one more time, I hope that we will restore this. I could read study after study after study, but I don't think I need to; I really don't think I need to. It is just crystal clear: We never should have eliminated a $5 million outreach program that actually led to some 2.2 million more children having the chance to participate in the School Breakfast Program, because this outreach program gave school districts and gave States the information they needed to set up the School Breakfast Program.

Then in the welfare bill, this outreach program was eliminated because the curious argument was made that it was too successful and too many school districts were setting up the School Breakfast Program and, God forbid, we were going to have to spend more money on child nutrition. That is the

argument that was made, not by this committee, but the Ag Committee has jurisdiction over nutrition programs.

I say to my colleague from Mississippi, this is an opportunity for us to do something in a bipartisan way that would really make a difference. This would be a good thing to do. This would be a right thing to do. This would be a small thing to do, but it would have a really large impact.

Mr. President, I reserve the remainder of my time to see whether or not there might be some reaction to my amendment.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I appreciate very much the kind remarks of the distinguished Senator from Minnesota in connection with the fact that the program discussed by him, and which is the subject of his amendment, was not in any way reduced in funding by the action of the Agriculture Appropriations Subcommittee or the full Committee on Appropriations. As a matter of fact, we tried very hard to identify needs in the nutrition area, including the school lunch programs, child nutrition programs, food stamps, Women, Infants and Children feeding program, and others. I think Senators will notice that there are substantial increases in funding for WIC, for example, to make sure there is a full participation permitted next year, and that means we had to add $200 million more to that account to help guarantee that no one participating in the WIC Program now would be denied eligibility or participation due to a lack of funding next year.

And in every other way, we tried to look at the evidence before the committee that we had available to us during our hearings to assess the needs and to make available the funds that we thought were necessary to help make sure that all Americans have access to a nutritious diet, that the food supply is safe, and that, in every respect, we continue to make sure that people in our society do not have to go without food.

Having said that, the Senator is correct in that there are still a lot of unmet needs, there are still a lot of problems. We can identify areas of the country that have special needs. I am sympathetic to those needs and assure all Senators that this committee will continue to try to work to alleviate those needs.

The amendment addresses language that was adopted by the Senate and eventually contained in legislation signed by the President that modified a lot of the programs that do provide assistance to individuals. In the welfare reform effort, there were a number of the laws that were modified, some under the jurisdiction of our Agriculture Committee—this was one of them—that were made necessary through the establishment of spending ceilings in certain program areas.

Our committee had the unwelcome task in many cases of identifying programs that could be helpful in some areas of the country but, for various reasons, maybe the States or local school districts, it was thought, could do the things that the Federal Government had previously been trying to do. And this is one area.

Outreach is very important. School districts, local communities, State governments all have resources, all have very dedicated people leading them in elected positions and in every way are available to help deal with problems that the Senator from Minnesota has discussed.

I do not know what the disposition of the legislative committee will be on this amendment, whether it will suggest that it ought to be accepted or resisted. We are consulting with the leaders of the legislative committee, and we understand that they will continue to look at this and maybe tomorrow when we return to consideration of this amendment in the morning when we convene, there may be a better understanding of what the response will be at that time.

But at this point, I am willing to let the Senator continue to discuss his amendment if he likes. He has the right to do that under the order that has been entered, and we will be happy to continue to work with him on this and other issues that he is interested in.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me thank my colleague, who is always gracious. I think that is one of the reasons he is held in such high regard.

I just point out again that we can have a discussion tomorrow morning or negotiation. And look, from my point of view, you know, I am sometimes grateful for small victories. And if there was a way that this amendment would be accepted, I would be very pleased. Then I would have to fight hard to keep it in the conference committee.

Mr. President, I think that my colleague from Mississippi is absolutely correct in his analysis of what happened by way of going after this outreach grant program for school breakfasts with the argument being, ''Here are the caps and here is what we have got to do to save the money.'' If you want to, call me naive, but I just would like to say that this is a very brutal argument, not by my colleague from Mississippi, but this is a brutal argument that people are making. ''We have got caps. We have got to save the money. Therefore, we eliminate a $5 million outreach program because it has led—that is why we have to eliminate it—it will lead to more school districts setting up a school breakfast program, and, therefore, more children who are in fact malnourished or hungry will be able to get at school a nutritious breakfast.'' That is a brutal argument.

Why in the world are we willing to make these kinds of cuts that target these children when we know darn well that the medical evidence and the educational evidence is so clear that it can make a huge difference whether or not a poor child has a decent breakfast and can start out the schoolday with a decent breakfast?

What do you think the price is that we pay in children that could do well in school, that don't, that drop out? What do you think the price is that we pay for kids that get into trouble with substance abuse, that get into trouble with the law, that there is a higher correlation between high school dropouts and incarceration than cigarette smoking and lung cancer? What is the price we pay for kids dropping out?

Now, an adequate breakfast for a poor child does not, ipso facto, guarantee that child will do well. But why in the world did we eliminate this outreach program? And why can't we restore it?

Mr. President, I am really hoping that tomorrow we will be able to get support for this one. The Tufts University—I believe the Chair knows the Tufts University does some pretty good work, especially when it comes to issues with children and malnutrition.

Current scientific research links nutrition and cognitive development.

Undernutrition along with environmental factors associated with poverty can permanently retard physical growth, brain development, and cognitive functioning.

The longer a child's nutritional, emotional, and education needs go unmet, the greater the likelihood of cognitive impairments.

Iron deficiency anemia, affecting nearly 25 percent of poor children in the United States, is associated with impaired cognitive development. Iron deficiency anemia, which affects 25 percent of poor children in the United States, is associated with impaired cognitive development, and we cannot find $5 million for an outreach program, for a school breakfast program for malnourished children?

Poor children who attend school hungry perform significantly below nonhungry low-income peers on standardized test scores.

There is a study—I am a social scientist. They had an experimental group and control group, and they found out—they took children from the same income category—and they found that those children who attended school not hungry did much better on standardized tests than those children who attended school hungry.

Is anybody here surprised by that finding? Isn't that clear? Those children from poor families who go to school and receive a good breakfast will do better in school, will do better on standardized tests. Does anybody want to argue with that? Well, if you

don't, then how can you eliminate an outreach program that makes sure that those children are able to get that healthy breakfast?

So, Mr. President, we will have more debate on this tomorrow. I thank my colleague, the Senator from Mississippi. I really hope that there will be support for this amendment, that we can find the small amount of money which would make such a huge difference.

In any case, this is one of those amendments I just am going to keep bringing out on the floor because I know that we did the wrong thing. I know that. I think I can argue that. Since I believe in the goodness of people and I believe in the goodness of the Senate, I think there has just got to be a way that we can restore this program because it is not a program; it is kids, it is children. And we can help them.

I yield the floor.

AMENDMENT NO. 971

Mr. FEINGOLD. Mr. President, I am pleased to be a cosponsor of the amendment offered by Senator GRAMS which has been agreed to today and it has been my pleasure to work with the Senator from Minnesota [Mr. GRAMS] and the Senators from Vermont [Mr. LEAHY and Mr. JEFFORDS] to reach an agreement to require the Director of the Office of Management and Budget to study the impacts of the Northeast Interstate Dairy Compact. I appreciate the cooperation of the senior Senator from Mississippi [Mr. COCHRAN] and the senior Senator from Arkansas [Mr. BUMPERS] in reaching agreement on this amendment.

Mr. President, the amendment we have offered today is an extremely reasonable amendment on which all Senators should agree. This amendment simply requires that the Director of the Office of Management and Budget study the economic effects of implementation of the Northeast Interstate Dairy Compact with respect to consumers, dairy farmers outside the compact as well as on vital low income nutrition programs such as the National School Lunch Program, the School Breakfast Program, and the Summer Food Service Program all offer milk to children from low-income families. The congressional oversight provided by this amendment is the responsible thing to do and I am pleased that the managers of the bill and the compact supporters have agreed to have this study conducted.

The Northeast Interstate Dairy Compact was included in the conference report of the Federal Agricultural Improvement and Reform Act of 1996, or farm bill, despite the fact the full Senate decisively struck the compact from the Senate bill by a vote of 50 to 46. The compact was in neither the Senate farm bill nor the House version of the farm bill as passed by both Chambers.

It is unfortunate that the will of the Senate was undermined by the backroom agreements of the conference committee. That conference agreement further undermined the authority of the Congress by improperly delegating to the Secretary of Agriculture the ability to consent to the compact, regardless of the national public interest. This amendment will help us to determine whether the public interest is subverted by the compact.

And the public interest is definitely implicated by the Northeast Interstate Dairy Compact. The compact allows six States to fix milk prices paid to dairy farmers well beyond the minimum price specified under Federal Milk Marketing Orders. The compact also allows those six States to keep out milk produced by farmers from other parts of the country, regardless of how competitively that milk is priced. The compact provides competitive credits, or subsidies, to compact milk processors in order to allow them to sell their milk outside of the compact region. Meanwhile, the compact fails to protect consumers from increased prices and does not have any mechanism in place to protect farmers outside the compact from the actions of dairy farmers in six States who are isolated from the market conditions that non-compact producers face.

Mr. President, up to this point both the concern about, and the promise of, the Northeast Dairy Compact has been conjecture. But now that the compact has gone into effect we will have hard data to examine its economic impacts.

The Northeast Interstate Dairy Compact Commission fixed the price of fluid milk in the compact region at $16.94 per hundredweight on July 1, 1997. That price is a full $3.00 above the price Northeast farmers would have received in July under Federal Milk Marketing Orders. As many of the compact opponents had predicted, the retail price of fluid milk has increased by as much as 26 cents per gallon—a full cost increase pass through to consumers—something the compact proponents said would never happen.

And media in the Northeast report on farmers who are now considering adding more cows to their herds to increase their production and income when in fact, compact proponents suggested that the compact would not increase milk production in the Northeast. These production increases in the compact region come at a time when producers in the 44 other States are facing 6-year low prices due to excess dairy product stocks. At a time when the market is sending the dairy industry the signal to cut back of supplies, the compact farmers are getting the signal to increase production.

Furthermore, anecdotal reports from milk buyers in the Northeast suggest that excess milk production from the Northeast is already being dumped on States outside of the region at prices less than half the price being paid to compact producers. Farmers fear this excess milk will depress prices nationally which are already at devastatingly low levels. Yet compact opponents were assured that no milk would be dumped outside of the compact because the compact was a net milk importer.

Mr. President, given that many of the things compact proponents said could never happen appear to be happening—increased consumer costs, increased milk production, lower priced exports of milk from the compact region—we must take a careful look at the impacts of this compact.

We must scrutinize how the compact affects our vital low-income nutrition programs. The National School Lunch Program serves 25 million children daily and in 1996 served 4.3 billion lunches. The six compact States alone served 170 million school lunches in 1996, nearly all of which were served with milk. Milk is also a component of the School Breakfast Program, the Summer Food Service Program, the Child and Adult Care Food Program and the Special Milk Program, programs all offered in the compact States.

If the cost of milk to consumers is going up in the compact region due to compact milk price, the value of food stamps for poor families may be declining, costs to schools, summer food service institutions and child and adult care facilities are likely increasing as their per meal reimbursement remains flat and the cost of the milk they serve increases, and the food dollars of low-income families are likely not stretching as far as they used to. It is absolutely critical that we determine the impact of the Northeast Interstate Dairy Compact on these vital nutrition programs and I am surprised that compact proponents do not agree.

The amendment that has been accepted today will help determine whether or not the benefit of the compact exceeds the financial cost to dairy producers in other States.

The Northeast dairy compact has been extremely controversial in the U.S. Senate because it takes an entirely regional approach to dairy policy, walling off a few farmers in six States from the conditions faced by tens of thousands of dairy farmers elsewhere. And Mr. President I believe the Northeast dairy compact will ultimately harm Wisconsin's 24,000 dairy farmers. But I also believe it will hurt dairy farmers in the 44 non-compact States such as California, Washington, Oregon, Pennsylvania, Illinois, Idaho, and Indiana, among others.

Milk is produced and marketed in a national, not a regional market. And what happens with respect to milk prices and production levels in one region has national repercussions. Wisconsin's family farmers, with an average herd size of 55 cows, are concerned that increased production in the Northeast spurred on by the high compact milk price, will depress prices throughout the Nation. Farmers who are suffering from the current national $10.74 basic milk price cannot afford to suffer further price declines due to increased milk production from the Northeast. Furthermore, as history has shown increased milk production in one region

in surplus of what is needed for fluid purposes results in surplus production of cheese, butter and similar product. This in turn depresses cheese prices which directly impact prices paid to producers. These concerns are serious and the compact must be carefully evaluated to determine if compact farmers are producing too much milk to the detriment of non-compact farmers.

Mr. President, I am pleased the Senate today has recognized the obligation of this body in ensuring that the compact is carefully monitored and its impacts scrutinized.

Mr. President, I remain strongly opposed to the compact and will continue to work toward its repeal. The compact sets a dangerous precedent in allowing one region to fix prices for its producers to the detriment of non-compact producers. I believe the Northeast dairy compact will harm the 24,000 family dairy farmers in my State of Wisconsin. Hopefully the information that may be gathered by the study required by our amendment will help persuade the Senate that it erred in allowing the inclusion of the amendment in the 1996 Farm bill.

I yield the floor.

PRESCRIPTION DRUG USER FEE

Mr. JEFFORDS. Mr. President, I would like to engage in a brief colloquy with Senator COCHRAN regarding the status of legislation to modernize the Food and Drug Administration and reauthorize the Prescription Drug User Fee Act of 1992 [PDUFA]. The Labor Committee has reported out S. 830 with a strong bipartisan vote of 14–4. This legislation reauthorizes PDUFA for 5 years and brings the Agency's procedures up to date with the tremendous innovation now occurring in the health technology sector. It is my understanding that the bill before us does not reauthorize or extend the PDUFA program and appropriately leaves this action to the Labor Committee and the Congress. The bill before us does anticipate this reauthorization of PDUFA by setting a limit on the amount of fees which may be collected and expended once the reauthorization is enacted—which is a sensible approach. FDA reform and reauthorization of PDUFA go hand-in-hand and I am fully confident that we will have legislation accomplishing both at once on the floor in a timely fashion.

Mr. COCHRAN. Mr. President, my colleague, Senator JEFFORDS, is correct. I would note that the bill before us does not allow the collection of Mammography Standards Act or PDUFA fees in the absence of authorizing legislation from the Labor Committee being approved by the Congress and signed into law. Further, I am well aware of the Senator's efforts to bring a bill reauthorizing PDUFA and modernizing the FDA to the floor and strongly agree that reform of the Agency and PDUFA reauthorization must go forward together. I look forward to debating these issues in the full Senate in the near future.

Mr. DOMENICI. Mr. President, I rise in support of the Department of Agriculture and Related Agencies appropriations bill for fiscal year 1998.

The Senate-reported bill provides $50.0 billion in new budget authority [BA] and $41.6 billion in new outlays to fund most of the programs of the Department of Agriculture and other related agencies. All of the funding in this bill is nondefense spending. This subcommittee received no allocation under the Crime Reduction Trust Fund.

When outlays for prior-year appropriations and other adjustments are taken into account, the Senate-reported bill totals $48.8 billion in BA and $49.2 billion in outlays for fiscal year 1998. Including mandatory savings, the subcommittee is at its 602(b) allocation in BA and slightly below its 602(b) allocation in outlays.

The Senate Agriculture Appropriations Subcommittee 602(b) allocation totals $48.8 billion in budget authority [BA] and $49.4 billion in outlays. Within this amount, $13.8 billion in BA and $14.2 billion in outlays is for nondefense discretionary spending.

For discretionary spending in the bill, and counting—scoring—all the mandatory savings in the bill, the Senate-reported bill is at the subcommittee's 602(b) allocation in BA and $128 million below the allocation in outlays. It is $281 million in BA and $324 million in outlays below the President's budget request for these programs.

I recognize the difficulty of bringing this bill to the floor under its 602(b) allocation. I appreciate the committee's support for a number of ongoing projects and programs important to my home State of New Mexico as it has worked to keep this bill within its budget allocation.

Mr. President, I ask unanimous consent that a table displaying the Senate Budget Committee scoring of the bill be printed in the RECORD.

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

S. 1033, AGRICULTURE APPROPRIATIONS, 1998—SPENDING COMPARISONS, SENATE-REPORTED BILL

[Fiscal year 1998, $ millions]

	Defense	Nondefense	Crime	Mandatory	Total
Senate-reported bill:					
Budget authority		13,791		35,048	48,839
Outlays		14,039		35,205	49,244
Senate 602(b) allocation:					
Budget authority		13,791		35,048	48,839
Outlays		14,167		35,205	49,372
President's request:					
Budget authority		14,072		35,048	49,120
Outlays		14,363		35,205	49,568
House-passed bill:					
Budget authority				35,048	35,048
Outlays		3,909		35,205	39,114
SENATE-REPORTED BILL COMPARED TO:					
Senate 602(b) allocation:					
Budget authority					
Outlays		(128)			(128)
President's request:					
Budget authority		(281)			(281)
Outlays		(324)			(324)
House-passed bill:					
Budget authority		13,791			13,791
Outlays		10,130			10,130

Note.—Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. DOMENICI. I urge the passage of the bill.

ACCESS TO CREDIT

Mr. BENNETT. I would like to take a moment to discuss an issue in which I know my colleague, Senator LUGAR, has a strong interest, that is the need for access to credit by entrepreneurs in the rural areas of this country. I have been concerned about the access to capital for entrepreneurial businesses almost since I first stepped onto the Senate floor after my election in 1992 and I want to make clear that I have pursued a number of different avenues to help create a more liquid credit market in rural areas. Senator LUGAR, you and I are no strangers to under served capital needs of rural businesses. I helped sponsor and pass Senator D'AMATO's Small Business Loan Securitization bill almost 3 years ago in hopes of helping bring more credit to rural businesses.

In past Congresses and in this Congress I have repeatedly approached Senator BOND, the chairman of the Small Business Committee, with regard to the increasing need for rural credit. The Small Business Committee tells me that there will be inadequate funding for rural nonagricultural businesses as included in the SBA 7(a) Program. The Department of Agriculture is concerned that there is inadequate funding for its Business and Industry Program, which lends to rural nonagricultural interests. Additionally, many bankers have voiced their concerns that inadequate credit and liquidity will adversely affect their small business lending and investment programs nationwide.

Mr. LUGAR. I am aware that recent studies by USDA, GAO, the Kansas City Fed, and the Rural Policy Research Institute have all noted the difficulty rural businesses, particularly new businesses, have in obtaining capital. The studies also suggest that a lack of adequate credit for rural businesses is affecting the economic growth of those communities.

Mr. BENNETT. I have read those reports as well and I know that the reasons they cite for these deficiencies include relatively fewer credit suppliers, higher costs due to lower credit demand, a lack of professional lending experience in rural and outlying areas, and a lack of liquidity in many rural lending institutions when compared to urban lending institutions.

The amendment I was prepared to offer today sought to remedy this situation by creating a pilot project, at no cost to the Federal Government, for 1

year. If the pilot had proven unsuccessful, the project would not have been renewed.

This solution would have expanded the authorities of an existing Government Sponsored Enterprise [GSE] to ensure reliable and competitively priced credit from existing lending institutions to rural small businesses nationwide.

It was my belief that this was the most expedient legislative approach to take. I believe that the expansion of Farmer Mac's authority in this area makes sense because it is a logical outgrowth of activities it already conducts, such as securitizing commercial loans, operating through thousands of existing commercial credit outlets, and providing access to national capital markets for rural and nonrural borrowers alike.

I look forward to working with the Agriculture Committee, which has jurisdiction over this issue, over the coming months to remedy this problem and I thank my colleague Senator LUGAR for his willingness to address this important issue.

Mr. LUGAR. I, too, am concerned that rural entrepreneurs do not have the same kind of access to capital markets as do their nonrural counterparts. I am also aware of concerns raised by various groups in regards to my esteemed colleague's amendment. I believe a hearing will offer the opportunity to vet all points of view. It is my intent that the Committee on Agriculture, Nutrition, and Forestry hold a hearing on rural and agricultural credit as soon as possible in the hopes that we can find a timely solution to this problem.

Mr. BENNETT. Mr. President, I have been monitoring the problems associated with rural credit needs for some time. At a time when the credit availability problems of rural small business and rural infrastructure are being highlighted by various experts and studies, the very institutions that provide credit to these concerns are having their funding reduced. Solutions to these problems are being thwarted by petty bickering and turf battles that do little else than prolong the agony for rural residents and deprive them of the benefits they deserve.

I have read with interest the recent reports from the Rural Policy Research Institute [RUPRI], the General Accounting Office [GAO], and the USDA on rural credit needs. I have also reviewed the proceedings of the Kansas City Fed's conference on ''Financing Rural America.'' These documents present no surprises for those of us who represent rural areas. While each study approaches its task in a unique manner, all of these reports are similar in their conclusions. They note that while rural financial markets work reasonably well, not all market segments are equally well served. They all agree that small businesses from rural areas can have a difficult time obtaining financing, have fewer credit options, and may well pay more for their credit than comparable urban enterprises. At a time when small businesses are being recognized for their valuable contributions to our economic growth and stability, small businesses are experiencing increasing credit needs. Unfortunately, USDA's Business and Industry loan program and the Small Business Administration's funding are being limited in fiscal year 1998.

The facts are worrisome. As the RUPRI study points out, many rural areas were bypassed by recent employment growth. Existing rural employment is concentrated in slow-growth or declining industries. Job growth in rural areas, particularly rural areas that are not adjacent to metropolitan areas, is biased toward low-skill, low-wage activities. USDA has stated that ''Rural economies are characterized by a preponderance of small businesses, fewer and smaller local sources of financial capital, less diversification of business and industry, and fewer ties to non-local economic activity.'' This does not bode well for my home State of Utah where 25 of 29 counties are classified as rural by the USDA.

To further illustrate, USDA's Fiscal Year 1998 Business and Industry [B&I] loan program will be straight-lined at fiscal year 97 levels. Based on data provided by USDA, current B&I loan volume is capped at about $740 million; however, USDA has applications pending for yet another $700 million, with preapplications already on file for still another $200 million. These numbers suggest that adequate private capital is not available. Again, using my home State of Utah as an example, there are over $10 million in B&I loans outstanding. However, due to USDA budget limitations, loans for almost $19 million, associated with pending applications and preapplications, will not be made. This will not be helpful to Utah's economic growth and development, especially in rural areas. Unfortunately, this story of unmet rural credit demand can be replicated for almost all of the 50 States represented by this Congress.

All of the above mentioned reports discuss options for addressing the need for rural credit. All of them discuss one or more options associated with GSE funding, which frankly, are the most logical and persuasive alternatives discussed. I, personally, am persuaded that expansion of Farmer Mac authorities is the most effective and the least obtrusive alternative presented to date. It uses existing credit delivery systems and allows lenders to sell their qualifying loans into the secondary market. Other options discussed include expanding the authorities of the Federal Home Loan Bank System, or the Farm Credit System. I am uncomfortable in advocating expansion of a mortgage lender's authorities into commercial lending activity. I am equally uncomfortable with expanding a tax exempt GSE's authorities into direct competition with the private sector. I am open to suggestions and want to consider all options, including merging GSE's or mergers of public and private interests if such options will provide cost-effective and efficient solutions to the problems associated with rural credit availability.

Throughout the discussion of the last several weeks, I have become poignantly aware of the strongly held feelings on this issue. I am concerned that a solution to the problems associated with improving rural credit delivery may be beyond the grasp of rural residents and businessmen if the petty bickering and turf battles are not set aside. I commend my esteemed colleague, Senator LUGAR, who chairs the Committee on Agriculture, Nutrition, and Forestry for his willingness to hold hearings on this issue. I, for one, am open to any and all reasonable options for improving credit delivery in these rural areas. I believe, as many of these reports point out, that improved economic growth will be the result and national GDP will be enhanced.

Mr. KYL. Mr. President, the fiscal year 1998 agriculture spending bill that comes before us today totals $3.2 billion less than was spent on agriculture-related programs last year, and $12.6 billion less than was spent the prior year. That is an actual reduction in spending, from $63.3 billion in fiscal year 1996 to $50.7 billion this year—an astounding 20 percent cut.

Mr. President, the savings are due in large part to the more market-oriented farm policies that Congress approved in 1996—policies that I supported. The Freedom to Farm Act did away with the decades-old policy of providing subsidies to farmers when market prices dropped. It did away with the policy of requiring farmers to plant the same crops every year and instead established a system of fixed, declining payments on the way to a farm policy free of Government intervention.

The substantial savings in farm programs will allow us to target more funding to high-priority domestic programs, like the Women, Infants, and Children [WIC] nutrition program and the Food and Drug Administration's food safety initiative. WIC alone would receive an additional $121 million in the upcoming fiscal year. And without price supports and other subsidies to artificially boost the cost of food, every family's food budget will eventually go farther. WIC recipients will get more for their food dollar. Taxpayers will save. Every family will save.

Given that spending is better prioritized, and given the substantial savings achieved in this bill, I intend to vote for it. Nevertheless, I believe we have the opportunity to do even better. Corporate welfare programs, like the Market Access Program, which subsidizes the advertising budgets of U.S. companies overseas, is still funded by this bill. It should be cut or eliminated. Spending on the tobacco, sugar, and peanut programs could also be reduced. These programs were largely

preserved, notwithstanding other reforms in the 1996 farm bill. We ought to phase them out as well.

There are a variety of special funding earmarks in this bill that could be the subject of the President's new line-item veto authority. The veto could be applied, for example, to almost all of the nearly 100 special research grants earmarked within the Cooperate State Research, Education, and Extension Service budget. The Committee report identifies grants totalling $47.5 million for such activities as maple research, alternative salmon products, goat research, and potato research, to name just a few. Most of these grants were not requested by the President.

It may well be that some of these research activities have merit and should proceed, but I would ask why taxpayers should be obligated, particularly to fund those projects that specifically benefit targeted industries? More money could always be spent to find ways of enhancing productivity, improving flavor or appearance, or increasing resistance to disease or drought. It seems to me, however, that producers—whether they grow potatoes, blueberries, cranberries, or goats—have every reason and incentive to bear the costs of research that leads to better crops or improved sales. That is, after all, a fundamental cost of doing business. At the very least, we ought to ensure that such grants are awarded on a competitive basis after adequate peer review.

Mr. President, there is similar earmarking in the Agricultural Research Service budget—set-asides for improving postharvest technologies for apples, for hops research, and the enhancement of peanut flavor quality. The list goes on and on. I would not be surprised if any of these projects was to be among the first that the President strikes with the line-item veto.

Since a reduction of 20 percent in the overall budget should be recognized, I intend to support the bill. But I will also be inclined to support vetoes of some items in the legislation.

KARNAL BUNT

Mr. President, before I conclude my remarks, I would like to take this opportunity to discuss an ongoing issue that has severely affected the wheat industry in Arizona. Karnal bunt was discovered in Arizona in March 1996. Growers and seed producers have been hard hit since then, and progress has been made only in the area of compensation. USDA continues to hold the wheat-seed industry under a Karnal bunt-spore quarantine, a decision that has devastated this once stable and profitable industry. Though Karnal bunt poses no health threat to humans or animals, USDA refuses to lift the quarantine. Furthermore, the results of tests conducted by the USDA Agriculture Research Service scientists support findings by the University of Arizona that spores from ryegrass can severely bunt wheat. The science in this area is very involved, but what it boils down to is that USDA officials continue to contend that there exist two separate spores for bunting wheat; they refuse to acknowledge the Agriculture Research Service test results. These results show that we are talking about one and the same spore, not two separate spores. Yet ryegrass and wheat continue to be treated differently, one is not quarantined but the other is. Arizona remains the only State under quarantine.

Mr. President, we are talking about an Arizona industry that produced more than 335,000 tons of wheat in 1995 at a value of $46.2 million. The value of the 1996 crop before Karnal bunt was expected to top $80 million. This year, Arizona wheatgrowers planted approximately 20 percent less wheat due to Karnal bunt restrictions. Dr. Bruce Beatty of the University of Arizona estimates losses of more than $100 million, an estimate given in Federal court testimony that has not been challenged by the USDA. Obviously, the wheat industry plays a vital role in the economy of Arizona.

In a June 19 speech made to the International Grains Council, Secretary of Agriculture Dan Glickman stated that ''perhaps the greatest threat to free trade is phony science.'' He continued, ''Unfounded sanitary and phytosanitary objections have the potential to wreck the delicate balance of fairness we are trying to establish.'' Fairness is all Arizona seeks. The USDA policy in addressing the Karnal bunt issue has failed. Science has shown that severe bunting of wheat can occur from spores determined to be ryegrass in nature from Oregon, Alabama, Tennessee, and Georgia. Yet Arizona remains the only State under quarantine. Therefore, I call on the Secretary to lift the quarantine that has wreaked havoc on the Arizona wheat industry.

Mr. DORGAN. Mr. President, I commend Senators COCHRAN and BUMPERS for the excellent bill they crafted to fund many crucial programs affecting American agriculture. They have done a superb job of balancing the competing yet meritorious interests covered in this legislation. It was a pleasure working with them as a new member of the Senate Committee on Appropriations, and I thank them for the generous way in which they responded to my requests to ensure that the needs of North Dakota farmers and ranchers were addressed.

There is one issue which was not addressed in this bill which is of great concern to me. I hope it will be addressed in conference. The buildings and facilities account of the Cooperative State Research, Extension, and Education Service received no funding in this bill. While I understand the chairman's desire not to continue to fund this construction account, I think it is unfair not to fulfill our responsibilities to complete the projects in the pipeline. There are a number of institutions in this category. These institutions have already received partial Federal funding, have met all the program requirements, including their 50-percent State matching requirement, but they cannot be completed unless the conference committee provides the balance of the Federal funding needed to do so.

North Dakota State University [NDSU] falls into this category, and it is a unique case. Since fiscal year 1992, it has received approximately $1.9 million in Federal funds for an animal care research facility. It was not until June 30, 1995, when the House indicated in its report on the fiscal year 1996 Agriculture appropriations bill that it was making an ''in depth review of policies and practices related to this program,'' that there was any indication that the program might be changed. In fact, it was not until September 28, 1995, that we had notice that time might be of importance and that it was the conference committee's intent to terminate the program after fiscal year 1997.

Since North Dakota has a biennial legislature, which did not meet in 1996, it could not meet its 50-percent cost share requirement in 1996. When the legislature met early in 1997, it appropriated the relevant State cost share funds for this facility. Let me repeat, the only reason NDSU did not meet the committee's 1996 requirement is that it could not since our State legislature did not meet.

The animal care facility at North Dakota State University is an extremely important project for the State and the region. Livestock production is a $1 billion industry in our State. It is likely to grow. But livestock disease is always a threat to the industry, especially some of the anabiotic-resistant organisms and viruses we have to deal with today. Work in this proposed facility can help protect incomes in the livestock industry by reducing livestock disease and deaths, contributing to the development of more effective pharmaceuticals and helping to ensure the quality and safety of food products. This facility is absolutely crucial to the future health and growth of agriculture in our region.

Not to provide the balance of the Federal funds necessary to complete this facility, when North Dakota State University and the North Dakota State Legislature acted in good faith, seems unfair to me, and I urge my colleagues on the conference committee to seek an equitable solution to this problem.

Again, I thank the chairman and ranking members, Senators COCHRAN and BUMPERS, and their excellent staffs, especially Becky Davies and Galen Fountain, for all their help on this bill.

ASTHMA INHALERS

Mr. COATS. Mr. President, I rise to highlight my particular support for one provision in the committee report for this bill and express my concern with proposed Food and Drug Administration rulemaking that would adversely effect asthma patients.

First, I'd like to note my own personal interest in the issue. My own children suffer from asthma and I appreciate only too well the impact of this condition on children and their families. As a result, I strongly support efforts to ensure that asthmatics have access to the safest and most effective treatment.

The agency's recent actions, however, suggest that remote, even hypothetical environmental concerns might take precedence over the direct concerns for the lives and health of America's substantial asthmatic population. In March of this year, the agency issued an advance notice of proposed rulemaking setting forth the criteria by which it would ban certain CFC-propelled metered-dose inhalers [MDI's] from sale in this country. The proposal was apparently developed in response to concerns about ozone depletion.

But this ozone depletion is already subject to international treaty provisions of the Montreal protocol that ensure the timely removal of products using CFC's. These medical devices are covered by those provisions, even though they only contribute a fraction of 1 percent of the overall atmospheric chlorine that threatens the ozone. Now the agency proposes to speed up the ban on those products in pursuit of some environmental gain—but at the risk of patients with asthma.

There is currently only one MDI, of approximately 70, that is not propelled by CFC's. Removing any or all of these products too early may threaten the health of some patients, particularly the increasing number of American children with asthma. How will the agency address a situation where a CFC-free product with an active ingredient is not labeled for children when the proposed rule would remove from the market a CFC-propelled product with the same ingredient that is labeled for children? How is the health of those children promoted through such a policy? Why is the agency considering removing otherwise legal products from the market, products proven to be beneficial for children, at a time when it laments the lack of adequately labeled products for children? And further, how are children, health care costs, and the Federal budget benefited by this bureaucratically created monopoly?

If the agency believes that hypothetical environmental concerns can justify speeding up an international treaty that attempts to accommodate the health of these 5 million children with asthma, then I urge them to justify that position before the relevant committees of Congress. In the meantime, I urge the FDA to carefully consider the merits of the rulemaking they are proposing and whether alternative approaches might better serve the health of America's asthmatic children.

AMENDMENT NOS. 973 THROUGH 976, EN BLOC

Mr. COCHRAN. Mr. President, under the previous order, there is permitted the offering of a managers' amendment.

Senator BUMPERS and I have been working to identify requests from Senators for inclusion in this managers' amendment, and we have now prepared a managers' amendment and it includes the following four amendments:

An amendment to be offered by myself and Senator BUMPERS on behalf of Senators DASCHLE, DORGAN, JOHNSON, CONRAD and BAUCUS, regarding the Livestock Indemnity Assistance Program; an amendment proposed by Senators GRAMS and WELLSTONE regarding the planting of wild rice; an amendment proposed by Senator CRAIG regarding inspection and certification of agricultural processing equipment; an amendment proposed by Senator DEWINE on the Orphan Feeding Program in Haiti.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 973 through 976, en bloc.

The amendments are as follows:

AMENDMENT NO. 973

At the end of the bill insert the following new section:

''SEC. . From proceeds earned from the sale of grain in the disaster reserve established in the Agricultural Act of 1970, the Secretary may use up to an additional $23 million to implement a livestock indemnity program as established in PL 105–18.''

AMENDMENT NO. 974

(Purpose: To prohibit the use of appropriated funds to administer the provision of contract payments to a producer for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice)

On page 66, between lines 12 and 13, insert the following:

SEC. 728. PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7. U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

Mr. GRAMS. This technical amendment, which I offer with Senator WELLSTONE, simply provides that if a producer decides to grow wild rice on acres on which he receives Agricultural Market Transition Act [AMTA] payments, that producer's AMTA payment will be reduced on those acres.

This amendment ensures that wild rice producers, who do not receive any kind of program payment, do not have to compete against producers who unfairly grow wild rice plus collect farm payments on the same acreage. In short, it ensures fairness by prohibiting double dipping and keeps producers on an equal playing field.

USDA once believed that the substance of this amendment could be accomplished through regulation but later indicated that legislation is necessary.

This same amendment was approved during consideration of last year's Agriculture appropriations on a voice vote but was removed during conference with other provisions for reasons unrelated to the substance of the amendment.

I understand the amendment I offer has been approved by the chairman and ranking member of the Senate Agriculture Committee, Senators LUGAR and HARKIN. I want to thank each of them for their assistance in this regard.

I also understand that this amendment has been accepted by the chairman and ranking member of the Agriculture Appropriations Subcommittee, Senators COCHRAN and BUMPERS.

Accordingly, I would ask the chairman to accept this amendment I offer today with Senator WELLSTONE.

AMENDMENT NO. 975

(Purpose: To prohibit the use of appropriated funds to inspect or certify agricultural products unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products)

On page 66, between lines 12 and 13, insert the following:

SEC. . INSPECTION AND CERTIFICATION OF AGRICULTURAL PROCESSING EQUIPMENT.

(a) IN GENERAL.—Except as provided in subsection (b), none of the funds made available by this Act or any other Act for any fiscal year may be used to carry out section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products under that section, as determined by the Secretary.

(b) RELATIONSHIP TO OTHER LAW.—Subsection (a) shall not affect the authority of the Secretary to carry out the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) or the Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

Mr. CRAIG. Mr. President, I rise today to offer an amendment relative to the inspection of equipment used in the production of agricultural products. For years, FSIS has inspected and certified all equipment used in processing agricultural products. However, FSIS announced on May 2, 1996, its intent to discontinue its prior approval process.

While the FSIS proposal is still pending, no system of prior approval has been developed anywhere at USDA.

Mr. President, the Craig amendment would establish a fee for service system for equipment inspection within AMS, which currently inspects processed agriculture products. Let me stress: The system would be entirely voluntary. Those equipment manufacturers who choose to participate would pay for the service and, if the equipment qualifies, become AMS certified.

This proposal is self-funding and would use the existing trust fund established in section 203(h) of the Agricultural Marketing Act of 1946. By providing a certification process to replace the FSIS system, the amendment would both reduce the risk that unacceptable equipment could be purchased and installed in processing plants and enhance exports of processing equipment.

Mr. President, I appreciate the support of the managers of the bill in adopting this amendment.

AMENDMENT NO. 976

(Purpose: To require the United States Agency for International Development to use at least the same amount of funds made available under title II of Public Law 480 to carry out the orphan feeding program in Haiti during fiscal year 1998 as was used by the Agency to carry out the program during fiscal year 1997)

On page 53, line 3, before the period, insert the following: ''*: Provided further,* That, of the amount of funds made available under title II of said Act, the United States Agency for International Development should use at least the same amount of funds to carry out the orphan feeding program in Haiti during fiscal year 1998 as was used by the Agency to carry out the program during fiscal year 1997''.

Mr. DEWINE. Mr. President, my amendment is simple and to the point. It urges the U.S. Agency for International Development to maintain the same level of resources for orphan feeding programs in Haiti in fiscal year 1998 as it provided in fiscal year 1997.

The total funding level for Public Law 480 title II food programs is projected to stay the same for fiscal year 1998 as was appropriated for fiscal year 1997. Therefore, I believe that keeping the same level of such resources for this particular program should not be contentious, especially when my colleagues understand who the beneficiaries of this program are.

Mr. President, many facilities in Haiti have to care for a truly vast number of orphans—and also for an increasing number of abandoned and neglected children. In the Port-au-Prince area alone, Christian Relief Services provides Public Law 480 title II food assistance to 70 orphanages. The Adventist Development and Relief Agency also supports some 46 orphanages in the southern rural areas. Simply stated, there are numerous orphanages throughout this country which take care of thousands upon thousands of orphaned and abandoned children.

I have traveled to Haiti four times in the last few years and have visited many orphanages. I can give you a first-hand account of some of their heart-breaking stories. The flow of desperate children into these orphanages is constant—and these institutions face an increasing challenge in accommodating all of these needy children.

Take the case of Notre Dame de Victoires, an orphanage run by Sister Veronique. She will not turn down a single child that is dropped off at her facility. She also makes frequent visits to the local hospitals where babies, after being born, are abandoned. This particular orphanage takes care of the sickest of the sick. They get no means of support other than the food administered to them through CRS, which in turn receives its resources through AID.

Mr. President, let me make it clear what this amendment does. The current program guarantees one meal a day to these orphans. My amendment would ensure that these meals keep coming. I am not talking about medical assistance, clothing, or anything else. Just one meal. These orphanages still have to find sources of support for the other meals and other necessary assistance for these children.

According to AID, $238,000 worth of food went indirectly to orphanages in fiscal year 1996. If this figure is accurate, this is less than 1 percent of the total food resources allocated by AID for Haiti. Specifically, in fiscal year 1996 only 506 metric tonnes of food—out of a total of 50,000 metric tonnes provided by AID—went toward feeding children in orphanages. This is just a drop in the bucket of AID resources.

Now, I have urged AID to maintain the current level of resources allocated for feeding orphans in fiscal year 1997 through fiscal year 1998. AID officials assured me that they will do just that. In fact, they spoke to the relevant relief agencies about the situation and confirmed that this could be done.

My original intent was to earmark this program, requiring AID to implement what has been promised. After numerous conversations between my staff and AID, and after their repeated assurances, the amendment I am offering states that AID simply should honor its commitment. This amendment would make AID's commitment not a personal assurance to me, but a commitment to the U.S. Senate. And if this language is kept in conference and signed into law, the commitment will be thus extended to the entire U.S. Congress.

Mr. President, I am not asking for any more money than the orphanages are currently receiving from AID. This is essential for the survival of many thousands of Haitian children living in overcrowded orphanages. I urge my colleagues to vote for this important amendment.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the amendments be considered and agreed to, en bloc, that statements of the Senators accompanying the amendments be printed in the RECORD, and that the motion to reconsider be laid upon the table.

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

The amendments (Nos. 973 through 976), en bloc, were agreed to.

Mr. COCHRAN. Mr. President, that concludes action on the Agriculture appropriations bill that is contemplated for this evening. Under the order that has been entered, there will be consideration of specified amendments tomorrow morning, and then we will vote on passage of the bill.

MORNING BUSINESS

Mr. COCHRAN. At the request of the majority leader, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each.

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. MCCAIN. Mr. President, H.R. 1119, the House-passed version of the National Defense Authorization Act, includes several maritime provisions which are within the jurisdiction of the Senate Committee on Commerce, Science, and Transportation. Of particular interest are section 1021(b) and title XXXVI of that bill. The House National Security Committee, which has jurisdiction over certain maritime matters in that body, has chosen to attach these maritime authorizations to H.R. 1119 rather than include them in a separate bill. If the Senate amends and passes H.R. 1119, the Commerce Committee will not have the opportunity to consider those maritime provisions which are within its jurisdiction.

As both the chairman of the Commerce Committee and a member of the Armed Services Committee, I do not wish to either slow the progress we are making on the National Defense Authorization Act or relinquish the Commerce Committee's right to consider maritime authorizations under its jurisdiction. Therefore, I'd like to take this opportunity to discuss these provisions, and the process for addressing similar jurisdictional issues in the future, with Senator HOLLINGS, ranking member of the Commerce Committee; Senator HUTCHISON, chairman of the Surface Transportation and Merchant Marine Subcommittee; and Senator INOUYE, ranking member of the Surface Transportation and Merchant Marine Subcommittee.

First, I would like to summarize the maritime authorization provisions of H.R. 1119. Section 1021(b) of the bill would amend title 46, United States Code, to facilitate the scrapping of excess National Defense Reserve Fleet [NDRF] vessels that contain hazardous materials and would amend the National Maritime Heritage Act to extend the authorization for this program an additional 2 years to 2001 to account for the delay in scrapping the NDRF vessels. Section 3601 of the bill would authorize appropriations for the Maritime Administration's expenses for operations and training and under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936, at the levels requested by the President for fiscal year 1998. Section 3602 would repeal the requirement for a

now obsolete annual report by the Maritime Administration on regional shipbuilding costs. Section 3603 would amend the Maritime Security Act of 1996 by clarifying that the noncontiguous domestic trade restrictions of that act do not apply to self-propelled tanker operations of Maritime Security Program [MSP] contractors. Also, section 3603 would relieve foreign-built MSP vessels from the 3-year delay in eligibility for certain cargo preference programs. Section 3604 would amend the Maritime Security Act to allow vessel operators that participate in military sealift readiness agreements with the Department of Defense, but that are not MSP contractors, to temporarily use foreign-flag vessels as replacements for any vessel activated under those agreements. Section 3605 would convey an NDRF vessel to the Artship Foundation in Oakland, CA. Section 3606 would enforce the single-hull tank vessel phase-out schedule of the Oil Pollution Act of 1990 by eliminating a loophole that would otherwise allow single hull tank vessel lives to be extended by reducing their cargo capacity.

These provisions are clearly within the jurisdiction of the Commerce Committee. I ask that the Armed Services Committee not accept them for inclusion in the final National Defense Authorization Act for fiscal year 1998 so that the Commerce Committee may consider these provisions as separate legislation this year. I ask Senators HOLLINGS, HUTCHISON, and INOUYE if they agree with this position.

Mr. HOLLINGS. Mr. President, I agree that these provisions are clearly within the jurisdiction of the Commerce Committee, that the Armed Services Committee should not accept them for inclusion in the final National Defense Authorization Act for fiscal year 1998, and that the Commerce Committee should consider these provisions as separate legislation this year.

Mrs. HUTCHISON. Mr. President, I agree with this proposed course of action. I intend to introduce separate legislation including these provisions so that they may be considered by the Commerce Committee this year.

Mr. INOUYE. Mr. President, I intend to work with Senator HUTCHISON on separate authorizing legislation, and also agree with this proposed course of action.

Mr. MCCAIN. Mr. President, I also intend to work with the members of the Commerce Committee and the Armed Services Committee to ensure full Commerce Committee consideration of maritime issues that may be included in future national defense bills initiated by the other body.

Mr. HOLLINGS. Mr. President, I share the Commerce Committee chairman's interest in working with the Armed Services Committee to ensure that the future inclusion of maritime provisions in House-passed national defense bills does not impair the Commerce Committee's ability to carry out its jurisdictional responsibility over issues affecting the Maritime Administration and the merchant marine.

TRIBUTE TO THE LATE GEN. FRANK S. BESSON, JR.

Mr. THURMOND. Mr. President, though the borders of the United States stretch from the Atlantic to the Pacific, and from the Rio Grande to the ''Great White North,'' the defense of our Nation takes our military personnel around the globe. Point to almost any continent on the globe and you will find American soldiers serving bravely and selflessly, and transporting these men and women to the far corners of the Earth, as well as keeping them supplied with everything from bullets to vehicles, is a challenging but essential task which falls to the Army Materiel Command. Today, I rise to pay tribute to a man who made many innovations in the field of military logistics and who served the U.S. Army in times of peace and war, Gen. Frank S. Besson, Jr.

General Besson passed away more than 10 years ago, but during his life and military career, he distinguished himself in any number of ways and set an excellent example for service to the Nation and devotion to the Army. A 1932 graduate of the U.S. Military Academy, then Second Lieutenant Besson headed north to Boston where he earned a master's degree at the Massachusetts Institute of Technology. His education and training at West Point and MIT paid dividends for the security of the Nation, and helped to pave his way to leadership positions at the highest levels of the U.S. Army. During his career, Frank Besson served with distinction in Persia, Japan, Europe, and in the United States. He was responsible for important innovations in the areas of military pipelines, steel airplane landing mats, steel treadway bridges, and ''roll-on/roll-off'' techniques. Though no sane person welcomed the outbreak of World War II, that conflict proved the viability of Frank Beeson's innovations, and the lives of thousands of GI's were made a little easier thanks to his ideas and efforts. As a matter of fact, it was Frank Besson who ordered studies which led to the adoption of the ''Bailey Bridge,'' a key piece of equipment used during World War II which allowed Allied Forces greater mobility in their march against the Reich.

At age 34, Frank Besson became the youngest brigadier general in the Army Ground Forces. From 1941 to 1945, while we battled the Axis Powers, General Besson was charged with ensuring that Allied supplies reached Soviet forces through the Persian corridor, and as the Deputy Chief Transportation Officer of Army Forces in the Western Pacific, he played an important role in the war against Japan. When the Imperial Japanese surrendered in 1945, General Besson shifted his efforts from working for the defeat of that nation to helping rehabilitate its rail system and working to rebuild Japan.

As the shooting of World War II was replaced by the tense stalemate of the cold war, General Besson continued to serve, this time working to contain the Soviet Union by helping NATO plan and meet its logistical challenges. By the end of the 1950's, General Besson had reached the top of his career field, serving as Chief of Transportation for the U.S. Army, and when the Army Materiel Command was formed in 1962, he took command of this new entity. On May 27, 1964, General Besson again made history by becoming the first Army officer to become a four-star general as the head of a logistical organization during peacetime.

During his career, General Besson earned a long list of awards, commendations, and distinctions, including the Distinguished Service Medal, the Legion of Merit, and the Commander of the Order of the British Empire. There is no question that this was a man who made his mark on military and transportation history, and who dedicated his life to protecting our Nation. While it has been many years since General Besson wore the uniform of the U.S. Army, his accomplishments, leadership, and service have not been forgotten, and as a matter of fact, they are still greatly appreciated by the soldiers of today. In recognition of this unique man's illustrious career, the men and women of the Army Transportation Corps will today induct the late Gen. Frank S. Besson, Jr., into the Transportation Corps Hall of Fame at the U.S. Army Transportation Center and Fort Eustis, VA. This is an honor which is certainly appropriate, and I salute General Besson's distinguished career and add my congratulations to his proud family and friends as they gather to pay homage to this great soldier.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 18

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 18, the United States imported 8,145,000 barrels of oil each day, 360,000 barrels more than the 7,785,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 56.3 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil

flowing into the United States—now 8,145,000 barrels a day.

RESOLVING OUR MARITIME DISPUTES WITH CANADA

Mr. BIDEN. Mr. President, today I voted against the resolution offered by Senator MURKOWSKI condemning the Government of Canada for its failure to resolve the blockade of a United States vessel in Canadian waters.

Canada's inaction clearly was wrong. The M/V *Malaspina,* a United Stats passenger vessel operated by the Alaska Marine Highway System, was blockaded in port by Canadian fishing boats for 3 days. The Canadian Government not only failed to condemn the blockage of the Ferry boat, it also took no action to enforce an injunction issued by a Canadian court requiring the M/V *Malaspina* to be allowed to continue its passage. The ferry was able to continue its passage only when the fishing boats voluntarily ended their blockade.

There is no doubt that the M/V *Malaspina* has the right of innocent passage through the territorial sea of Canada. Article 17 of the United Nations Convention on the Law of the Sea guarantees that right to the ships of all states.

There can also be no doubt that Canada failed to handle the illegal blockage of the United States vessel responsibly.

The amendment introduced by Senator MURKOWSKI, however, is overkill. It would grant broad authority to the President and instruct him to compel Canada to prevent any further harassment of United States shipping. The amendment hints at the use of military force to escort shipping through Canadian waters, and offers only vague guidance on how outstanding maritime disputes with Canada might ultimately be resolved.

I believe that we should not jump to coercive methods to deal with maritime disputes—especially with one of our closest allies and largest trading partners—until all other diplomatic avenues have been tried and exhausted. Moreover, as a general rule, the Senate should avoid granting the President broad authority to accomplish vague objectives.

Rather than escalating this dispute, the Senate should call on Canada to fulfill its international commitments and provide assurances that the M/V *Malaspina* episode will not be repeated. We deserve at least that mush consideration from our ally to the north.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12 noon, a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 765. An act to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore.

H.R. 1585. An act to allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States postage stamps, and for other purposes.

H.R. 1661. An act to implement the provisions of the Trademark Law Treaty.

H.R. 1663. An act to clarify the intent of the Congress in Public Law 93–632 to require the Secretary of Agriculture to continue to provide for the maintenance of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated as wilderness in that Public Law.

H.R. 1853. An act to amend the Carl D. Perkins Vocational and Applied Technology Education Act.

H.R. 1944. An act to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 81. Concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus.

H. Con. Res. 88. Concurrent resolution congratulating the Government and the people of the Republic of El Salvador on successfully completing free and democratic elections on March 16, 1997.

H. Con. Res. 99. Concurrent resolution expressing concern over recent years in the Republic of Sierra Leone in the wake of the recent military coup d'etat of that country's first democratically elected President.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1661. An act to implement the provisions of the Trademark Law Treaty; to the Committee on the Judiciary.

H.R. 1663. An act to clarify the intent of the Congress in Public Law 93–632 to require the Secretary of Agriculture to continue to provide the maintenance of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated as wilderness in that Public Law; to the Committee on Energy and Natural Resources.

H.R. 1853. An act to amend the Carl D. Perkins Vocational and Applied Technology Education Act; to the Committee on Labor and Human Resources.

H.R. 1944. An act to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon; to the Committee on Energy and Natural Resources.

The following concurrent resolutions were read and referred as indicated:

H. Con. Res. 81. Concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus; to the Committee on Foreign Relations.

H. Con. Res. 88. Concurrent resolution congratulating the Government and the people of the Republic of El Salvador on successfully completing free and democratic elections on March 16, 1997; to the Committee on Foreign Relations.

H. Con. Res. 99. Concurrent resolution expressing concern over recent events in the Republic of Sierra Leone in the wake of the recent military coup d'etat of that country's first democratically elected President; to the Committee on Foreign Relations.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 748. An act to amend the prohibition of title 18, United States Code, against financial transactions with terrorists.

PETITIONS AND MEMORIALS

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

POM–186. A resolution adopted by the East Tennessee Development District relative to the National Spallation Neutron Source; to the Committee on Commerce, Science, and Transportation.

POM–187. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Armed Services.

RESOLUTION

Whereas Alaska is the 49th state to enter the federal union of the United States of America and is entitled to all of the rights, privileges, and obligations that the union affords and requires; and

Whereas Alaska possesses natural resources, including energy, mineral, and human resources, vital to the prosperity and national security of the United States; and

Whereas the people of Alaska are conscious of the state's remote northern location and proximity to Northeast Asia and the Eurasian land mass, and of how the unique location places the state in a more vulnerable position than other states with regard to missiles that could be launched in Asia and Europe; and

Whereas the people of Alaska recognize the changing nature of the international political structure and evolution and proliferation of missile delivery systems and weapons of mass destruction as foreign states seek the military means to deter the power of the United States in international affairs; and

Whereas there is a growing threat to Alaska by potential aggressors in these nations and in rogue nations that are seeking nuclear weapons capability and that have sponsored international terrorism; and

Whereas a National Intelligence Estimate to assess missile threats to the United States left Alaska and Hawaii out of the assessment and estimate; and

Whereas one of the primary reasons for joining the Union of the United States of America was to gain security for the people of Alaska and for the common regulation of foreign affairs on the basis of an equitable membership in the United States federation; and

Whereas the United States plans to field a national missile defense, perhaps as early as 2003; this national missile defense plan will provide only a fragile defense for Alaska, the state most likely to be threatened by new missile powers that are emerging in Northeast Asia; be it

Resolved That the Alaska State Legislature respectfully requests the President of the United States to take all actions necessary, within the considerable limits of the resources of the United States, to protect on an equal basis all peoples and resources of this great Union from threat of missile attack regardless of the physical location of the member state; and be it further

Resolved That the Alaska State Legislature respectfully requests that Alaska be included in every National Intelligence Estimate conducted by the United States joint intelligence agencies; and be it further

Resolved That the Alaska State Legislature respectfully requests the President of the United States to include Alaska and Hawaii, not just the contiguous 48 states, in every National Intelligence Estimate of missile threat to the United States; and be it further

Resolved That the Alaska State Legislature urges the United States government to take necessary measures to ensure that Alaska is protected against foreseeable threats, nuclear and otherwise, posed by foreign aggressors, including deployment of a ballistic missile defense system to protect Alaska; and be it further

Resolved That the Alaska State Legislature conveys to the President of the United States expectations that Alaska's safety and security take priority over any international treaty or obligation and that the President take whatever action is necessary to ensure that Alaska can be defended against limited missile attacks with the same degree of assurance as that provided to all other states; and be it further

Resolved That the Alaska State Legislature respectfully requests that the appropriate Congressional committees hold hearings in Alaska that include defense experts and administration officials to help Alaskans understand their risks, their level of security, and Alaska's vulnerability.

POM–188. A resolution adopted by General Court of the Commonwealth of Massachusetts; to the Committee on Energy and Natural Resources.

RESOLUTION

Whereas, the Blackstone River Valley National Heritage Corridor was established by Congress through the enactment of Public Law 99–647, for the purpose of preserving and interpreting for the educational and inspirational benefit of present and future generations the unique and significant contributions to our national heritage certain historic and cultural lands, waterways, and structures within the Blackstone River Valley of the States of Massachusetts and Rhode Island; and

Whereas, the Peters River, which begins at the Silver Lake Beach Dam in the town of Bellingham, is a major tributary of the historic Blackstone River; and

Whereas, it is a historic fact that, at a time when few bridges spanned the Blackstone River, many travelers had to rely on Bellingham's Scott Hill Boulevard, then part of East Bank Road, as a river crossing, tying the town of Bellingham to the other towns of the Blackstone Valley, and at a time when Bellingham residents also operated several mills in the early nineteenth century, providing significant historic and cultural links to the corridor communities; and

Whereas, Bellingham's commitment to providing open space is demonstrated by the town's purchase of Silver Lake and of land for the development of a town common, achieves another significant requirement for membership in the National Heritage Corridor; and

Whereas, the town officials and members of the business community in Bellingham have demonstrated significant support for preservation of historic and natural assets of Bellingham and the Blackstone River Valley; and

Whereas, the addition of Bellingham, a town which abuts the corridor communities of Blackstone and Mendon in Massachusetts and Woonsocket in the State of Rhode Island, to the Blackstone River National Heritage Corridor, would enhance the historic and cultural resources of the existing corridor; therefore be it

Resolved, That the Massachusetts General Court respectfully urges the President and the Congress of the United States to enact legislation to expand the Blackstone River Valley National Heritage Corridor to include the town of Bellingham within the corridor boundaries; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the Presiding Officer of each branch of the Congress, and to each member thereof from this commonwealth.

POM–189. A resolution adopted by General Court of the Commonwealth of Massachusetts; to the Committee on Energy and Natural Resources.

RESOLUTION

Whereas, the Quinebaug and Shetucket Rivers Valley National Heritage Corridor was established by Congress through the enactment of Public Law 103–449 for the purpose of providing assistance in the development and implementation of integrated cultural, historical, and recreational land resource management programs in order to retain, enhance, and interpret significant features of the lands, water, and structures of the Quinebaug and Shetucket Rivers Valley; and

Whereas, the Quinebaug and Shetucket Rivers Valley extends beyond the boundary of the State of Connecticut northward into the Commonwealth of Massachusetts including towns along the French River, a tributary of the Quinebaug, such as Charlton, Dudley, Oxford, Southbridge, Sturbridge, and Webster; and

Whereas, the Massachusetts communities within the Quinebaug and Shetucket Rivers Valley include nationally significant historic and cultural resources such as Samuel Slater's Mill Village in Webster, the birthplace of Clara Barton in Oxford, the Optical Museum of America in Southbridge, and the nationally known ''Old Sturbridge Village'' in Sturbridge, as well as countless buildings on the National Register of Historic Places; and

Whereas, the Massachusetts communities include significant natural scenic areas, tourist attractions, and local, State, and Federal recreational sites that would enhance the historic, cultural, and natural resources of the existing corridor; therefore be it

Resolved, That the Massachusetts General Court respectfully urges the President and the Congress of the United States to enact legislation to expand the Quinebaug and Shetucket Rivers Valley National Heritage Corridor to include the towns of Charlton, Dudley, Oxford, Southbridge, Sturbridge, and Webster, within the corridor boundaries; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the Presiding Officer of each branch of the Congress, and to each member thereof from this commonwealth.

POM–190. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Finance.

RESOLUTION

Whereas the federal matching rate for the Medicaid program in each state varies from 50 percent to 77 percent based on the relative per capita income of each state; and

Whereas the use of a simple per capita income figure in the Medicaid program is unfair to the State of Alaska because it ignores the higher cost of living in Alaska, particularly the higher cost of health care services; and

Whereas this unfair federal funding formula affects not only the state's receipt of federal matching funds for Medicaid but also for the Foster Care and Adoption Assistance Program, child support disbursements, and certain funds under welfare reform; and

Whereas the federal government has already recognized the higher cost of living in Alaska by adjusting by 25 percent the Medicare nursing facility rates and the federal poverty level figures for the state; and

Whereas the use of a 25 percent cost-of-living adjustment in the federal formula would reduce the state's general fund Medicaid match from 50 percent to 38 percent, resulting in a savings of $39,249,300 in Medicaid and $646,000 in the Foster Care and Adoption Assistance Program that could be applied to other state purposes without any reductions in Medicaid services or services to children; be it

Resolved That the Alaska State Legislature respectfully urges the Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when per capita income is used in determining the federal share of Medicaid costs in the state.

POM–191. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Governmental Affairs.

RESOLUTION

Whereas, Joshua Lawrence Chamberlain, born in Brewer, Maine in 1828, was an outstanding soldier, educator, statesman and author during his long and distinguished career; and

Whereas, Joshua Lawrence Chamberlain was the living embodiment of Maine character, grit and courage; and

Whereas, Joshua Lawrence Chamberlain, as Colonel of the 20th Maine Volunteer Infantry Regiment, contributed greatly to Union victory at Gettysburg by his heroic defense of Little Round Top on July 2, 1863; and

Whereas, Joshua Lawrence Chamberlain, as Major General of the Third Brigade, Fifth Corps, Army of the Potomac, was selected by Lieutenant General Ulysses S. Grant to preside over the formal surrender of the Army of Northern Virginia on April 12, 1865, rendered a salute to the defeated adversary that symbolized hopes for reconciliation of North and South; and

Whereas, Joshua Lawrence Chamberlain, as commander of the militia, displayed great statesmanship in averting civil conflict without resort to arms during the 1880 Election Crisis in Maine; and

Whereas, Joshua Lawrence Chamberlain was a progressive educator who inaugurated a ''new Elizabethan age'' of learning as President of Bowdoin College, represented Maine at the 1876 Philadelphia Centennial, speaking on ''Maine: Her Place in History,'' represented the United States at the Paris Exposition on education and wrote the classic The Passing of the Armies; and

Whereas, Joshua Lawrence Chamberlain is an historical figure of national significance: Now, therefore, be it

Resolved: That We, your Memorialists, the Members of the 118th Legislature, now assembled in this First Special Session, respectfully recommend and urge the United States Postal Service to issue a stamp honoring Joshua Lawrence Chamberlain; and be it further

Resolved: That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each member of the Maine Congressional Delegation and to the Postmaster General of the United States Postal Service.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management.

Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement.

Robert G. Stanton, of Virginia, to be Director of the National Park Service.

Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the U.S. Enrichment Corporation for a term expiring February 24, 2002.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation:

Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration for the term of 5 years.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JEFFORDS, from the Committee on Labor and Human Resources:

Louis Caldera, of California, to be a Managing Director of the Corporation for National and Community Service.

Ernestine P. Watlington, of Pennsylvania, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1999.

John T. Broderick, Jr., of New Hampshire, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1999.

Gina McDonald, of Kansas, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Bonnie O'Day, of Minnesota, to be a Member of the National Council on Disability for a term expiring September 17, 1998.

Paul Simon, of Illinois, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably 16 nomination lists in the Air Force, Army, Marine Corps, and the Navy which were printed in full in the CONGRESSIONAL RECORDS of June 12, 17, 23, 27, July 8 and 9, 1997, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of June 12, 17, 23, 27, July 8 and 9, 1997, at the end of the Senate proceedings.)

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE

Beginning James W Adams and ending Michael B Wood, received by Senate and appeared in Congressional Record of June 17, 1997.

Beginning James M Abatti and ending Scott A Zuerlein, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE ARMY

Juliet T. Tanada, received by Senate and appeared in Congressional Record of June 17, 1997.

Beginning Cornelius S. Mccarthy and ending *Todd A. Mercer, received by Senate and appeared in Congressional Record of June 23, 1997.

Beginning Terry L. Belvin and ending James A. Zernicke, received by Senate and appeared in Congressional Record of June 27, 1997.

Beginning Daniel J. Adelstein and ending *Alan S. Mccoy, received by Senate and appeared in Congressional Record of July 8, 1997.

Maureen K. Leboeuf, received by Senate and appeared in Congressional Record of July 8, 1997.

Beginning James A. Barrineau, Jr., and ending Deborah C. Wheeling, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE MARINE CORPS

Thomas W. Spencer, received by Senate and appeared in Congressional Record of June 23, 1997.

Dennis M. Arinello, received by Senate and appeared in Congressional Record of June 23, 1997.

Carlo A. Montemayor, received by Senate and appeared in Congressional Record of June 23, 1997.

Beginning Demetrice M. Babb and ending John E. Zeger, Jr., received by Senate and appeared in Congressional Record of June 27, 1997.

Anthony J. Zell, received by Senate and appeared in Congressional Record of July 8, 1997.

Mark G. Garcia, received by Senate and appeared in Congressional Record of July 8, 1997.

IN THE NAVY

Beginning John A Achenbach and ending Sreten Zivovic, received by Senate and appeared in Congressional Record of June 12, 1997.

Beginning Layne M. K. Araki and ending Charles F. Wrightson, received by Senate and appeared in Congressional Record of July 8, 1997.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 1054. A bill to amend title II of the Social Security Act to establish, for purposes of disability determinations under such titles, a uniform minimum level of earnings, for demonstrating ability to engage in substantial gainful activity, at the level currently applicable solely to blind individuals; to the Committee on Finance.

By Mr. DURBIN (for himself, Ms. MOSELEY-BRAUN, and Mr. REID):

S. 1055. A bill to amend title 23, United States Code, to extend the Interstate 4R discretionary program; to the Committee on Environment and Public Works.

By Mr. BURNS (for himself, Mr. COATS, and Mr. LUGAR):

S. 1056. A bill to provide for farm-related exemptions from certain hazardous materials transporation requirements; to the Committee on Commerce, Science, and Transportation.

By Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON):

S. 1057. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

By Mr. DURBIN:

S. 1058. A bill to amend the National Forest Management Act of 1976 to prohibit below-cost timber sales in the Shawnee National Forest; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHAFEE (for himself, Mr. KEMPTHORNE, and Mr. GRAHAM):

S. 1059. A bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. WYDEN, Mr. DURBIN, and Mr. HARKIN):

S. 1060. A bill to restrict the activities of the United States with respect to foreign laws that regulate the marketing of tobacco products and to subject cigarettes that are exported to the same restrictions on labeling as apply to the sale or distribution of cigarettes in the United States; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MURKOWSKI (for himself, Mr. STEVENS, Mr. GORTON, and Mr. HELMS):

S. Res. 109. A resolution condemning the Government of Canada for its failure to accept responsibility for the illegal blockade of a U.S. vessel in Canada, and calling on the President to take appropriate action; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Ms. MOSELEY-BRAUN and Mr. REID):

S. 1055. A bill to amend title 23, United States Code, to extend the Interstate 4R discretionary program; to the Committee on Environment and Public Works.

THE INTERSTATE SYSTEM IMPROVEMENT ACT OF 1997

Mr. DURBIN. Mr. President, today I am introducing legislation that would help improve our country's aging Interstate System—the Interstate System Improvement Act of 1997. My colleagues, Senators MOSELEY-BRAUN and REID have joined me as original cosponsors.

This bill is simple. It would fund the discretionary Interstate 4R [I–4R] program at a level of $800 million annually, a significant increase from the current level of $66 million in fiscal year 1997. I believe that the I–4R program is one of the most crucial aspects of the upcoming Intermodal Surface Transportation and Efficiency Act [ISTEA] reauthorization. And, I hope to work with my colleagues on the Environment and Public Works Committee to incorporate this important measure into ISTEA legislation later this year.

The I–4R program is critical to the resurfacing, restoration, rehabilitation, and reconstruction of our country's vital infrastructure. This year, the program is funded at $66 million. However, demand for funds has outpaced available money by more than 9 to 1. For example, in fiscal year 1997, 25 States requested $1.2 billion in I–4R funds under the discretionary program. Only six States received assistance, most at greatly reduced levels. Nineteen States will receive no I–4R discretionary funds in fiscal year 1997 and over $1 billion in funding requests have gone unanswered.

States with major interstate projects would benefit greatly from this legislation. In Illinois alone, the State faces a highway funding shortage because of crucial projects like the Stevenson Expressway in Chicago and I–74 in Peoria. These projects are simply too important to delay. A healthy I–4R discretionary program is necessary in order to rebuild this vital infrastructure.

Mr. President, I urge my colleagues to join me in advancing this important legislation.

Ms. MOSELEY-BRAUN. Mr. President, I am pleased to introduce the Interstate System Improvement Act of 1997 with my colleague from Illinois, Senator DURBIN.

This legislation would increase the authorization for the discretionary I–4R program from its current level of around $60 to $800 million annually. This change would allow States with large interstate improvement projects to compete for discretionary grants at the Federal level.

As our Nation's interstate system ages, it is going to become more important for many States to have access to large, discretionary grants for major interstate improvement projects. For my home State of Illinois, this legislation would provide an opportunity to compete for funds to reconstruct a 15-mile segment of the aging Stevenson Expressway, one of the Chicago area's most important arteries, and one that is badly in need of repair.

I believe this change is important to improve our current system of highway funding, and I urge my colleagues on the Environment and Public Works Committee who are involved in drafting legislation to reauthorize the Intermodal Surface Transportation and Efficiency Act to include this legislation as part of their reauthorization bill.

By Mr. BURNS (for himself, Mr. COATS, and Mr. LUGAR):

S. 1056. A bill to provide for farm-related exemptions from certain hazardous materials transportation requirements; to the Committee on Commerce, Science, and Transportation.

FARM-RELATED EXEMPTIONS LEGISLATION

Mr. BURNS. Mr. President, I am introducing today a bill to provide for farm-related exemptions for certain hazardous materials and transportation requirements. I send it to the desk and ask for its appropriate referral.

The PRESIDING OFFICER. The bill will be read twice and then referred to the appropriate committee.

Mr. BURNS. Mr. President, today, I rise to introduce a bill that will provide further regulatory relief for our farmers and ranchers.

Let me give you some background on this issue. Earlier this year, the U.S. Department of Transportation published a rule under the HM–200 docket which severely restricts the transportation of agricultural products classified as hazardous materials.

This aspect of the HM–200 rule could cost the agricultural retail industry and the farm economy millions of dollars every year.

Currently, States model their regulations concerning the transport of hazardous materials on Federal Hazardous Materials Regulations [HMR's]. However, some States with large farm economies provide exceptions from the State HMR's to the agricultural industry for the short-haul, intrastate, retail-to-farm transport of agricultural inputs.

HM–200 would supersede all State HMR's, eliminate these exceptions, and apply Federal regulations to the short-haul, seasonal and mostly rural transport of farm products.

The cost of this regulatory burden is estimated to be in excess of $12,300 a year for each agricultural retailer. Industrywide, it is estimated that it could cost the agricultural economy nearly $62 million annually.

We all want safe highways, safe food production, and a safe workplace, but when DOT, OSHA, and EPA regulations are stirred together in a pot, the stew can turn out to be quite rancid. Placing these Federal burdens on the backs of farmers and ranchers in Montana's rural communities, can mean the difference between flying or dying.

HM–200 will require agricultural retailers to comply with time consuming and costly regulations that will not make our rural roads safer, but only increase the cost of doing business, cause confusion, and require unnecessary paperwork. These expenses will be passed on to farmers who already are burdened with slimming margins and ever higher cost of production.

States and the agricultural community have an excellent track record for protecting the environment and keeping the public safe. The agricultural retail industry complies with numerous safety measures such as requiring all drivers to have Commercial Drivers Licenses [CDL's] drug and alcohol testing for drivers, HAZMAT handling experience, and so forth.

Additionally, States which do not provide exceptions to their own HMR's for the agricultural community will face a new regulatory burden since these States rarely enforce the regulations that they have in place. The U.S. DOT has made it abundantly clear that they will expect all States to actively enforce HM–200, thereby making it an unfunded mandate.

Despite petitions for reconsideration from the agricultural community—all of which have gone unanswered by DOT—HM–200 is due to be implemented on October 1, 1997—it was published in February of this year.

This legislation seeks to delay implementation of HM–200 with respect to agricultural transports, until October 1, 1999, or until the reauthorization of Federal Hazardous Materials legislation. By allowing for a delay in HM–200 implementation, I believe we can properly address and examine the facts as they stand with regard to the need for this new regulation.

I urge my colleagues to support this vital legislation, and help keep our agricultural community from having to bear a needless expense which has little safety value to the public.

By Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON):

S. 1057. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

THE CAMPAIGN SPENDING CONTROL ACT OF 1997

Mr. REED. Mr. President, I rise today to discuss legislation I have just introduced, the Campaign Spending Control Act of 1997. The 1996 elections, unfortunately, will be remembered for two remarkable facts. First, Federal campaigns produced record spending; over $2.7 billion or almost $28 for every voter. Second, the election produced record-low voter participation: less than half of those eligible chose to vote. These two tragic facts are inextricably linked.

Due to the vast sums of money spent on campaigns, most Americans believe

our current campaign system is tainted by special interest money. Under a flood of money and television ads, voters view their voice as meaningless, their concerns as unaddressed, and their votes as unimportant. In order to restore public confidence, campaign finance reform must accomplish three goals. It must significantly reduce campaign spending; level the playing field for those who challenge incumbents; and, finally, encourage greater public participation and debate.

These goals cannot be successfully addressed without significantly changing the rules which govern campaigns. Campaign scandals have posed a threat to the health of our democracy throughout our Nation's history. In 1907, after enduring embarrassment over a campaign scandal, President Teddy Roosevelt championed legislation prohibiting corporations from financing Federal candidates. In 1974, responding to the scandals of the 1972 elections and the resignation of President Nixon, Congress overwhelmingly passed legislation limiting spending by candidates, parties, and wealthy individuals.

In 1996, all the past campaign reforms imploded, with a flood of corporate and individual money overwhelming legal limits. Million-dollar corporate contributions funded advertisements to impact Presidential and congressional campaigns. Well-funded individuals and organizations also got into the act. By spending a record $70 million on so-called issue advertising, labor unions, business organizations, and ideological groups circumvented limits on direct contributions to candidates. Thus, candidates, awash in a sea of outside money, were pushed to not only trounce their opponents in fundraising, but to match outside groups. The chase for dollars sapped candidates' time which could have been spent debating, attending forums, and otherwise engaging voters. Once solicited, most of these millions were spent on uninformative, 30-second advertisements, which only served to further alienate the electorate. Unchecked, this campaign system will spiral into exponential spending increases, further disenfranchisement, and less dialog. The system is already close to collapsing under its own weight; the time to act is now.

The roots of this abysmal situation can be traced to a misguided Supreme Court decision. In Buckley versus Valeo, a 1976 case which challenged the 1974 campaign reform legislation, the Court held that, in order to avoid corruption, contributions to candidates and committees could be limited. However, the Court invalidated expenditure limits on candidates and independent entities as infringements on free speech rights. The Court surmised that unlimited spending would increase the number and depth of issues discussed. Twenty years of campaign spending has proven the Court's decision fatally flawed: fewer issues are discussed, less debate occurs, and voter participation has declined. The single most important step to reform elections and revitalize our democracy is to reverse the Buckley decision by limiting the amount of money that a candidate or his allies can spend.

For this reason, Senators BRYAN, HOLLINGS, JOHNSON, and I are introducing legislation which directly challenges the Buckley decision and places mandatory limits on all campaign expenditures. These limits do not favor incumbents. Over the last three elections, these limits would have restricted 80 percent of incumbents, while only impacting 18 percent of those who challenged incumbents. Additionally, this legislation would fully ban corporate contributions, as well as unlimited and unregulated contributions by wealthy individuals and organizations. Further, our bill would limit campaign expenditures by supposedly, neutral, independent groups, and restrict corporations, labor unions, and other organizations from influencing campaigns under the guise of issue advocacy. The end result of this legislation would be to eliminate over $500 million from the system, discourage violations, encourage challenges to incumbents, and further promote debate among both candidates and the electorate.

What effect would these limits have on political debate? Contrary to the Supreme Court, I believe such limits would increase dialog. Candidates would be free from the burdens of unending fundraising and thus be available to participate in debates, forums, and interviews. With greater access to candidates and less reason to believe that candidates were captives of their contributors, voters might well be more prepared to invest the time needed to be informed on issues of concern and ask candidates to address them.

Some will argue that this legislation impinges upon freedom of speech. The bill will marginally restrict the rights of a few to spend money—not speak—so that the majority of voters might restore their faith in the process. Thus, speech will be restricted no more than necessary to fulfill what I believe to be several compelling interests. Such a restriction conforms with constitutional jurisprudence and has been demonstrated necessary by history. The fact is all democratic debates are restricted by rules. My legislation would simply implement necessary rules into our campaign system. Finally, it is important to remember that the vast majority of Americans, 96 percent, have never made a political contribution at any level of government. Capping expenditures will truly impact very few individuals, and that restriction will be marginal, but necessary.

Implementing spending caps is a grass-roots initiative. Elected officials from 33 States have urged that the Buckley decision be revisited and limits implemented. Legislative bodies in Ohio and Vermont have implemented sweeping reform by enacting mandatory caps on candidate expenditures. Other States, such as my own, have embraced public financing as a means of reform. Yet, today, Congress struggles to even consider the most modest of reforms, such as banning so called soft money: unlimited donations by corporations, labor unions, and wealthy individuals to political party committees. Unfortunately, because most of the current reform proposals accept the reasoning enunciated in the Buckley decision, they will only serve to redirect an unlimited flow of cash. While I enthusiastically support any substantive reform, if we are to address the underlying cancer which has disintegrated voter trust and participation, the problem of unlimited expenditures must be directly confronted. This is a step that one municipality and two States have embraced. Many more State officials as well as prominent constitutional law scholars have urged such a course. Expenditure limitations have been proposed by congressional reformers in the past, and it is time to rededicate ourselves to this goal.

Mr. President, I have a list of the 33 State officials and 24 State attorneys general who have urged the reversal of Buckley. I ask unanimous consent that these documents be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. REED. Mr. President, our democracy is dependent upon participation, stimulated by a belief that the system works for everyone. Just as scandals led to reform in 1907 and 1974, Congress must now rise to the task once again to address a threat to our democratic process. Polls continue to demonstrate that a majority of Americans believe the political process is controlled by wealthy interests. The most dangerous aspect of the current situation is that polls also show that voters have no faith in the ability of their representatives to implement reform. If we do not address the influence of money in our electoral system, the health of our democracy will endure increasing risk. It is time to begin true, comprehensive reform. I would like to thank Senators BRYAN, HOLLINGS, and JOHNSON for joining me in this endeavor. Their leadership on this issue in the past has proven invaluable, and I am proud that they have chosen to join me in this important effort. It is my hope that the Senate will now move to address the problem of our campaign system at its root. Finally, Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1057

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 ''Campaign Spending Control Act of 1997''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Statement of purpose.
Sec. 3. Findings of fact.

TITLE I—SENATE ELECTION SPENDING LIMITS

Sec. 101. Senate election spending limits.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

Sec. 201. Adding definition of coordination to definition of contribution.
Sec. 202. Treatment of certain coordinated contributions and expenditures.
Sec. 203. Political party committees.
Sec. 204. Limit on independent expenditures.
Sec. 205. Clarification of definitions relating to independent expenditures.
Sec. 206. Elimination of leadership PACs.

TITLE III—SOFT MONEY

Sec. 301. Soft money of political party committee.
Sec. 302. State party grassroots funds.
Sec. 303. Reporting requirements.
Sec. 304. Soft money of persons other than political parties.

TITLE IV—ENFORCEMENT

Sec. 401. Filing of reports using computers and facsimile machines.
Sec. 402. Audits.
Sec. 403. Authority to seek injunction.
Sec. 404. Increase in penalty for knowing and willful violations.
Sec. 405. Prohibition of contributions by individuals not qualified to vote.
Sec. 406. Use of candidates' names.
Sec. 407. Expedited procedures.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

Sec. 501. Severability.
Sec. 502. Regulations.
Sec. 503. Effective date.

SEC. 2. STATEMENT OF PURPOSE.

The purposes of this Act are to—

(1) restore the public confidence in and the integrity of our democratic system;

(2) strengthen and promote full and free discussion and debate during election campaigns;

(3) relieve Federal officeholders from limitations on their attention to the affairs of the Federal government that can arise from excessive attention to fundraising;

(4) relieve elective office-seekers and officeholders from the limitations on purposeful political conduct and discourse that can arise from excessive attention to fundraising;

(5) reduce corruption and undue influence, or the appearance thereof, in the financing of Federal election campaigns; and

(6) provide non-preferential terms of access to elected Federal officeholders by all interested members of the public in order to uphold the constitutionally guaranteed right to petition the Government for redress of grievances.

SEC. 3. FINDINGS OF FACT.

Congress finds the following:

(1) The current Federal campaign finance system, with its perceived preferential access to lawmakers for interest groups capable of contributing sizable sums of money to lawmakers' campaigns, has caused a widespread loss of public confidence in the fairness and responsiveness of elective government and undermined the belief, necessary to a functioning democracy, that the Government exists to serve the needs of all people.

(2) The United States Supreme Court, in *Buckley v. Valeo*, 424 U.S. 1 (1976), disapproved the use of mandatory spending limits as a remedy for such effects, while approving the use of campaign contribution limits.

(3) Since that time, campaign expenditures have risen steeply in Federal elections with spending by successful candidates for the United States Senate between 1976 and 1996 rising from $609,100 to $3,775,000, an increase that is twice the rate of inflation.

(4) As campaign spending has escalated, voter turnout has steadily declined and in 1996 voter turnout fell to its lowest point since 1924, and stands now at the lowest level of any democracy in the world.

(5) Coupled with out-of-control campaign spending has come the constant necessity of fundraising, arising, to a large extent, from candidates adopting a defensive ''arms race'' posture of constant readiness against the risk of massively financed attacks against whatever the candidate may say or do.

(6) The current campaign finance system has had a deleterious effect on those who hold public office as endless fundraising pressures intrude upon the performance of constitutionally required duties. Capable and dedicated officials have left office in dismay over these distractions and the negative public perceptions that the fundraising process engenders and numerous qualified citizens have declined to seek office because of the prospect of having to raise the extraordinary amounts of money needed in today's elections.

(7) The requirement for candidates to fundraise, the average 1996 expenditure level required a successful Senate candidate to raise more than $12,099 a week for 6 years, significantly impedes on the ability of Senators and other officeholders to tend to their official duties, and limits the ability of candidates to interact with the electorate while also tending to professional responsibilities.

(8) As talented incumbent and potential public servants are deterred from seeking office in Congress because of such fundraising pressures, the quality of representation suffers and those who do serve are impeded in their effort to devote full attention to matters of the Government by the campaign financing system.

(9) Contribution limits are inadequate to control all of these trends and as long as campaign spending is effectively unrestrained, supporters can find ways to protect their favored candidates from being outspent. Since 1976 major techniques have been found and exploited to get around and evade contribution limits.

(10) Techniques to evade contribution limits include personal spending by wealthy candidates, independent expenditures that assist or attack an identified candidate, media campaigns by corporations, labor unions, and nonprofit organizations to advocate the election or defeat of candidates, and the use of national, State, or local political parties as a conduit for money that assists or attacks such candidates.

(11) Wealthy candidates may, under the present Federal campaign financing system, spend any amount they want out of their own resources and while such spending may not be self-corrupting, it introduces the very defects the Supreme Court wants to avoid. The effectively limitless character of such resources obliges a wealthy candidate's opponent to reach for larger amounts of outside support, causing the deleterious effects previously described.

(12) Experience shows that there is an identity of interest between candidates and political parties because the parties exist to support candidates, not the other way around. Party expenditures in support of, or in opposition to, an identifiable candidate are, therefore, effectively spending on behalf of a candidate.

(13) Political experience shows that so-called ''independent'' support, whether by individuals, committees, or other entities, can be and often is coordinated with a candidate's campaign by means of tacit understandings without losing its nominally independent character and, similarly, contributions to a political party, ostensibly for ''party-building'' purposes, can be and often are routed, by undeclared design, to the support of identified candidates.

(14) The actual, case-by-case detection of coordination between candidate, party, and independent contributor is, as a practical matter, impossible in a fast-moving campaign environment.

(15) So-called ''issue advocacy'' communications, by or through political parties or independent contributors, need not, as a practical matter, advocate expressly for the election or defeat of a named candidate in order to cross the line into election campaign advocacy; any clear, objective indication of purpose, such that voters may readily observe where their electoral support is invited, can suffice as evidence of intent to impact a Federal election campaign.

(16) When State political parties or other entities operating under State law receive funds, often called ''soft money'', for use in Federal elections, they become de facto agents of the national political party and the inclusion of these funds under applicable Federal limitations is necessary and proper for the effective regulation of Federal election campaigns.

(17) The exorbitant level of money in the political system has served to distort our democracy by giving some contributors, who constitute less than 3 percent of the citizenry, the appearance of favored access to elected officials, thus undermining the ability of ordinary citizens to petition their Government. Concerns over the potential for corruption and undue influence, and the appearances thereof, has left citizens cynical, the reputation of elected officials tarnished, and the moral authority of Government weakened.

(18) The 2 decades of experience since the Supreme Court's *Buckley v. Valeo* ruling in 1976 have made it evident that reasonable limits on election campaign expenditures are now necessary and these limits must comprehensively address all types of expenditures to prevent circumvention of such limits.

(19) The Supreme Court based its *Buckley v. Valeo* decision on a concern that spending limits could narrow political speech ''by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached''. The experience of the past 20 years has been otherwise as experience shows that unlimited expenditures can drown out or distort political discourse in a flood of distractive repetition. Reasonable spending limits will increase the opportunity for previously muted voices to be heard and thereby increase the number, depth, and diversity of ideas presented to the public.

(20) Issue advocacy communications that do not promote or oppose an identified candidate should remain unregulated, as should the traditional freedom of the press to report and editorialize about candidates and campaigns.

(21) In establishing reasonable limits on campaign spending, it is necessary that the limits reflect the realities of modern campaigning in a large, diverse population with sophisticated and expensive modes of communication. The limits must allow citizens to benefit from a full and free debate of issues and permit candidates to garner the resources necessary to engage in that debate.

(22) The expenditure limits established in this Act for election to the United States Senate were determined after careful review of historical spending patterns in Senate campaigns as well as the particular spending level of the 3 most recent elections as evidenced by the following:

(A) The limit formula allows candidates a level of spending which guarantees an ability to disseminate their message by accounting for the size of the population in each State as well as historical spending trends including the demonstrated trend of lower campaign spending per voter in larger States as compared to voter spending in smaller States.

(B) The candidate expenditure limits included in this legislation would have restricted 80 percent of the incumbent candidates in the last 3 elections, while only impeding 18 percent of the challengers.

(C) It is clear from recent experience that expenditure limits as set by the formula in this Act will be high enough to allow an effective level of competition, encourage candidate dialogue with constituents, and circumscribe the most egregiously high spending levels, so as to be a bulwark against future campaign finance excesses and the resulting voter disenfranchisement.

TITLE I—SENATE ELECTION SPENDING LIMITS

SEC. 101. SENATE ELECTION SPENDING LIMITS.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 324. SPENDING LIMITS FOR SENATE ELECTION CAMPAIGNS

''(a) IN GENERAL.—The amount of funds expended by a candidate for election to the Senate and the candidate's authorized committees with respect to an election may not exceed the election expenditure limits of subsections (b), (c), and (d).

''(b) PRIMARY ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a primary election by a Senate candidate and the candidate's authorized committees shall not exceed 67 percent of the general election expenditure limit under subsection (d).

''(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a runoff election by a Senate candidate and the candidate's authorized committees shall not exceed 20 percent of the general election expenditure limit under subsection (d).

''(d) GENERAL ELECTION EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures for a general election by a Senate candidate and the candidate's authorized committees shall not exceed the greater of—

''(A) $1,182,500; or

''(B) $500,000; plus

''(i) 37.5 cents multiplied by the voting age population not in excess of 4,000,000; and

''(ii) 31.25 cents multiplied by the voting age population in excess of 4,000,000.

''(2) EXCEPTION.—In the case of a Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B) shall be applied by substituting—

''(A) '$1.00' for '37.5 cents' in clause (i); and

''(B) '87.5 cents' for '31.25 cents' in clause (ii).

''(3) INDEXING.—The monetary amounts in paragraphs (1) and (2) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1997.

''(e) EXEMPTED EXPENDITURES.—In determining the amount of funds expended for purposes of this section, there shall be excluded any amounts expended for—

''(1) Federal, State, or local taxes with respect to earnings on contributions raised;

''(2) legal and accounting services provided solely in connection with complying with the requirements of this Act;

''(3) legal services related to a recount of the results of a Federal election or an election contest concerning a Federal election; or

''(4) payments made to or on behalf of an employee of a candidate's authorized committees for employee benefits—

''(A) including—

''(i) health care insurance;

''(ii) retirement plans; and

''(iii) unemployment insurance; but

''(B) not including salary, any form of compensation, or amounts intended to reimburse the employee.''.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

SEC. 201. ADDING DEFINITION OF COORDINATION TO DEFINITION OF CONTRIBUTION.

(a) DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking ''or'' at the end;

(B) in clause (ii) by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(iii) a payment made for a communication or anything of value that is for the purpose of influencing an election for Federal office and that is a payment made in coordination with a candidate.''; and

(2) by adding at the end the following:

''(C) PAYMENT MADE IN COORDINATION WITH.—The term 'payment made in coordination with' means—

''(i) a payment made by any person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with, a candidate, a candidate's authorized committees, an agent acting on behalf of a candidate or a candidate's authorized committee, or (for purposes of paragraphs (9) and (10) of section 315(a)) another person;

''(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate or the candidate's authorized committees (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat); or

''(iii) payments made based on information about the candidate's plans, projects, or needs provided to the person making the payment by the candidate, the candidate's authorized committees, or an agent of a candidate or a candidate's authorized committees.''.

(b) CONFORMING AMENDMENTS.—

(1) SECTION 315.—Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended to read as follows:

''(B) expenditures made in coordination with a candidate, within the meaning of section 301(8)(C), shall be considered to be contributions to the candidate and, in the case of limitations on expenditures, shall be treated as an expenditure for purposes of this section; and''.

(2) SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by striking ''shall include'' and inserting ''shall have the meaning given those terms in paragraphs (8) and (9) of section 301 and shall also include''.

SEC. 202. TREATMENT OF CERTAIN COORDINATED CONTRIBUTIONS AND EXPENDITURES.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following:

''(9) For purposes of this section, contributions made by more than 1 person in coordination with each other (within the meaning of section 301(8)(C)) shall be considered to have been made by a single person.

''(10) For purposes of this section, an independent expenditure made by a person in coordination with (within the meaning of section 301(8)(C)) another person shall be considered to have been made by a single person.''.

SEC. 203. POLITICAL PARTY COMMITTEES.

(a) LIMIT ON COORDINATED AND INDEPENDENT EXPENDITURES BY POLITICAL PARTY COMMITTEES.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by inserting ''and independent expenditures'' after ''Federal office''; and

(2) in paragraph (3)—

(A) by inserting '', including expenditures made'' after ''make any expenditure''; and

(B) by inserting ''and independent expenditures advocating the election or defeat of a candidate,'' after ''such party''.

(b) RULES APPLICABLE WHEN LIMITS NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), during any period beginning after the effective date of this Act in which the limitation under section 315(d)(3) (as amended by subsection (a)) is not in effect the following amendments shall be effective:

(1) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY A POLITICAL PARTY COMMITTEE.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(A) in paragraph (1)—

(i) by striking ''(2) and (3) of this subsection'' and inserting ''(2), (3), and (4) of this subsection''; and

(ii) by inserting ''coordinated'' after ''make'';

(B) in paragraph (3), by inserting ''coordinated'' after ''make''; and

(C) by adding at the end the following:

''(4) PROHIBITION AGAINST MAKING BOTH COORDINATED EXPENDITURES AND INDEPENDENT EXPENDITURES.—

''(A) IN GENERAL.—A committee of a political party shall not make both a coordinated expenditure in excess of $5,000 and an independent expenditure with respect to the same candidate during an election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure in excess of $5,000 in connection with a general election campaign for Federal office, a committee of a political party that is subject to this subsection shall file with the Commission a certification, signed by the treasurer, stating that the committee will not make independent expenditures with respect to such candidate.

''(C) TRANSFERS.—A party committee that certifies under this paragraph that the committee will make coordinated expenditures with respect to any candidate shall not, in the same election cycle, make a transfer of funds to, or receive a transfer of funds from, any other party committee unless that committee has certified under this paragraph that it will only make coordinated expenditures with respect to candidates.

''(D) DEFINITION OF COORDINATED EXPENDITURE.—In this paragraph, the term 'coordinated expenditure' shall have the meaning given the term 'payments made in coordination with' in section 301(8)(C).''.

(2) LIMIT ON CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.—Section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended—

(A) in paragraph (1)(B), by striking ''which, in the aggregate, exceed $20,000'' and inserting ''that—

''(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $20,000; or

''(ii) in the case of a political committee that does not certify under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $5,000''; and

(B) in paragraph (2)(B), by striking ''which, in the aggregate, exceed $15,000'' and inserting ''that—

''(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $15,000; or

''(ii) in the case of a political committee that does not certify under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $5,000''.

(c) DEFINITION OF ELECTION CYCLE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

''(20) ELECTION CYCLE.—The term 'election cycle' means—

''(A) in the case of a candidate or the authorized committees of a candidate, the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate is seeking and ending on the date of the next general election for that office or seat; and

''(B) in the case of all other persons, the period beginning on the first day following the date of the last general election and ending on the date of the next general election.''.

SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following:

''(i) LIMIT ON INDEPENDENT EXPENDITURES.—No person shall make an amount of independent expenditures advocating the election or defeat of a candidate during an election cycle in an aggregate amount greater than the limit applicable to the candidate under section 315(d)(3).''.

(b) RULES APPLICABLE WHEN RULES IN SUBSECTION (a) NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date of this Act in which the limit on independent expenditures under section 315(i) of the Federal Election Campaign Act of 1971, as added by subsection (a), is not in effect section 324 of such Act, as added by section 101(a), is amended by adding at the end the following:

''(f) INCREASE IN EXPENDITURE LIMIT IN RESPONSE TO INDEPENDENT EXPENDITURES.—

''(1) IN GENERAL.—The applicable election expenditure limit for a candidate shall be increased by the aggregate amount of independent expenditures made in excess of the limit applicable to the candidate under section 315(d)(3)—

''(A) on behalf of an opponent of the candidate; or

''(B) in opposition to the candidate.

''(2) NOTIFICATION.—

''(A) IN GENERAL.—A candidate shall notify the Commission of an intent to increase an expenditure limit under paragraph (1).

''(B) COMMISSION RESPONSE.—Within 3 business days of receiving a notice under subparagraph (A), the Commission must approve or deny the increase in expenditure limit.

''(C) ADDITIONAL NOTIFICATION.—A candidate who has increased an expenditure limit under paragraph (1) shall notify the Commission of each additional increase in increments of $50,000.''.

SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure that—

(A) contains express advocacy; and

(B) is made without the participation or cooperation of, or without consultation with, or without coordination with a candidate or a candidate's authorized committee or agent (within the meaning of section 301(8)(C)).''.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 202(c), is amended by adding at the end the following:

''(21) EXPRESS ADVOCACY.—The term 'express advocacy' includes—

''(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as 'vote for,' 'elect,' 'support,' 'vote against,' 'defeat,' 'reject,' '(name of candidate) for Congress,' 'vote pro-life,' or 'vote pro-choice,' accompanied by a listing or picture of a clearly identified candidate described as 'pro-life' or 'pro-choice,' 'reject the incumbent,' or an expression susceptible to no other reasonable interpretation but an unmistakable and unambiguous exhortation to vote for or against a specific candidate; or

''(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising—

''(A) that is made on or after a date that is 90 days before the date of a general election of the candidate;

''(B) that refers to the character, qualifications, or accomplishments of a clearly identified candidate, group of candidates, or candidate of a clearly identified political party; and

''(C) that does not have as its sole purpose an attempt to urge action on legislation that has been introduced in or is being considered by a legislature that is in session.''.

SEC. 206. ELIMINATION OF LEADERSHIP PACS.

(a) DESIGNATION AND ESTABLISHMENT OF AUTHORIZED COMMITTEE.—Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by—

(1) striking paragraph (3) and inserting the following:

''(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

''(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

''(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.''; and

(2) adding at the end the following:

''(6)(A) A candidate for Federal office or any individual holding Federal office may not directly or indirectly establish, finance, maintain, or control any political committee other than a principal campaign committee of the candidate, designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

''(B) A political committee prohibited by subparagraph (A), that is established before the date of enactment of this Act, may continue to make contributions for a period that ends on the date that is 1 year after the date of enactment of this paragraph. At the end of such period the political committee shall disburse all funds by 1 or more of the following means:

''(1) Making contributions to an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Act that is not established, maintained, financed, or controlled directly or indirectly by any candidate for Federal office or any individual holding Federal office.

''(2) Making a contribution to the Treasury.

''(3) Making contributions to the national, State, or local committees of a political party.

''(4) Making contributions not to exceed $1,000 to candidates for elective office.''.

TITLE III—SOFT MONEY

SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 325. SOFT MONEY OF PARTY COMMITTEES.

''(a) NATIONAL COMMITTEES.—A national committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee or its agent, an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity (but not including an entity regulated under subsection (b)) shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that refers to a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) ACTIVITY EXCLUDED FROM PARAGRAPH (1).—

''(A) IN GENERAL.—Paragraph (1) shall not apply to an expenditure or disbursement made by a State, district, or local committee of a political party for—

''(i) a contribution to a candidate for State or local office if the contribution is not designated or otherwise earmarked to pay for an activity described in paragraph (1);

''(ii) the costs of a State, district, or local political convention;

''(iii) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of the individual's time on activity during the month that may affect the outcome of a Federal election) except that for purposes of this paragraph, the non-Federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office; and

''(v) the cost of any campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the candidate activity is not an activity described in paragraph (1).

''(B) FUNDRAISING COSTS.—Any amount spent by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in paragraph (1) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(c) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

''(d) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not—

''(A) solicit, receive, transfer, or spend funds in connection with an election for Federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act;

''(B) solicit, receive, or transfer funds that are to be expended in connection with any election other than a Federal election unless the funds—

''(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under section 315(a) (1) and (2); and

''(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office; or

''(C) solicit, receive, or transfer any funds on behalf of any person that are not subject to the limitations, prohibitions, and reporting requirements of the Act if the funds are for use in financing any campaign-related activity or any communication that refers to a clearly identified candidate for Federal office.

''(2) EXCEPTION.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for the individual's State or local campaign committee.''.

SEC. 302. STATE PARTY GRASSROOTS FUNDS.

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting ''; or''; and

(3) by inserting after subparagraph (C) the following:

''(D) to—

''(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

''(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000.''.

(b) LIMITS.—

(1) IN GENERAL.—Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by striking paragraph (3) and inserting the following:

''(3) OVERALL LIMITS.—

''(A) INDIVIDUAL LIMIT.—No individual shall make contributions during any calendar year that, in the aggregate, exceed $30,000.

''(B) CALENDAR YEAR.—No individual shall make contributions during any calendar year—

''(i) to all candidates and their authorized political committees that, in the aggregate, exceed $25,000; or

''(ii) to all political committees established and maintained by State committees of a political party that, in the aggregate, exceed $20,000.

''(C) NONELECTION YEARS.—For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which the contribution is made shall be treated as being made during the calendar year in which the election is held.''.

(c) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1970 (2 U.S.C. 431), as amended by section 205(b), is amended by adding at the end the following:

''(22) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means a campaign activity that promotes a political party and does not refer to any particular Federal or non-Federal candidate.

''(23) STATE PARTY GRASSROOTS FUND.—The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 326(d).''.

(d) STATE PARTY GRASSROOTS FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 301, is amended by adding at the end the following:

''SEC. 326. STATE PARTY GRASSROOTS FUNDS.

''(a) DEFINITION.—In this section, the term 'State or local candidate committee' means a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

''(b) TRANSFERS.—Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if the district or local committee—

''(1) has established a separate segregated fund for the purposes described in subsection (d); and

''(2) uses the transferred funds solely for those purposes.

''(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

''(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (d) that are for the benefit of that candidate shall be treated as meeting the requirements of 325(b)(1) and section 304(e) if—

''(A) the amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

''(B) the State or local candidate committee—

''(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether those requirements are met; and

''(ii) certifies that the requirements were met.

''(2) DETERMINATION OF COMPLIANCE.—For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in paragraph (1)(A)—

''(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee; and

''(B) the committee must be able to demonstrate that its cash on hand contains funds meeting those requirements sufficient to cover the transferred funds.

''(3) REPORTING.—Notwithstanding paragraph (1), any State Party Grassroots Fund that receives a transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from the candidate committee.

''(d) DISBURSEMENTS AND EXPENDITURES.—A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

''(1) any generic campaign activity;

''(2) payments described in clauses (v), (ix), and (xi) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

''(3) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

''(4) voter registration; and

''(5) development and maintenance of voter files during an even-numbered calendar year.''.

SEC. 303. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following:

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of

a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 325 APPLIES.—A political committee (not described in paragraph (1)) to which section 325(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (1) and (2)(iii) of section 325(b).

(3) OTHER POLITICAL COMMITTEES.—Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

''(4) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(5) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following:

''(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.''.

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(A) by striking ''and'' at the end of subparagraph (H);

(B) by inserting ''and'' at the end of subparagraph (I); and

(C) by adding at the end the following new subparagraph:

''(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;''.

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting '', and the election to which the operating expenditure relates'' after ''operating expenditure''.

SEC. 304. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection 303, is amended by adding at the end the following:

''(g) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person other than a committee of a political party that makes aggregate disbursements totaling in excess of $10,000 for activities described in paragraph (2) shall file a statement with the Commission—

''(A) within 48 hours after the disbursements are made; or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—The activity described in this paragraph is—

''(A) any activity described in section 316(b)(2)(A) that refers to any candidate for Federal office, any political party, or any Federal election; and

''(B) any activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) ADDITIONAL STATEMENTS.—An additional statement shall be filed each time additional disbursements aggregating $10,000 are made by a person described in paragraph (1).

''(4) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(5) CONTENTS.—A statement under this section shall contain such information about the disbursements as the Commission shall prescribe, including—

''(A) the name and address of the person or entity to whom the disbursement was made;

''(B) the amount and purpose of the disbursement; and

''(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

TITLE IV—ENFORCEMENT

SEC. 401. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11) FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.—

''(A) REQUIRED FILING.—The Commission may promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

''(B) FACSIMILE MACHINE.—The Commission shall promulgate a regulation that allows a person to file a designation, statement, or report required by this Act through the use of facsimile machines.

''(C) VERIFICATION OF SIGNATURE.—

''(i) IN GENERAL.—In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying a designation, statement, or report covered by the regulations.

''(ii) TREATMENT OF VERIFICATION.—A document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

SEC. 402. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1)'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

''(B) LIMITATION.—The Commission shall not institute an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in that election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 403. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) AUTHORITY TO SEEK INJUNCTION.—

''(A) IN GENERAL.—If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

''(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

''(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

''(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

''(iv) the public interest would be best served by the issuance of an injunction;

the Commission may initiate a civil action for a temporary restraining order or a preliminary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

''(B) VENUE.—An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.'';

(2) in paragraph (7), by striking ''(5) or (6)'' and inserting ''(5), (6), or (13)''; and

(3) in paragraph (11), by striking ''(6)'' and inserting ''(6) or (13)''.

SEC. 404. INCREASE IN PENALTY FOR KNOWING AND WILLFUL VIOLATIONS.

Section 309(a)(5)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended by striking ''the greater of $10,000 or an amount equal to 200 percent'' and inserting ''the greater of $15,000 or an amount equal to 300 percent''.

SEC. 405. PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS NOT QUALIFIED TO VOTE.

(a) PROHIBITION.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) in the heading by adding ''AND INDIVIDUALS NOT QUALIFIED TO REGISTER TO VOTE'' at the end; and

(2) in subsection (a)—

(A) by striking ''(a) It shall'' and inserting the following:

''(a) PROHIBITIONS.—

''(1) FOREIGN NATIONALS.—It shall''; and

(B) by adding at the end the following:

''(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—It shall be unlawful for an individual who is not qualified to register to vote in a Federal election to make a contribution, or to promise expressly or impliedly to make a contribution, in connection with a Federal election; or for any person to knowingly solicit, accept, or receive a contribution in connection with a Federal election from an individual who is not qualified to register to vote in a Federal election.''.

(b) INCLUSION IN DEFINITION OF IDENTIFICATION.—Section 301(13) of the Federal Election

Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

(A) by striking ''and'' the first place it appears; and

(B) by inserting '', and an affirmation that the individual is an individual who is not prohibited by section 319 from making a contribution'' after ''employer''; and

(2) in subparagraph (B) by inserting ''and an affirmation that the person is a person that is not prohibited by section 319 from making a contribution'' after ''such person''.

SEC. 406. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name, or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 407. EXPEDITED PROCEDURES.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)), as amended by section 403, is amended by adding at the end the following:

''(14) EXPEDITED PROCEDURE.—

''(A) 60 DAYS PRECEDING AN ELECTION.—If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

''(B) RESOLUTION BEFORE ELECTION.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in paragraph (13)(A) (ii), (iii), and (iv) are met, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under paragraph (13)(A).

''(C) COMPLAINT WITHOUT MERIT.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

SEC. 501. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 502. REGULATIONS.

The Federal Election Commission shall promulgate any regulations required to carry out this Act and the amendments made by this Act.

SEC. 503. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 30 days after the date of enactment of this Act.

EXHIBIT 1

[From the Secretary of State, State of West Virginia]

On May 20, officials of 33 states, including secretaries of state, attorneys general and state regulators of campaign finance (in those states where the secretary of state does not have that responsibility) registered their support of a court challenge to the 1976 U.S. Supreme Court decision in the case of Buckley v. Valeo. The officials in these 33 states made known their support as amicus curiae in a pending appeal in the 6th Circuit Court of Appeals in a case entitled Kruse v. City of Cincinnati, which concerns a Cincinnati ordinance limiting candidates for the city council to spending no more than three times their annual salary. The ordinance was declared unconstitutional by a Federal district court, based on the Buckley v. Valeo decision, which ruled that such limits violated First Amendment freedom of speech protection. Whichever way the 6th Circuit Court of Appeals rules, it is almost certain to be appealed to the U.S. Supreme Court, thus paving the way for a re-argument of Buckley v. Valeo.

Officials in the following states filed the amicus brief:

Arizona—A.G.
Arkansas—SOS and A.G.
Connecticut—SOS and A.G.
Florida—SOS and A.G.
Georgia—SOS.
Hawaii—Campaign Spending Commisison and A.G.
Indiana—A.G.
Iowa—A.G.
Kansas—A.G.
Kentucky—Registry of Campaign Finance and A.G.
Maine—SOS.
Massachusetts—SOS and A.G.
Michigan—A.G.
Minnesota—SOS and A.G.
Mississippi—SOS.
Montana—SOS and A.G.
Nevada—SOS and A.G.
New Hampshire—SOS and A.G.
New Mexico—SOS.
North Carolina—Chief Elections Officer.
North Dakota—A.G.
Ohio—A.G.
Oklahoma—Ethics Commission and A.G.
Oregon—SOS and A.G.
Rhode Island—SOS.
South Carolina—SOS.
South Dakota—A.G.
Tennessee—SOS.
Utah—A.G.
Vermont—A.G.
Washington—SOS and A.G.
West Virginia—SOS and A.G.
Wisconsin—SOS.
Territory of Guam—Lt. Gov. and A.G.

[From the Department of Justice, State of Iowa]

24 STATE ATTORNEYS GENERAL ISSUE CALL FOR THE REVERSAL OF BUCKLEY V. VALEO

DES MOINES, IOWA—The attorneys general for twenty-four states released a joint statement Tuesday calling for the reversal of a 1976 Supreme Court decision which struck down mandatory campaign spending limits on free speech grounds. The attorneys general statement comes amidst a growing national debate about the validity of that court ruling, *Buckley* v. *Valeo.*

Former U.S. Senator Bill Bradley has denounced the decision and has helped lead the recent push in the U.S. Congress for a constitutional amendment to allow for mandatory spending limits in federal elections. The City of Cincinnati is litigating the first direct court challenge to the ruling, defending an ordinance passed in 1995 by the City Council which sets limits in city council races. And, in late October 1996, a group of prominent constitutional scholars from around the nation signed a statement calling for the reversal of *Buckley*.

The attorneys general statement reads as follows:

''Over two decades ago, the United States Supreme Court, in *Buckley* v. *Valeo,* 424 U.S. 1 (1976), declared mandatory campaign expenditure limits unconstitutional on First Amendment grounds. We, the undersigned state attorneys general, believe the time has come for that holding to be revisited and reversed.

''U.S. Supreme Court Justice Louis Brandeis once wrote '[I]n cases involving the Federal Constitution, where correction through legislative action is practically impossible, this court has often overruled its earlier decision. The court bows to the lessons of experience and the force of better reasoning . . .' *Burnet* v. *Coronado Oil & Gas Co.*, 285 U.S. 393, 406–408 (1932) (Brandeis, J., dissenting).

''As state attorneys general—many of us elected—we believe the experience of campaigns teaches the lesson that unlimited campaign spending threatens the integrity of the election process. As the chief legal officers of our respective states, we believe that the force of better reasoning compels the conclusion that it is the absence of limits on campaign expenditures—not the restrictions—which strike 'at the core of our electoral process and of the First Amendment freedoms.' *Buckley* v. *Valeo,* 424 U.S. 1, 39 (1976) (quoting *Williams* v. *Rhodes*, 393 U.S. 23, 32 (1968).''

The United States has witnessed a more than a 700% increase in the cost of federal elections since the *Buckley* ruling. The presidential and congressional campaigns combined spent more than $2 billion this past election cycle, making the 1996 elections the costliest ever in U.S. history.

Iowa Attorney General Tom Miller, Nevada Attorney General Frankie Sue Del Papa, Arizona Attorney General Grant Woods, and the National Voting Rights Institute of Boston initiated Tuesday's statement. The Institute is a non-profit organization engaged in constitutional challenges across the country to the current campaign finance system. The Institute serves as special counsel for the City of Cincinnati in its challenge to *Buckley,* now in federal district court in Cincinnati and due for its first court hearing on January 31,

''*Buckley* stands today as a barrier to American democracy,'' says Attorney General Del Papa. ''As state attorneys general, we are committed to helping remove that barrier.'' Del Papa says the twenty-four state attorneys general will seek to play an active role in efforts to reverse the *Buckley* decision, including the submission of friend-of-the-court briefs in emerging court cases which address the ruling.

''Maybe it wasn't clear in 1976, but it is clear today that financing of campaigns has gotten totally out of control,'' says Iowa Attorney General Tom Miller. ''The state has a compelling interest in bringing campaign finances back under control and protecting the integrity of the electoral process.''

Arizona Attorney General Grant Woods adds, ''I believe that it is a major stretch to say that the First Amendment requires that no restrictions be placed on individual campaign spending. The practical results, where millionaires dominate the process to the detriment of nearly everyone who cannot compete financially, have perverted the electoral process in America.''

The full listing of signatories is as follows:

Attorney General Grant Woods of Arizona (R).

Attorney General Richard Blumenthal of Connecticut (D).

Attorney General Robert Butterworth of Florida (D).

Attorney General Alan G. Lance of Idaho (R).

Attorney General Tom Miller of Iowa (D).

Attorney General Carla J. Stovall of Kansas (R).

Attorney General Albert B. Chandler III of Kentucky (D).

Attorney General Andrew Ketterer of Maine (D).

Attorney General Scott Harshbargor of Massachusetts (D).

Attorney General Frank Kelley of Michigan (D).

Attorney General Hubert H. Humphrey of Minnesota (D).

Attorney General Mike Moore of Mississippi (D).

Attorney General Joseph P. Mazurek of Montana (D).

Attorney General Frankie Sue Del Papa of Nevada (D).

Attorney General Jeff Howard of New Hampshire (R).

Attorney General Tom Udall of New Mexico (D).

Attorney General Heidi Heitkamp of North Dakota (D).

Attorney General Drew Edmondson of Oklahoma (D).

Attorney General Charles W. Burson of Tennessee (D).

Attorney General Jan Graham of Utah (D).

Attorney General Wallace Malley of Vermont (R).

Attorney General Darrel V. McGraw of West Virginia (D).

Attorney General Christine O. Gregoire of Washington (D).

Attorney General James Doyle of Wisconsin (D).

By Mr. LAUTENBERG (for himself, Mr. WYDEN, Mr. DURBIN, and Mr. HARKIN):

S. 1060. A bill to restrict the activities of the United States with respect to foreign laws that regulate the marketing of tobacco products and to subject cigarettes that are exported to the same restrictions on labeling as apply to the sale or distribution of cigarettes in the United States; to the Committee on Commerce, Science, and Transportation.

THE WORLDWIDE TOBACCO DISCLOSURE ACT OF 1997

Mr. LAUTENBERG. Mr. President, today I am introducing the Worldwide Tobacco Disclosure Act of 1997. I am joined by Senators WYDEN, DURBIN, and HARKIN. Our bill will address a loophole in current law that enables packages of cigarettes to be exported from this country without warning labels and to prevent the executive branch from undermining other countries' restrictions on tobacco.

Within a few decades, the World Health Organization estimates that 10 million people will die annually from tobacco-related disease, up from 3 million per year. An astonishing 70 percent of those deaths will be in developing countries. To give my colleagues a basis for comparison, in America, today, approximately 400,000 die a year from tobacco. While smoking has declined 10 percent since 1990 in developed countries, the WHO concludes it has risen an alarming 67 percent in developing countries during that same period. American tobacco exports have increased by almost 340 percent since the mid-1970's, and these exports now account for more than half of our tobacco companies' sales.

America is rightfully proud of its exports and the standards it upholds in international trade. But with tobacco, we're exporting death. We are the largest exporter of a product we know kills, and that is not something about which we should be proud. With marketing savvy and millions of dollars, American tobacco companies have significantly increased cigarette consumption in developing countries. It is estimated that cigarette consumption increased by 10 percent as a direct result of American tobacco companies entering the markets of Japan, South Korea, Thailand, and Taiwan.

Why should Congress care if hundreds of thousands of teenage boys and girls in China become addicted to nicotine? Why not let their government deal with this matter? Mr. President, morally, we are obligated to warn them, to the extent we know of tobacco's dangers. We are obligated to support the efforts of our trading partners to protect the health of their citizens.

Mr. President, cigarettes kill and the label should clearly state that. One component of the proposed tobacco settlement between the State attorneys general and the tobacco industry was stronger warning labels on cigarette packages, similar to those I included in legislation introduced earlier this year. While we are taking additional steps to make our citizens more aware of the dangers of tobacco, my colleagues may be surprised to know that our Government requires no warning on exported cigarette packages. We know that smoking is addictive and can kill, but you would never guess that by looking at a pack of Camels exported from this country into Africa or Eastern Europe. When we enacted the Federal Cigarette Labeling and Advertising Act of 1965, we may have thought that other countries would require their own warning labels and these would be adequate. We know, Mr. President, that this is simply not the case.

Too many countries, especially in the developing world, have no warning labels on cigarette packages, and those that do, are inadequate to fully alert their citizens to the dangers of tobacco. Coupled with a poor national health system, citizens in these countries have no chance against tobacco promotional giveaways or slick advertising. Not knowing of the health risks associated with cigarettes, they are easily addicted and a significant percentage of them will die from this product.

Mr. President, barring further steps, a health crisis resulting from tobacco will occur in the developing world within the next few decades. Our country alone spends $50 billion a year more on health care as a result of tobacco. Imagine what the worldwide cost of tobacco related illness will be in 20 years. Today limited funds are spent combating hunger, AIDS and other infectious diseases, and infant mortality worldwide. In about 10 years, we can add tobacco related illnesses to the list.

One part of this legislation, Mr. President, requires exported packages of cigarettes to have warning labels in the language of the country where the cigarette will be consumed. Before exporting hazardous materials, Congress requires exports to alert our Government prior to export so that we might warn the government of the importing country that a certain product is being shipped to its borders. Cigarettes are a hazardous product and should be treated differently than an exported widget. Foreign subsidiaries of American tobacco companies will also be required to comply with this legislation because we do not want to put our farmers at a competitive disadvantage. This is a global problem that must be addressed by whatever means we have available. Should a country require more stringent labels than ours, the administration could grant a waiver of this provision for that country.

Mr. President, the success tobacco companies have had selling death overseas is not solely due to their own own efforts. In the past, the U.S. Government assisted U.S. tobacco companies in hooking foreigners by using trade policy to dismantle foreign tobacco regulations, such as advertising bans, in several key markets. While most of this assistance occurred in the 1980's, its effects are felt today. Japan, South Korea, Thailand, and Taiwan were on the other side of this dispute with our Government over their antitobacco laws. They lost, their citizens lost, and the U.S. tobacco companies won. Smoking in those countries is higher as a result of past action by the U.S. Trade Representative.

Our bill will prevent the USTR from undermining another country's tobacco restrictions if those restrictions are applied to both foreign and domestic products in the same manner. If a country has an advertising ban on tobacco products, our Government should not be spending money trying to dismantle that law if it equally affects foreign and domestic companies.

This legislation is consistent with a GATT decision from 1990, which held that member nations can use various policies to protect health as long as they are applied evenly to domestic and foreign products, and with statements made by our current U.S. Trade Representative. Charlene Barshefsky

stated last year that the U.S. Government should not object when foreign government take steps to protect their citizens by adopting health measures to restrict the consumption of tobacco.

Mr. President, I hope my colleagues would agree that we should not, in good conscience, turn a blind eye to the untold suffering caused by U.S. exports of this deadly product. We know too much about tobacco to sit idly by while our companies poison tens of millions throughout the world. And if foreign governments do not warn their citizens of tobacco's dangers, enacting this legislation is the very least we can and should do.

Mr. President, I ask unanimous consent that the full text of my legislation be printed in the CONGRESSIONAL RECORD along with letters of support for this legislation from the American Lung Association, the National Center for Tobacco-Free Kids, and the American Heart Association, and two articles from the Washington Post documenting our Government's actions in Asia in the 1980's and how U.S. tobacco companies are targeting overseas markets.

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

S. 1060

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 ''Worldwide Tobacco Disclosure Act of 1997''.

SEC. 2. DEFINITIONS.

In this Act:

(1) CIGARETTE.—The term ''cigarette'' means—

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco which is to be burned,

(B) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling is likely to be offered to, or purchased by consumers as a cigarette described in subparagraph (A),

(C) little cigars which are any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than any roll of tobacco which is a cigarette within the meaning of subparagraph (A)) and as to which 1000 units weigh not more than 3 pounds, and

(D) loose rolling tobacco and papers or tubes used to contain such tobacco.

(2) DOMESTIC CONCERN.—The term ''domestic concern'' means—

(A) any individual who is a citizen, national, or resident of the United States; and

(B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States.

(3) NONDISCRIMINATORY LAW OR REGULATION.—The term ''nondiscriminatory law or regulation'' means a law or regulation of a foreign country that adheres to the principle of national treatment and applies no less favorable treatment to goods that are imported into that country than it applies to like goods that are the product, growth, or manufacture of that country.

(4) PACKAGE.—The term ''package'' means a pack, box, carton, or other container of any kind in which cigarettes or other tobacco products are offered for sale, sold, or otherwise distributed to customers.

(5) SALE OR DISTRIBUTION.—The term ''sale or distribution'' includes sampling or any other distribution not for sale.

(6) STATE.—The term ''State'' includes, in addition to the 50 States, the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(7) TOBACCO PRODUCT.—The term ''tobacco product'' means—

(A) cigarettes;

(B) little cigars;

(C) cigars as defined in section 5702 of the Internal Revenue Code of 1986;

(D) pipe tobacco;

(E) loose rolling tobacco and papers used to contain such tobacco;

(F) products referred to as spit tobacco; and

(G) any other form of tobacco intended for human use or consumption.

(8) UNITED STATES.—The term ''United States'' includes the States and installations of the Armed Forces of the United States located outside a State.

SEC. 3. RESTRICTIONS ON NEGOTIATIONS REGARDING FOREIGN LAWS REGULATING TOBACCO PRODUCTS.

No funds appropriated by law may be used by any officer, employee, department, or agency of the United States—

(1) to seek, through negotiation or otherwise, the removal or reduction by any foreign country of any nondiscriminatory law or regulation, or any proposed nondiscriminatory law or regulation, in that country that restricts the advertising, manufacture, packaging, taxation, sale, importation, labeling, or distribution of tobacco products; or

(2) to encourage or promote the export, advertising, manufacture, sale, or distribution of tobacco products.

SEC. 4. CIGARETTE EXPORT LABELING.

(a) LABELING REQUIREMENTS FOR EXPORT OF CIGARETTES.—

(1) IN GENERAL.—It shall be unlawful for any domestic concern to export from the United States, or to sell or distribute in, or export from, any other country, any cigarettes whose package does not contain a warning label that—

(A) complies with Federal labeling requirements for cigarettes manufactured, imported, or packaged for sale or distribution within the United States; and

(B) is in the primary language of the country in which the cigarettes are intended for consumption.

(2) LABELING FORMAT.—Federal labeling format requirements shall apply to a warning label described in paragraph (1) in the same manner, and to the same extent, as such requirements apply to cigarettes manufactured, imported, or packaged for sale or distribution within the United States.

(3) ROTATION OF LABELING.—Federal rotation requirements for warning labels shall apply to a warning label described in paragraph (1) in the same manner, and to the same extent, as such requirements apply to cigarettes manufactured, imported, or packaged for sale or distributed within the United States.

(4) WAIVERS.—

(A) IN GENERAL.—The President may waive the labeling requirements required by this Act for cigarettes, if the cigarettes are exported to a foreign country included in the list described in subparagraph (B) and if that country is the country in which the cigarettes are intended for consumption. A waiver under this subparagraph shall be in effect prior to the exportation of any cigarettes not in compliance with the requirements of this section by a person to a foreign country included in the list.

(B) LIST OF ELIGIBLE COUNTRIES FOR WAIVER.—

(i) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the President shall develop and publish in the Federal Register a list of foreign countries that have in effect requirements for the labeling of cigarette packages substantially similar to or more stringent than the requirements for labeling of cigarette packages set forth in paragraphs (1) through (3). The President shall use the list to grant a waiver under subparagraph (A).

(ii) UPDATE OF LIST.—The President shall—

(I) update the list described in clause (i) to include a foreign country on the list if the country meets the criteria described in clause (i), or to remove a foreign country from the list if the country fails to meet the criteria; and

(II) publish the updated list in the Federal Register.

(b) PENALTIES.—

(1) FINE.—Any person who violates the provisions of subsection (a) shall be fined not more than $100,000 per day for each such violation. Any person who knowingly reexports from or transships cigarettes through a foreign country included in the list described in subsection (a)(4)(B) to avoid the requirements of this Act shall be fined not more than $150,000 per day for each such occurrence.

(2) INJUNCTION PROCEEDINGS.—The district courts of the United States shall have jurisdiction, for cause shown, to prevent and restrain violations of subsection (a) upon the application of the Attorney General of the United States.

(c) REPEAL.—Section 12 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1340) is repealed.

(d) REGULATORY AUTHORITY.—Not later than 90 days after the date of enactment of this Act, the President shall promulgate such regulations and orders as may be necessary to carry out this section.

(e) EFFECTIVE DATE.—The provisions of subsections (a) through (c) shall take effect upon the effective date of the regulations promulgated under subsection (d).

AMERICAN LUNG ASSOCIATION,
Washington, DC, July 22, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: The American Lung Association supports your legislation addressing U.S. economic and foreign policy towards the international sale and labeling of tobacco products.

Tobacco use continues to be the single most preventable cause of premature death and disease in the United States. Worldwide, smoking causes one death every ten seconds, 3 million people a year. Unless strong measures are taken, it is estimated that in three decades the death toll will rise to about 10 million people each year, with 70 percent of those deaths occurring in developing countries.

In the past, the United States government has assisted U.S. tobacco companies in their efforts to expand tobacco advertising, promotion and exports. Using Section 301 of the Trade Act of 1974, previous administrations have issued formal threats to force other nations to import U.S. tobacco products and to weaken health laws that would reduce tobacco use. Your legislation would end the

U.S. government's proactive involvement in the exportation of tobacco's death and disease to other countries by curtailing federal agencies from intervening internationally on behalf of the industry.

The American Lung Association believes the United States should be a world leader in tobacco control and that the U.S. should not help open international markets so companies here can profit from death and disease elsewhere. This policy is unacceptable and must end. The adoption of your legislation would be a major step in the right direction.

Thank you for your leadership on this and other tobacco control-related issues.

Sincerely,

FRAN DU MELLE,
Deputy Managing Director.

NATIONAL CENTER FOR TOBACCO-FREE KIDS,
Washington, DC, July 23, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: We are writing on behalf of the National Center for Tobacco Free Kids to express the center's strong support for your effort, as a part of the Worldwide Tobacco Disclosure Act, to ensure that the United States does not interfere with actions taken by foreign governments to reduce the dangers that tobacco products pose to their citizens. This would help to save lives and improve the public health of people around the world.

There is clear need for action to be taken to prevent the spread of tobacco caused disease throughout the world. In 1994, over 4.6 trillion cigarettes were consumed in foreign nations. In 1995, over 3.1 million people died as a result of tobacco use, with over 1.2 million of those deaths occurring in developing countries. As worldwide tobacco use and tobacco related disease has reached astronomical levels, U.S. tobacco exports have continued to climb. In 1995, the U.S. exported an estimated 240 billion cigarettes, up from less than 60 billion ten years earlier.

In the past, America has taken action against governments that promulgate rules to curb tobacco caused disease. During the previous administration, the U.S. pressured Thailand, Taiwan, South Korea and other countries not to enact tough new laws to curb tobacco marketing, even though these laws were to be applied in a non-discriminatory manner. The U.S. also encouraged Taiwan to repeal new requirements for cigarette warning labels. The Worldwide Tobacco Disclosure Act would prevent American officials from using economic muscle to promote higher cigarette exports by blocking legitimate health laws in other countries.

We commend you for taking the lead in introducing this important piece of legislation and urge the Senate to stand up for the health of millions of people around the world.

Sincerely Yours,

WILLIAM D. NOVELLI,
President.

MATTHEW L. MYERS,
Executive Vice President and General Counsel.

AMERICAN HEART ASSOCIATION,
Washington, DC, July 23, 1997.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: The American Heart Association (AHA) is pleased to express its strong support for your legislation, the Worldwide Tobacco Disclosure Act of 1997, a critical step in addressing the inadequacy of current laws on U.S. economic and foreign policy regarding the international sale of tobacco products. In general, we believe that the U.S. should actively promote the global adoption of U.S. domestic tobacco control policies.

The AHA is a non-profit organization representing the interests of over 4.6 million volunteers nationwide who give their time and energies to reducing cardiovascular disease and stroke, this nation's number one and three killers respectively. Despite our efforts, and the efforts of our partners in tobacco control, tobacco use continues to be the number one preventable cause of premature death and disease in the United States.

Worldwide, smoking causes one death every 10 seconds. The global smoking rate is increasing steadily, despite decreases in the United States and other developed nation. The World Health Organization (WHO) predicts that more than 500 million people alive today eventually will die of diseases caused by smoking, unless strong action is taken to stem this epidemic.

Historically, U.S. government agencies and Congress have assisted U.S. tobacco companies in their efforts to expand tobacco advertising, promotion and exports around the world. Previous administrations have issued formal trade threats under Section 301 of the Trade Act of 1974, to force other nations to import U.S. tobacco products and to weaken health laws that would reduce tobacco use.

The AHA supports the primary goals of this legislation: That exported cigarettes carry the same federal labeling format requirements as those manufactured, imported or packaged for sale or distribution within the United States, and that there be a prohibition on the use of federal funds to aid any effort by the United States, through negotiation or otherwise, to weaken the tobacco control laws of foreign countries.

Sincerely,

MARTHA, N. HILL, R.N., Ph.D.,
President.

[From the Washington Post, Nov. 17, 1996]

U.S. AIDED CIGARETTE FIRMS IN CONQUESTS ACROSS ASIA

AGGRESSIVE STRATEGY FORCED OPEN LUCRATIVE MARKETS

(By Glenn Frankel)

On the streets of Manila, ''jump boys'' as young as 10 hop in and out of traffic selling Marlboros and Lucky Strikes to passing motorists. In the discos and coffee shops of Seoul, young Koreans light up foreign brands that a decade ago were illegal to possess. Downtown Kiev has become the Ukrainian version of Marlboro Country, with the gray socialist cityscape punctuated with colorful billboards of cowboy sunsets and chiseled faces. And in Beijing, America's biggest tobacco companies are competing for the right to launch cooperative projects with the state-run tobacco monopoly in hopes of capturing a share of the biggest potential market in the world.

Throughout the bustling cities of a newly prosperous Asia and the ruined economies of the former Soviet Bloc, the American cigarette is king. It has become a symbol of affluence and sophistication, a statement and an aspiration. At home—where the American tobacco industry is besieged by anti-smoking activists, whistle-blowers, government regulators, grand juries and plaintiffs' lawyers—cigarette consumption has undergone a 15-year decline. Thanks to foreign sales, however, the companies are making larger profits than ever before.

But the industry did not launch its campaign for new overseas markets alone. The Reagan and Bush administrations used their economic and political clout to pry open markets in Japan, South Korea, Taiwan, Thailand and China for American cigarettes. At a time when one arm of the government was warning Americans about the dangers of smoking, another was helping the industry recruit a new generation of smokers abroad.

To this day, many U.S. officials see cigarette exports as strictly an issue of free trade and economic fairness, while tobacco industry critics and public health advocates consider it a moral question. Even the Clinton administration finds itself torn: It is the most vocally anti-smoking administration in U.S. history, yet it has been in the uncomfortable role of challenging or delaying some anti-smoking efforts overseas.

At the same time, fledgling anti-smoking movements are rising up with support from American activists, passing restrictions that in some cases are tougher than those in the United States.

Having exported its cigarette industry, the United States is now in effect exporting its anti-smoking movement as well.

Just as the industry's overseas campaign has produced new smokers and new profits, it has also produced new consequences. International epidemiologist Richard Peto of Oxford University estimates that smoking is responsible for 3 million deaths per year worldwide; he projects that 30 years from now the number will have reached 10 million, most of them in developing nations. In China alone, Peto says 50 million people who are currently 18 or younger eventually will die from smoking-related diseases. ''In most countries, the worst is yet to come,'' he warned.

Asia is where tobacco's search for new horizons began and where the industry came to rely most on Washington's help. U.S. officials in effect became the industry's lawyers, agents and collaborators. Prominent politicians such as Robert J. Dole, Jesse Helms, Dan Quayle and Al Gore played a role. ''No matter how this process spins itself out,'' George Griffin, commercial counselor at the U.S. Embassy in Seoul, told Matthew N. Winokur, public affairs manager of Philip Morris Asia, in a ''Dear Matt'' letter in January 1986, ''I want to emphasize that the embassy and the various U.S. government agencies in Washington will keep the interests of Philip Morris and the other American cigarette manufacturers in the forefront of our daily concerns.''

U.S. officials not only insisted that Asian countries allow American companies to sell cigarettes, they also demanded that the companies be allowed to advertise, hold giveaway promotions and sponsor concerts and sports events in what critics say was a blatant appeal to women and young people. They regularly consulted with company representatives and relied upon the industry's arguments and research. They ignored the protests of public health officials in the United States and Asia who warned of the consequences of the market openings they sought. Indeed, their constant slogan was that health factors were irrelevant. This was, they insisted, solely an issue of free trade.

But then-Vice President Quayle suggested another motive when he told a North Carolina farming audience in 1990 that the government also was seeking to help the tobacco industry compensate for shrinking markets at home. ''I don't think it's any news to North Carolina tobacco farmers that the American public as a whole is smoking less,'' said Quayle. ''We ought to think about the exports. We ought to think about opening up markets, breaking down the barriers.''

A handful of American health officials vigorously opposed the government's campaign, yet were either stymied or ignored. ''I feel

the most shameful thing this country did was to export disease, disability and death by selling our cigarettes to the world,'' said former surgeon general C. Everett Koop. ''What the companies did was shocking, but even more appalling was the fact that our own government helped make it possible.''

WAGING THE WAR

Clayton Yeutter, an affable, high octane Nebraska Republican with a wide smile and serious political aspirations, came to the Office of the U.S. Trade Representative in 1985 with a mission: to put a dent in the record U.S. trade deficit by forcing foreign countries to lower their barriers against American products.

Yeutter (prounced ''Yi-ter'') took office at a time when Washington was on the verge of declaring a trade war against some of its staunchest allies in the Far East. Asian tigers such as Japan, South Korea, Taiwan and Thailand were running up huge trade surpluses with the United States on goods ranging from T-shirts to computer chips to luxury sedans. The U.S. annual trade deficit in 1984 totaled a record $123 billion. Congressional Democrats proposed a 25 percent surcharge on products from Japan, Taiwan, South Korea and Brazil, while the House and Senate overwhelmingly approved resolutions calling for retaliation against Japan if it didn't increase its purchases of exports.

In heeding that warning, the Reagan administration turned to a small, elite and little-known federal agency. The Office of the U.S. Trade Representative (USTR) had only 164 permanent employees, but it enjoyed cabinet-level status and a self-styled half-joking, half-serious reputation as ''the Jedi knights of the trade world.'' Operating out of the four-story, Civil War-era Winder Building on 17th Street NW, USTR's staff was known for its dedication and aggressiveness. Most staff members came from departments such as Commerce, State and Agriculture, and they saw the trade rep's office as a place where they could practice their craft free from the fetters of larger, more rigid bureaucracies. They worked long hours and displayed a fierce loyalty to each other and the agency they served.

In 1985 they got a new boss to match their mood. Yeutter had worked as a deputy trade representative during the Ford administration, then went on to become president of the Chicago Mercantile Exchange. He came back to Washington with an eye toward using USTR as a launching pad for becoming a U.S. senator, secretary of agriculture or even vice president, according to friends. Yeutter was not a member of Ronald Reagan's inner circle, and he was eager to show the president what he could do. ''They told me they needed a high-energy person,'' he recalled in a interview. ''I told them I was ready to hit the ground running.''

Yeutter knew that USTR had a weapon in its arsenal that was tailor-made for softening up recalcitrant trading partners. Section 301 of the 1974 Trade Act empowered USTR to launch a full-scale investigation of unfair trading practices and required that Washington invoke retaliatory sanctions within a year if a targeted government did not agree to change its ways. Launching a 301 was like setting a time bomb; both sides could hear the clock ticking.

Yeutter had no trouble persuading the administration to allow him to use Section 301 aggressively. ''There was a lot of momentum for attempting something new,'' he said.

The U.S. tobacco industry had been trying for years to get a foothold in these promising new Asian markets. In 1981 the big three—Philip Morris Inc., R.J. Reynolds Tobacco Co. and Brown & Williamson—had formed a trade group called the U.S. Cigarette Export Association to pursue a joint industry-wide policy on the issue. But the companies had felt frustrated during the first term of the Reagan administration.

Japan, the West's second largest market for cigarettes, remained virtually closed to American brands due to high tariffs and discriminatory distribution. South Korean law effectively made it a crime to buy or sell a pack of foreign cigarettes. Taiwan and Thailand remained tightly shut. All of these countries but Taiwan were signatories to the General Agreement on Tariffs and Trade, and Taipei hoped to join soon. Yet each appeared to violate free trade principles.

''In international trade terms, it's really very rare that the issues are so clear-cut and so blatant,'' recalled Owen C. Smith, a Philip Morris foreign trade expert who serves as president of the association. ''These countries were sitting with published laws which on their face discriminated against American products. It was an untenable situation. . . . These were, frankly, open-and-shut cases.''

When Yeutter and his staff looked at the cigarette business in these countries, they saw blatant hypocrisy. Each Asian government sought to justify its ban on imported cigarettes in the name of public health, yet each had its own protected, state-controlled tobacco monopoly that manufactured and sold cigarettes—and provided large amounts of tax revenue to the government. The state companies' marketing techniques were in many ways just as cynical as those of the American companies. In Taiwan, for example, the most popular state brand was called Long Life. These were classic, state-run companies; bloated and inefficient, they produced overpriced, low-quality and poorly marketed cigarettes that could never compete with jazzier American brands in free competition.

Health was simply a smoke screen, Yeutter quickly decided, raised by recalcitrant foreign governments hooked on cigarette profits. ''I would have had no problem with Japan or Korean or Taiwan putting up genuine health restrictions,'' he insisted. ''But that's not what these governments were doing. They were restricting trade, and it was just blatant.''

What Yeutter didn't seem to appreciate was that the very flaws of the state-run monopolies were exactly what a doctor might have ordered: Their high price and poor quality had helped limit smoking mostly to older men who had the money and taste for harsh, tar-heavy local brands. The monopolies seldom, if ever, advertised and did not target the great untapped markets of women and young people. Per capita sales remained low in every country except Japan. From a public health standpoint, maintaining the monopolies was far preferable to opening the gates to American companies with their milder blends and state-of-the-art marketing.

''When the multinational companies penetrate a new country, they not only sell U.S. cigarettes but they transform the entire market,'' said Gregory Connolly, a veteran anti-smoking activist who heads the Massachusetts Tobacco Control Program. ''They transform how tobacco is presented, how it's advertised, how it's promoted. And the result is the creation of new demand, especially among women and young people.''

Connolly, who traveled widely through Asia, documented how American companies skirted advertising restrictions by sponsoring televised rock concerts and sporting events, placing cigarette brands in movies and lending their brand names to non-tobacco products such as clothing and sports gear. A Madonna concert in Spain became a ''Salem Madonna Concert'' when televised in Hong Kong, while the U.S. Open tennis tournament in New York became the ''Salem Tennis Open'' in Malaysia. Tennis stars Pat Cash, Michael Chang, Jimmy Connors and John McEnroe appeared in live matches in Malaysia sponsored by RJR.

None of this troubled Yeutter and his trade warriors. They saw foreign advertising restrictions as one more form of trade discrimination. The interagency committee that advised Yeutter on the issue consisted of representatives from State, Agriculture, Commerce, Labor and Treasury, but not from Health and Human Services. There was no one with a public health or tobacco control background to argue that there was a link between advertising and health.

The companies convinced Yeutter that helping them sell cigarettes meant helping American trade. They produced studies showing that aside from heavy aviation parts, cigarettes were America's most successful manufactured export in terms of the net balance of trade. They estimated that cigarette exports—largely to Western Europe and Latin America—accounted for 250,000 full-time jobs in the United States and contributed more than $4 billion to the positive side of the trade ledger.

The industry also turned up the political heat. In a January 1984 letter to an official in the Commerce Department, Robert H. Bockman, then director of corporate affairs for Philip Morris Asia, described trade barriers against his company's products in South Korea. He then went on to discuss what he called ''the politics of tobacco in this election year. Attached please find a listing of the 1980 election results in the major tobacco-growing areas in the United States. You will note that the margin of victory for the president [Ronald Reagan] was narrow in some key areas.''

Jesse Helms (R–N.C.), who at the time chaired the Senate Agriculture Committee, also intervened. In July 1986 Helms wrote to Japanese Prime Minister Yasuhiro Nakasone congratulating him on his recent election victory and pointing out that American cigarettes accounted for less than 2 percent of the Japanese market. ''Your friends in Congress will have a better chance to stem the tide of anti-Japanese trade sentiment if and when they can cite tangible examples of your doors being opened to American products,'' wrote Helms. ''I urge that you make a commitment to establish timetable for allowing U.S. cigarettes a specific share of your market. May I suggest a goal of 20 percent within the next 18 months.''

At Yeutter's urging, Reagan decided not to wait for a formal filing from the industry against Japan. Instead, for the first time the White House filed three 301 complaints with USTR in September 1985, one of them against Japanese restrictions on the sale of U.S. cigarettes.

According to the USTR log of the case, U.S. officials presented a lengthy questionnaire at their opening session with Japanese trade representatives, demanding detailed data on the Japanese market. Meanwhile, other U.S. bureaucrats began drawing up lists of products for possible retaliation—all part of what one negotiator called the ''ratcheting-up process.''

Japanese negotiators hung tough over the course of 14 sessions. Joseph A. Massey, who was in charge of trade negotiations with Japan, recalled they argued that Japan Tobacco, the state-run cigarette monopoly, was too inefficient to withstand U.S. competition, and that in any case the Americans should continue the previous long-standing practice of giving Japan an indefinite time period to comply.

Massey recalled one other unusual aspect of the negotiation: Industry representatives

from both sides sat in on bargaining sessions. ''The Japanese insisted that Japan Tobacco should be in the room,'' he said. ''We said, 'If that's the case, there needs to be parallelism.' . . . They did not sit at the table. They sat quietly along the back wall.''

Finally in late September 1986, a year after the 301 complaint was filed, Yeutter received a phone call at his McLean home late one evening from Japanese Finance Minister Kiichi Miyazawa. The minister wanted more time, but Yeutter was unrelenting. He recalls telling Miyazawa that the completed retaliation documents were to be forwarded to the White House the following day. ''I said, 'I'm sorry, Mr. Minister, but your government has run out of time,'.'' Yeutter recalled.

Within days the Japanese capitulated, signing an agreement allowing in American-made cigarettes. By giving in on such a politically well-connected product as cigarettes, Japanese commentators said, Tokyo hoped to buy time on other trade issues. It was, commented the Asahi Shimbun newspaper, a ''blood offering.''

And so Japan was transformed into a battleground for the world's biggest tobacco companies. Philip Morris aimed at Japanese women with Virginia Slims; Japan Tobacco fought back with Misty, a thin, mildblended cigarette. When RJR wooed young smokers with Joe Camel, JT countered with Dean, named after fabled actor James Dean. Cigarettes became the second most-advertised product on television in Tokyo—up from 40th just a year earlier.

Today, imported brands control 21 percent of the Japanese market and earn more than $7 billion in annual sales. Female smoking is at an all-time high, according to Japan Tobacco's surveys, and one study showed female college freshmen four times more likely to smoke than their mothers.

Yeutter and his colleagues insisted they had done nothing for tobacco they would not have done for any other industry. But the fact remained that at a time when the United States could not overcome Japan's resistance on a broad range of exports—from beef to cars to super-computers—U.S. cigarettes flourished, thanks to the perseverance of the trade warriors.

INTO SOUTH KOREA

The next target was South Korea, which had a $1.7 billion domestic tobacco market. The U.S. tobacco industry filed a 301 complaint against Seoul in January 1988, and USTR initiated its investigation a month later, South Korea's state cigarette monopoly had done little advertising over the years, and a few months before the 301 case, the Seoul government had formally outlawed cigarette ads. But the United States insisted on defining ''fair access'' as including the right to advertise.

Even before the formal complaint was filed, tobacco state lawmakers and their allies had supported opening South Korea's market. Senators Dole (R–Kan.) and Helms and 14 others—including Gore, then a senator from Tennessee—wrote to South Korean President Chun Doo Hwan in July 1987 demanding that tobacco companies be allowed ''the right to import and distribute without discriminatory taxes and duties, as well as the right to advertise and promote their products.''

The companies did their own work as well. RJR hired former Reagan national security adviser Richard Allen to lobby the government in Seoul and give the company more influence than its corporate rivals. Philip Morris gave a $250,000 contract to former White House aide Michael Deaver, who hired two former USTR officials and later obtained a $475,000 lobbying contract with the South Korean government, according to testimony at his 1987 trial for perjury. (Deaver was convicted of lying to Congress about his lobbying activities after he left the White House.)

In May 1988 Seoul formally agreed to open its doors to American brands. The deal allowed cigarette signs and promotions at shops, 120 pages of advertisements in magazines and cigarette company sponsorship of social, cultural and sporting events. Cigarettes quickly became one of the most heavily advertised products in South Korea; from no advertising in 1986, American tobacco companies spent $25 million in 1988. Student activists, anti-smoking groups, the South Korean consumers' union and the local cigarette retail association all staged protests against ''tobacco imperialism'' and boycotted American cigarettes, and the companies accused the state cigarette monopoly of constant violations of the agreement. Still, within a year, American companies had captured 6 percent of the market.

USTR also made fast work of Taiwan. On the heels of the Japanese agreement, Taiwan had agreed in October 1985 to liberalize barriers to wine, beer and cigarettes. But a year passed and the market remained effectively closed. Reagan then ordered Yeutter to propose ''proportional countermeasures,'' while U.S. officials threatened to oppose Taiwan's application for membership in GATT.

''Since Taiwan wasn't a GATT member, we were not under GATT constraints,'' said a senior USTR negotiator. ''I hate to say it, but you can do whatever you want with Taiwan and Taiwan knows it. They're much more vulnerable than other countries.''

Six weeks after Reagan's order, Taiwan folded. ''The atmosphere in the negotiations was very bad for us,'' recalled Chien-Shien Wang, then deputy minister of commerce, who was Taiwan's chief negotiator. ''We were told the U.S. had lost patience with us and was about to put us on the 301 list. So we had no choice but to agree.''

While some USTR officials now concede they were uneasy about using their power on behalf of America's most controversial industry, they say they had no choice.

''For us it was an issue of, it's a U.S. product and it deserves fair market access,'' said Robert Cassidy, the current assistant U.S. trade representative for Asia and the Pacific. ''There are lots of products people here might prefer not to pursue—I myself didn't much like exporting machines to manufacture bullets. But that's not the issue. The issue was, is this discriminatory treatment or not?''

Following the agreement, consumption of imported cigarettes in Taiwan soared. According to one industry trade journal, foreign brands went from 1 percent of annual cigarette sales to more than 20 percent in less than two years, while state-manufactured brands declined accordingly. RJR sponsored a dance at a Taipei disco popular with teenagers and offered free admission for five empty packs of Winstons. Studies by Taiwanese public health specialist Ted Chen, now a professor at Tulane University Medical Center, tracked a steadily rising rate of smoking among high schoolers.

THE ANTI-SMOKING CRUSADE

The 301 cases were a boon to the industry. The Boston-based National Bureau of Economic Research estimated in a recent report that sales of American cigarettes were 600 percent higher in the targeted countries in 1991 then they would have been without U.S. intervention. In 1990, after he became secretary of agriculture, Yeutter told a news conference, ''I just saw the figures on tobacco exports here a few days ago and, my, have the turned out to be a marvelous success story.''

The tobacco companies insist that the government's efforts merely allowed them to gain a fair share of existing markets. But the National Bureau projected that American entry pushed up average cigarette consumption per capita by nearly 10 percent in the targeted countries. The report said fiercer price competition and sophisticated advertising campaigns had stimulated the increase.

Then-surgeon general Koop, a fierce critic of the industry, first heard about the 301s when he visited the Japanese Health Ministry during the swing through the Far East in the mid-1980s. ''They greeted me with, 'What are you trying to do for us? We will never be able to pay the medical bill,'.'' he recalled. ''I had no idea what they were talking about.''

Koop soon found out that USTR was, in his words, ''trading Marlboros for Toyotas.'' But it took several years for anti-smoking activists to become mobilized. In 1988 Koop attempted to hold a hearing on cigarette exports in his Interagency Committee on Smoking and Health, but said he was advised a few days before that the Reagan White House wanted him to drop the subject and uninvite witnesses such as Judith Mackay, a prominent anti-smoking activist from Hong Kong.

Koop refused. Officials from State and Commerce who had agreed to appear suddenly withdrew, but Mackay and a parade of critics testified. She accused the United States of waging ''a new Opium War'' against Asia, an allusion to Britain's 19th-century effort to force China to allow trade of the addictive drug.

When Yeutter learned of the criticism, he wrote to Koop to defend his record. ''I have never smoked, have no desire to do so and believe this addiction to be a terrible human tragedy,'' he told Koop. ''However, what we are about in our trade relationships is something entirely different.''

Koop found Yeutter's letter unconvincing. ''I'm a firm believer in the difference between a moral compromise and a political compromise,'' Koop said in a recent interview. ''I suppose Yeutter can say he was just doing his job, but when you really are exporting death and disease to the Third World, that's a moral compromise that I would never make.''

During congressional hearings on the trade issue in May 1990, the government's sole witness was Sandra Kristoff, then assistant trade representative for Asia and the Pacific, who had negotiated the agreements with South Korea and Taiwan and who vigorously defended USTR's role. She mocked the idea of taking into account health issues in trade policy matters, saying such considerations might result in banning trade in cholesterol-laden cookies ''or hormones in red meat. . . . U.S. trade policy is not in the business of picking winners or losers in terms of products.''

After the hearing, two lobbyists for Philip Morris wrote a memo to their boss praising her testimony. ''The best witness we had was USTR Representative Sandy Kristoff . . . ,'' they wrote. ''She was tremendously effective.'' Kristoff, who now serves on the staff of the National Security Council, declined to be interviewed.

EYEING NEW MARKETS

When anti-smoking activist Gregory Connolly toured Asia in 1988 he was astonished by how entrenched American cigarettes already had become. In Taipei he discovered 17 billboards advertising foreign cigarettes within sight of a local high school. In Bangkok he was shown student notebooks decorated with the Marlboro logo. In Manila he took photographs of jump boys huddling

in an alley smoking Marlboros. Afterward, he protested to Filipino health activist Phyllis Tabla: ''You've got to do something about this!''

Her reply: ''Don't lecture us! It's not us! It's you!''

Philip Morris was so delighted with the success of the 301 cases that when Yeutter left USTR in 1989 to become secretary of agriculture in the Bush administration, the company threw a celebration in his honor at the Decatur Club here. When critics raised questions about the reception, Yeutter told the Senate Agriculture Committee: ''It's unfortunate that when people try to say thank you, it becomes a potential conflict of interest issue, but that's the way the world is these days.''

Looking back, Yeutter said he now feels the reception was a mistake. ''Philip Morris shouldn't have done it,'' he said, ''They were simply trying to be gracious. . . . It simply was not good judgment on their part. And in retrospect I probably should have done more to discourage it.''

Today Yeutter practices international trade law from a corner office at Hogan & Hartson, Washington's largest law firm. He also sits on the board of British-American Tobacco (BAT), the British-based tobacco conglomerate that owns Brown & Williamson, the Louisville-based cigarette manufacturer that was one of the participants in the 301s. He insists he has not changed his mind about the dangers of smoking. But cigarettes remain a legal product, and, he says, BAT is an excellent, well-run company that he is proud to serve.

When Yeutter moved to Agriculture, incoming President Bush appointed Carla Hills, a highly regarded lawyer and former housing and urban development secretary, to succeed him at USTR. One canny political pro replaced another. And USTR set its sights on opening more cigarette markets in Asia.

Next on the agenda was Thailand.

Conditions there were similar to those in Japan, South Korea and Taiwan: a very promising market in a country undergoing explosive economic growth; a state-run monopoly: tight restrictions on imported cigarettes; an advertising ban purportedly based on health claims.

After their success in Japan, South Korea and Taiwan, officials were highly optimistic about Thailand.

The Thai Finance Ministry already was holding discussions about opening its market.

Thailand, both U.S. officials and industry representatives agreed, would be easy.

Only they were wrong. As they were about to find out, in pressing on into Thailand, Washington and the industry had gone a country too far.

TWO ON TOP OF THE WORLD

THE LARGEST INDEPENDENT TOBACCO MERCHANTS ARE BASED IN VA. BUT THEIR GROWTH IS ABROAD

(By Frank Swoboda and Martha M. Hamilton)

RICHMOND.—The faint, pungent smell of tobacco leaf is the first thing you notice when you enter the second-floor executive offices of Universal Corp., the world's largest independent tobacco leaf merchant.

At Universal, as at the Danville, Va., headquarters of its second largest rival, Dimon, Inc., the smell of tobacco is the smell of money.

The two companies (and their only other major competitor, Standard Universal Corp. of North Carolina) are the middlemen in the world tobacco industry. They don't make cigarettes or other consumer tobacco products. Instead, they buy, ship, process, pack, store and finance leaf tobacco for sale to cigarette manufacturers.

Together the two had $5.7 billion in revenue in 1996 from operations in locations that included the United States, Brazil, Tanzania, Zimbabwe, Italy, Bulgaria and China. Despite declining U.S. consumption, and a multibillion-dollar legal settlement by manufacturers that is apt to cut domestic consumption even further, there is no sense of panic in the corridors of these tobacco merchants. Universal and Dimon know the world market—it's enormous and still growing.

''The world market is where the bulk of the growth is,'' said Universal Vice President James H. Starkey III. Worldwide tobacco consumption has been rising by 1.2 percent to 1.5 percent a year, providing Universal with a consistent 18 percent to 19 percent annual return on equity.

About a third of the tobacco grown in the United States is exported. Last year, that came to 340 million tons of flue-cured tobacco, which is harvested over a several-week period and cured by heat, and about 160 million tons of burley tobacco, which is hung to dry and cure, according to Randy Weber, associate administrator for the Farm Service Agency of the U.S. Department of Agriculture.

''I don't see us shifting away from tobacco. We have continued to reinvest in tobacco as opportunities arise. We're constantly looking for opportunities for expansion,'' said Starkey.

His optimism is echoed by those who follow the industry, ''I'd say the future is very strong, although there are going to be short-term ripples because of the cigarette settlement and the imposition of higher prices,'' said David A. Goldman, an industry analyst with Robinson-Humphrey in Atlanta.

Universal noted in its annual report to stockholders that ''demand for leaf continues to increase in response to an estimated 1 percent annual growth in world cigarette consumption and consumption of American-blend cigarettes is increasing by 3 to 4 percent annually.''

There is a growing global market for the mild tobacco mixture known as ''American blend'' and for American-style cigarettes, of which Universal is a major supplier. More and more of the leaf that goes into those products is being harvested abroad, putting pressure on U.S. growers but increasing profitability for processors by lowering the price of tobacco. As an example of the shift, Starkey points to France, where, he said, the public is beginning to move away from ''dark tobacco'' cigarettes such as the well-known Gaulois to milder, American blend cigarettes as manufacturers introduce low-cost, generic brands to cultivate a taste for the new blend with the smoking public.

Universal has operations in 30 countries around the globe. It first went into China in the 1920s, and there and elsewhere it has survived civil wars, communist takeovers and political unrest. ''The one thing we've been good at is managing through instability. We stick to our knitting. We don't get involved in politics,'' Starkey said.

Karen W.L. Whelan, Universal's treasurer, said the company keeps ''liaison people'' at its headquarters who travel back and forth to various countries to help it keep track of changes overseas.

The search for new markets has taken Universal from Eastern Europe to the emerging nations of Africa. In the early 1990s, Universal and Philip Morris purchased the largest tobacco processing company in Kazakhstan from the government. In China—the world's largest tobacco producer, growing more than half the world's supply of flue-cured tobacco—Universal manages a new leaf processing plant near Bengbu for the Shanghai Tobacco Co.

Universal buys the leaf processed at the Chinese plant and has agreed to export a minimum of 70 percent of the tobacco. ''It's the only export operation in China managed by a foreign company,'' Starkey said.

The company first entered China in 1925, and it remained until the communist takeover. It returned to China when the Nixon administration reopened relations with the Asian nation in the 1970s.

Like almost all the other U.S.-based multinationals, America's tobacco merchants are watching the vast Chinese market closely, for an obvious reason: Smokers in China consume approximately 1.7 trillion cigarettes a year, far more than the 450 billion a year smoked by U.S. consumers, according to Scott & Stringfellow analyst John F. Kasprzak.

More than just a tobacco merchant, Universal's interests include lumber and building products distribution in the Netherlands and Belgium. It also buys, processes and distributes tea, rubber, sunflower seeds, dried fruits and seasonings as part of a joint venture with COSUN, a Dutch sugar cooperative. But tobacco is by far its biggest business, accounting for 71 percent of the company's revenues and 83 percent of its operating profits.

Rival Dimon Inc. is also enjoying an upcurve, reaching almost $2.2 billion in sales last year. Dimon operates in 36 countries, and like its Richmond competitor its business is not one-dimensional: It ranks as the world's largest exporter and distributor of fresh-cut flowers. Dimon was formed in 1995 by a merger of 120-year-old Dibrell Bros. Inc. of Danville with tobacco processor Monk-Austin of Farmville, N.C. That union created a company that ranked second in its industry to Universal; a deal consummated earlier this year in which Dimon acquired British-based Intabex Holdings Worldwide SA narrowed the gap between the two companies.

Intabex was a privately-owned company that was the fourth-largest leaf tobacco dealer in the world. It owned tobacco buying, processing and exporting operations in the United States, Brazil, Argentina, Malawi, Italy and Thailand and was affiliated with a Zimbabwe company that Dimon also acquired. Its acquisition will offer Dimon considerable opportunity to cut costs, Kasprzak said, by consolidating operations and refinancing Intabex's considerable debt.

Officials from Dimon declined to be interviewed for this story.

Both Universal and Dimon have benefited from industry consolidation, which has in the past several years cut the number of major leaf merchants from eight to three. But the same consolidation has hurt U.S. tobacco growers, said Jerry Jenkins, a grower in Lunenberg County, Va., who is also chairman of Tobacco Associates, the export promotion organization for the nation's flue-cured growers.

''The problem with the recent mergers and consolidations in the industry is that they reduce competition,'' said Jenkins, who farms about 30 acres of flue-cured tobacco and 3.5 acres of dark fire-cured tobacco. ''It's generally not to the benefit of the seller of the product.''

Virginia farmers grow flue-cured tobacco on approximately 40,000 acres and burley tobacco on about 10,000 acres. Maryland is also a tobacco-growing state but on a much smaller level. Only about 8,000 acres there are devoted to tobacco cultivation, according to the USDA's Weber.

The increasing worldwide demand for tobacco that is filling the coffers of Universal and Dimon may not be the long-term salvation of these farmers. Although the world's

smokers are developing a taste for American blend, U.S.-grown tobacco is simply too expensive for many world markets. U.S. tobacco is still as much as 30 percent higher in price than competitive tobacco products from Brazil and Zimbabwe, according to Universal's Starkey.

Perhaps an even greater problem for American growers is the financing role the processing companies play in overseas markets. According to analyst Goldman, companies like Dimon contract with a cigarette maker like R.J. Reynolds Tobacco Co. to deliver a certain grade of tobacco a year from now and ask for a down payment. They then use that down payment to provide cash advances to growers in countries such as Brazil, helping to finance farmers there without putting their own funds at risk.

''When you're loaning a man money to grow a crop or underwriting his loan and furnishing technical advice, it only seems natural that you're going to want to buy his crop first to recoup that investment,'' said tobacco grower Jenkins. To compete, tobacco growers in Virginia have had to cultivate larger acreages to achieve efficiencies of scale, he said.

''We don't like to buy without having an order,'' said Universal's Whelan, adding that most of the company's tobacco purchases are made at local auction, which is how tobacco is sold in this country. She said that in only a handful of countries does Universal have advance contracts with growers, in countries such as Brazil, Guatemala, Mexico and Italy.

The next possible target for expansion for Universal, Dimon and Standard may be processing tobacco for U.S. cigarette manufacturers who now do their own processing, said Scott & Stringfellow's Kasprzak. In recent years Lorillard Tobacco and RJR turned over their leaf purchasing and some processing to Dimon's predecessors, and others may follow suit.

In the meantime, Virginia's tobacco merchants can look forward to doing business in a world that every year consumes more cigarettes with no sign of slowing down.

ADDITIONAL COSPONSORS

S. 89

At the request of Ms. SNOWE, the names of the Senator from Louisiana [Ms. LANDRIEU] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 89, a bill to prohibit discrimination against individuals and their family members on the basis of genetic information, or a request for genetic services.

S. 194

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 194, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly traded stock to certain private foundations and for other purposes.

S. 202

At the request of Mr. LOTT, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 202, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 260

At the request of Mr. ABRAHAM, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 260, a bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes.

S. 358

At the request of Mr. DEWINE, the names of the Senator from Minnesota [Mr. WELLSTONE] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 370

At the request of Mr. GRASSLEY, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 370, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 830

At the request of Mr. JEFFORDS, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 830, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 887

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom Program, and for other purposes.

S. 896

At the request of Mr. LEAHY, the names of the Senator from Wyoming [Mr. THOMAS] and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 896, a bill to restrict the use of funds for new deployments of antipersonnel landmines, and for other purposes.

S. 974

At the request of Mr. REED, the name of the Senator from New Jersey [Mr. TORRICELLI] was added as a cosponsor of S. 974, a bill to amend the Immigration and Nationality Act to modify the qualifications for a country to be designated as a visa waiver pilot program country.

S. 980

At the request of Mr. DURBIN, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 980, a bill to require the Secretary of the Army to close the U.S. Army School of the Americas.

S. 1037

At the request of Mr. JEFFORDS, the name of the Senator from Kansas [Mr. ROBERTS] was added as a cosponsor of S. 1037, a bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. HELMS, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of Senate Concurrent Resolution 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.

SENATE RESOLUTION 98

At the request of Mr. BYRD, the names of the Senator from Nevada [Mr. REID], the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. THOMPSON], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of Senate Resolution 98, a resolution expressing the sense of the Senate regarding the conditions for the United States becoming a signatory to any international agreement on greenhouse gas emissions under the United Nations Framework Convention on Climate Change.

SENATE RESOLUTIONS 109—CONDEMNING THE GOVERNMENT OF CANADA

Mr. MURKOWSKI (for himself, Mr. STEVENS, Mr. GORTON, and Mr. HELMS) submitted the following resolution; which was considered and agreed to:

S. RES. 109

Whereas, Canadian fishing vessels blockaded the M/V MALASPINA, a U.S. passenger vessel operated by the Alaska Marine Highway System, preventing that vessel from exercising its right to innocent passage from 8:00 a.m. on Saturday, July 19, 1997 until 9:00 p.m. Monday, July 21, 1997;

Whereas, the Alaska Marine Highway System is part of the United States National Highway System and blocking this critical link between Alaska and the contiguous States is similar in impact to a blockade of a major North American highway or air-travel route;

Whereas, the M/V MALASPINA was carrying over 300 passengers, mail sent through the U.S. Postal Service, quantities of fresh perishable foodstuff bound for communities without any other road connections to the contiguous States, and the official traveling exhibit of the Vietnam War Memorial;

Whereas, international law, as reflected in Article 17 of the United Nations Convention

on the Law of the Sea, guarantees the right of innocent passage through the territorial sea of Canada of the ships of all States;

Whereas, the Government of Canada failed to enforce an injunction issued by a Canadian court requiring the M/V MALASPINA to be allowed to continue its passage, and the M/V MALASPINA departed only after the blockaders agreed to let it depart;

Whereas, during the past three years U.S. vessels have periodically been harassed or treated in ways inconsistent with international law by citizens of Canada and by the Government of Canada in an inappropriate response to concerns in Canada about the harvest of Pacific salmon in waters under the sole jurisdiction of the United States;

Whereas, Canada has failed to match the good faith efforts of the United States in attempting to resolve differences under the Pacific Salmon Treaty, in particular, by rejecting continued attempts to reach agreement and withdrawing from negotiations when an agreement seemed imminent just before the Canadian national election of June, 1997;

Whereas neither the Government of Canada nor its citizens have been deterred from additional actions against vessels of the United States by the diplomatic responses of the United States to past incidents such as the imposition of an illegal transit fee on American fishing vessels in June, 1994: Now, therefore, be it *Resolved by the Senate,* that it is the sense of the Senate that—

(1) The failure of the Government of Canada to protect U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions and harassment should be condemned;

(2) The President of the United States should immediately take steps to protect the interests of the United States and should not tolerate threats to those interests from the action or inaction of a foreign government or its citizens;

(3) The President should provide assistance, including financial assistance, to States and citizens of the United States seeking damages in Canada that have resulted from illegal or harassing actions by the Government of Canada or its citizens; and

(4) The President should use all necessary and appropriate means to compel the Government of Canada to prevent any further illegal or harassing actions against the United States, its citizens or their interests, which may include—

(A) using U.S. assets and personnel to protect U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions or harassment until such time as the President determines that the Government of Canada has adopted a long-term policy that ensures such protection;

(B) prohibiting the import of selected Canadian products until such time as the President determines that Canada has adopted a long-term policy that protects U.S. citizens exercising their right of innocent passage through the territorial sea of Canada from illegal actions or harassment;

(C) directing that no Canadian vessel may anchor or otherwise take shelter in U.S. waters off Alaska or other States without formal clearance from U.S. Customs, except in emergency situations;

(D) directing that no fish or shellfish taken in sport fisheries in the Province of British Columbia may enter the United States; and

(E) enforcing U.S. law with respect to all vessels in waters of the Dixon Entrance claimed by the United States, including the area in which jurisdiction is disputed.

AMENDMENTS SUBMITTED

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1998

ROBERTS AMENDMENT NO. 961

Mr. ROBERTS proposed an amendment to the bill (S. 1033) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1998, and for other purposes; as follows:

On page 28, line 19, before the period at the end of the sentence, insert the following: ": *Provided further,* That, of the amount made available under this sentence, $4,000,000 shall be available for obligation only after the Administrator of the Risk Management Agency issues and begins to implement the plan to reduce administrative and operating costs of approved insurance providers required under section 508(k)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(7))".

COCHRAN (AND BUMPERS) AMENDMENT NO. 962

Mr. COCHRAN (for himself and Mr. BUMPERS) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 55, line 20, strike "1997" and insert "1998".

On page 55, line 21, strike "1997" and insert "1998".

D'AMATO (AND SARBANES) AMENDMENT NO. 963

Mr. COCHRAN (for Mr. D'AMATO for himself and Mr. SARBANES) proposed an amendment to the bill, S. 1033, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . RURAL HOUSING PROGRAMS.

(a) HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

(b) HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES AND OTHER LOW-INCOME PERSONS AND FAMILIES.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking "September 30, 1997" and inserting "September 30, 1998".

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

(3) LOAN TERM.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(A) in subsection (a)(2), by striking "up to fifty" and inserting "up to 30"; and

(B) in subsection (b)—

(i) by striking paragraph (2) and inserting the following:

"(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;";

(ii) in paragraph (5), by striking "and" at the end;

(iii) in paragraph (6), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(7) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

"(A) the Secretary determines—

"(i) it is more cost-efficient and serves the tenant base more effectively to maintain the current property than to build a new property in the same location; or

"(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

"(B) the Secretary determines—

"(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

"(ii) any other criteria established by the Secretary has been met.".

(c) LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following:

"(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEE.—In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amount as may be provided in appropriation Acts for such fiscal year.";

(2) by striking subsection (t) and inserting the following:

"(t) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1998 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year."; and

(3) in subsection (u), by striking "1996" and inserting "1998".

COCHRAN (AND BUMPERS) AMENDMENT NO. 964

Mr. COCHRAN (for himself and Mr. BUMPERS) proposed an amendment to the bill, S. 1033, supra; as follows:

At the end of the bill, add the following new provision:

SEC. . Effective on October 1, 1998, section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(a) in paragraph (1)

(1) by striking "Subject to paragraph (4), during" and inserting "During"; and

(2) in subparagraph (B), by striking "130" and inserting "134";

(b) by striking paragraph (4); and

(c) by redesignating paragraph (5) as paragraph (4).

DURBIN (AND OTHERS) AMENDMENT NO. 965

Mr. DURBIN (for himself and Mr. GREGG, and Mr. WYDEN) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 66, between lines 12 and 13, insert the follows:

SEC. 728. None of the funds made available in this Act may be used to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 for later crop years.

FORD AMENDMENT NO. 966

Mr. FORD proposed an amendment to amendment No. 965 proposed by Mr. DURBIN to the bill, S. 1033, supra; as follows:

Strike all after the first word and insert the following:

LIMITATION OF CROP INSURANCE TO FAMILY FARMERS

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following:

''(6) CROP INSURANCE LIMITATION.—

''(A) IN GENERAL.—To qualify for coverage under a plan of insurance or reinsurance under this title, a person may not own or operate farms with more than 400 acres of cropland.

''(B) DEFINITION OF PERSON.—The Corporation shall issue regulations—

''(i) defining the term 'person' for purposes of subparagraph (A); and

''(ii) prescribing such rules as the Corporation determines necessary to ensure a fair and reasonable application of the limitation established under subparagraph (A).''.

GREGG (AND BROWNBACK) AMENDMENT NO. 967

(Ordered to lie on the table.)

Mr. GREGG (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed by them to the bill, S. 1033, supra; as follows:

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

HARKIN (AND OTHERS) AMENDMENT NO. 968

Mr. HARKIN (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. BYRD, Mr. REED, and Mr. BINGAMAN) proposed an amendment to the bill, S. 1033, supra; as follows:

At the end of title VII, insert the following:

SEC. . TOBACCO ASSESSMENTS.

Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended—

(1) in subsection (g)(1), by striking ''Effective'' and inserting ''Except as provided in subsection (h), effective''; and

(2) by adding at the end the following:

''(h) MARKETING ASSESSMENT FOR CERTAIN 1997 AND 1998 CROPS.—

''(1) IN GENERAL.—Effective only for the 1997 crop of tobacco (other than Flue-cured tobacco) and the 1998 crop of Flue-cured tobacco for which price support is made available under this Act, each purchaser of such tobacco, and each importer of the same kind of tobacco, shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

''(A) in the case of a purchaser of domestic tobacco, 2.1 percent of the national price support level for each such crop; and

''(B) in the case of an importer of tobacco, 2.1 percent of the national support price for the same kind of tobacco;

as provided for in this section.

''(2) COLLECTION AND ENFORCEMENT.—The purchaser and importer assessments under paragraph (1) shall be—

''(A) collected in the same manner as provided for in section 106A(d)(2) or 106B(d)(3), as applicable; and

''(B) enforced in the same manner as provided in section 106A(h) or 106B(j), as applicable.

''(3) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.''.

Notwithstanding any other provision of this act, $964,261,000 is provided for salaries and expenses of the Food and Drug Administration.

In carrying out their responsibilities under the Food and Drug Administration youth tobacco use prevention initiative, States are encouraged to coordinate their enforcement efforts with enforcement of laws that prohibit underage drinking.

HELMS (AND FAIRCLOTH) AMENDMENT NO. 969

Mr. HELMS (for himself and Mr. FAIRCLOTH) proposed an amendment to amendment No. 968 proposed by Mr. HARKIN to the bill, S. 1033, supra; as follows:

Strike all after the first word and insert the following:

ASSESSMENT FOR ETHANOL PRODUCERS.

(a) IN GENERAL.—For fiscal year 1998, the rate of tax otherwise imposed on a gallon of ethanol under the Internal Revenue Code of 1986 shall be increased by 3 cents and such rate increase shall not be considered in any determination under section 9503(f)(3) of the Internal Revenue Code of 1986.

(b) ESTABLISHMENT OF TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9512. TRUST FUND FOR ANTI-SMOKING ACTIVITIES.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Trust Fund for Anti-Smoking Activities' (hereafter referred to in this section as the 'Trust Fund'), consisting of such amounts as may be appropriated or transferred to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—The Secretary shall transfer to the Trust Fund an amount equivalent to the net increase in revenues received in the Treasury attributable to section (a) of the Agriculture, Rural and Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998, as estimated by the Secretary.

''(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, to the Secretary of Health and Human Services for anti-smoking programs through the Substance Abuse and Mental Health Administration.''.

(2) CONFORMING AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

''Sec. 9512. Trust Fund for Anti-Smoking Activities.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply fuel removed after September 30, 1997.

BRYAN (AND OTHERS) AMENDMENT NO 970

Mr. BRYAN (for himself, Mr. KERRY, Mr. GREGG, Mr. GRAMS, and Mr. REID) proposed an amendment to the bill, S. 1033, supra; as follows:

Beginning on page 63, strike line 24 and all that follows through page 64, line 5, and insert the following:

SEC. 718. None of the funds made available by this Act may be used to provide assistance under, or to pay the salaries of personnel who carry out, a market promotion or market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)—

(1) that provides assistance to the United States Mink Export Development Council or any mink industry trade association;

(2) to the extent that the aggregate amount of funds and value of commodities under the program exceeds $70,000,000; or

(3) that provides assistance to a foreign person (as defined in section 9 of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508)).

GRAMS (AND OTHERS) AMENDMENT NO. 971

Mr. GRAMS (for himself, Mr. FEINGOLD, Mr. KOHL, Mr. LEVIN, Mr. WELLSTONE, Mr. CRAIG, and Mr. ABRAHAM) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 66, between lines 12 and 13, insert the following:

SEC. 728. STUDY OF NORTHEAST INTERSTATE DAIRY COMPACT.

(a) DEFINITIONS.—In this section:

(1) CHILD, SENIOR, AND LOW-INCOME NUTRITION PROGRAMS.—The term ''child, senior, and low-income nutrition programs'' includes—

(A) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(B) the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.);

(C) the summer food service program for children established under section 13 of that Act (42 U.S.C. 1761);

(D) the child and adult care food program established under section 17 of that Act (42 U.S.C. 1766);

(E) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772);

(F) the school breakfast program established under section 4 of that Act (42 U.S.C. 1773);

(G) the special supplemental nutrition program for women, infants, and children authorized under section 17 of that Act (42 U.S.C. 1786); and

(H) the nutrition programs and projects carried out under part C of title III of the Older Americans Act of 1965 (42 U.S.C. 3030e et seq.).

(2) COMPACT.—The term ''Compact'' means the Northeast Interstate Dairy Compact.

(3) NORTHEAST INTERSTATE DAIRY COMPACT.—The term ''Northeast Interstate Dairy Compact'' means the Northeast Interstate Dairy Compact referred to in section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256).

(4) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.

(b) EVALUATION.—Not later than December 31, 1997, the Director shall conduct, complete, and transmit to Congress a comprehensive economic evaluation of the direct and indirect effects of the Northeast Interstate Dairy Compact, and other factors which affect the price of fluid milk.

(c) COMPONENTS.—In conducting the evaluation, the Director shall consider, among other factors, the effects of implementation of the rules and regulations of the Northeast Interstate Dairy Compact Commission, such

as rules and regulations relating to over-order Class I pricing and pooling provisions. This evaluation shall consider such effects prior to implementation of the Compact and that would have occurred in the absence of the implementation of the Compact. The evaluation shall include an analysis of the impacts on—

(1) child, senior, and low-income nutrition programs including impacts on schools and institutions participating in the programs, on program recipients and other factors;

(2) the wholesale and retail cost of fluid milk;

(3) the level of milk production, the number of cows, the number of dairy farms, and milk utilization in the Compact region, including—

(A) changes in the level of milk production, the number of cows, and the number of dairy farms in the Compact region relative to trends in the level of milk production and trends in the number of cows and dairy farms prior to implementation of the Compact;

(B) changes in the disposition of bulk and packaged milk for Class I, II, or III use produced in the Compact region to areas outside the region relative to the milk disposition to areas outside the region;

(C) changes in—

(i) the share of milk production for Class I use of the total milk production in the Compact region; and

(ii) the share of milk production for Class II and Class III use of the total milk production in the Compact region;

(4) dairy farmers and dairy product manufacturers in States and regions outside the Compact region with respect to the impact of changes in milk production, and the impact of any changes in disposition of milk originating in the Compact region, on national milk supply levels and farm level milk prices nationally; and

(5) the cost of carrying out the milk price support program established under section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251).

(d) ADDITIONAL STATES AND COMPACTS.—The Secretary shall evaluate and incorporate into the evaluation required under subsection (b) an evaluation of the economic impact of adding additional States to the Compact for the purpose of increasing prices paid to milk producers.

WELLSTONE AMENDMENT NO. 972

Mr. WELLSTONE proposed an amendment to the bill, S. 1033, supra; as follows:

On page 28, line 21, strike ''$202,571,000'' and insert ''$197,571,000''.

On page 47, line 6, strike ''$7,769,066,000'' and insert ''$7,774,066,000''.

On page 47, line 13, insert after ''claims'' the following: '': *Provided further,* That not less than $5,000,000 shall be available for outreach and startup in accordance with section 4(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(f))''.

On page 66, between lines 12 and 13, insert the following:

SEC. 728. OUTREACH AND STARTUP FOR THE SCHOOL BREAKFAST PROGRAM.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by adding at the end the following:

''(f) OUTREACH AND STARTUP.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE SCHOOL.—The term 'eligible school' means a school—

''(i) attended by children, a significant percentage of whom are members of low-income families;

''(ii)(I) as used with respect to a school breakfast program, that agrees to operate the school breakfast program established or expanded with the assistance provided under this subsection for a period of not less than 3 years; and

''(II) as used with respect to a summer food service program for children, that agrees to operate the summer food service program for children established or expanded with the assistance provided under this subsection for a period of not less than 3 years.

''(B) SERVICE INSTITUTION.—The term 'service institution' means an institution or organization described in paragraph (1)(B) or (7) of section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)).

''(C) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—The term 'summer food service program for children' means a program authorized by section 13 of the National School Lunch Act (42 U.S.C. 1761).

''(2) PAYMENTS.—The Secretary shall make payments on a competitive basis and in the following order of priority (subject to the other provisions of this subsection), to—

''(A) State educational agencies in a substantial number of States for distribution to eligible schools to assist the schools with nonrecurring expenses incurred in—

''(i) initiating a school breakfast program under this section; or

''(ii) expanding a school breakfast program; and

''(B) a substantial number of States for distribution to service institutions to assist the institutions with nonrecurring expenses incurred in—

''(i) initiating a summer food service program for children; or

''(ii) expanding a summer food service program for children.

''(3) PAYMENTS ADDITIONAL.—Payments received under this subsection shall be in addition to payments to which State agencies are entitled under subsection (b) of this section and section 13 of the National School Lunch Act (42 U.S.C. 1761).

''(4) STATE PLAN.—To be eligible to receive a payment under this subsection, a State educational agency shall submit to the Secretary a plan to initiate or expand school breakfast programs conducted in the State, including a description of the manner in which the agency will provide technical assistance and funding to schools in the State to initiate or expand the programs.

''(5) SCHOOL BREAKFAST PROGRAM PREFERENCES.—In making payments under this subsection for any fiscal year to initiate or expand school breakfast programs, the Secretary shall provide a preference to State educational agencies that—

''(A) have in effect a State law that requires the expansion of the programs during the year;

''(B) have significant public or private resources that have been assembled to carry out the expansion of the programs during the year;

''(C) do not have a school breakfast program available to a large number of low-income children in the State; or

''(D) serve an unmet need among low-income children, as determined by the Secretary.

''(6) SUMMER FOOD SERVICE PROGRAM PREFERENCES.—In making payments under this subsection for any fiscal year to initiate or expand summer food service programs for children, the Secretary shall provide a preference to States—

''(A)(i) in which the numbers of children participating in the summer food service program for children represent the lowest percentages of the number of children receiving free or reduced price meals under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

''(ii) that do not have a summer food service program for children available to a large number of low-income children in the State; and

''(B) that submit to the Secretary a plan to expand the summer food service programs for children conducted in the State, including a description of—

''(i) the manner in which the State will provide technical assistance and funding to service institutions in the State to expand the programs; and

''(ii) significant public or private resources that have been assembled to carry out the expansion of the programs during the year.

''(7) RECOVERY AND REALLOCATION.—The Secretary shall act in a timely manner to recover and reallocate to other States any amounts provided to a State educational agency or State under this subsection that are not used by the agency or State within a reasonable period (as determined by the Secretary).

''(8) ANNUAL APPLICATION.—The Secretary shall allow States to apply on an annual basis for assistance under this subsection.

''(9) GREATEST NEED.—Each State agency and State, in allocating funds within the State, shall give preference for assistance under this subsection to eligible schools and service institutions that demonstrate the greatest need for a school breakfast program or a summer food service program for children, respectively.

''(10) MAINTENANCE OF EFFORT.—Expenditures of funds from State and local sources for the maintenance of the school breakfast program and the summer food service program for children shall not be diminished as a result of payments received under this subsection.''.

DASCHLE (AND OTHERS) AMENDMENT NO. 973

Mr. COCHRAN (for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. JOHNSON, Mr. CONRAD, and Mr. BAUCUS) proposed an amendment to the bill, S. 1033, supra; as follows:

At the end of the bill insert the following new section:

''SEC. . From proceeds earned from the sale of grain in the disaster reserve established in the Agricultural Act of 1970, the Secretary may use up to an additional $23 million to implement a livestock indemnity program as established in PL 105–18.''

GRAMS (AND WELLSTONE) AMENDMENT NO. 974

Mr. COCHRAN (for Mr. GRAMS, for himself and Mr. WELLSTONE) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 66, between lines 12 and 13, insert the following:

SEC. 728. PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

CRAIG AMENDMENT NO. 975

Mr. COCHRAN (for Mr. CRAIG) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 66, between lines 12 and 13, insert the following:

SEC. . INSPECTION AND CERTIFICATION OF AGRICULTURAL PROCESSING EQUIPMENT.

(a) IN GENERAL.—Except as provided in subsection (b), none of the funds made available by this Act or any other Act for any fiscal year may be used to carry out section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products under that section, as determined by the Secretary.

(b) RELATIONSHIP TO OTHER LAW.—Subsection (a) shall not affect the authority of the Secretary to carry out the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) or the Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

DEWINE AMENDMENT NO. 976

Mr. COCHRAN (for Mr. DEWINE) proposed an amendment to the bill, S. 1033, supra; as follows:

On page 53, line 3, before the period, insert the following: ''*Provide further,* That, of the amount of funds made available under title II of said Act, the United States Agency for International Development should use at least the same amount of funds to carry out the orphan feeding program in Haiti during fiscal year 1998 as was used by the Agency to carry out the program during fiscal year 1997''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, July 23, 1997, at 9 a.m. in SR–328A to consider the nominations of Dr. Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety; Ms. Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Food, Nutrition, and Consumer Services and a member of the Commodity Credit Corporation; Mr. August Schumacher, Jr., of Massachusetts, to be Under Secretary of Agriculture for Farm and Foreign Agriculture Services; Dr. I. Miley Gonzalez, of New Mexico, to be Under Secretary of Agriculture for Research, Education, and Economics.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 23, 1997, to conduct a hearing on the oversight on the monetary policy report to Congress pursuant to the Full Employment and Balanced Growth Act of 1978.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, July 23, 1997, at 9:30 A.M. on pending committee business.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 23, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending nominations.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 23, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to broadly examine three aspects of natural gas issues into the next century. Specifically, the committee will look at world energy supply and demand to 2015, what percentage of that will be filled by natural gas, and how this could be impacted by other large scale energy projects, such as nuclear, that are being developed in Asia. Second, the committee will examine the role of Government in large scale gas projects in foreign countries, what type of assistance the U.S. companies competing for overseas projects receive from the U.S. Government, and what can be done in the United States to make American gas more globally competitive. The third aspect for consideration will be the emerging gas field development technologies that are making natural gas more economical to market.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee special investigation to meet on Wednesday, July 23, at 10 a.m. for a hearing on campaign financing issues.

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

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 23, 1997, at 10 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: The proposed reauthorization of the Office of National Drug Control Policy.

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

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold an executive business meeting during the session of the Senate on Wednesday, July 23, 1997, at 2 p.m. in room 226 of the Senate Dirksen Office Building.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, July 23, 1997, at 9:30 a.m.

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

ADDITIONAL STATEMENTS

STAMP OUT BREAST CANCER

• Mr. COCHRAN. Mr. President, As chairman of the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services, which has jurisdiction over postal matters, I would like to comment on Representative MOLINARI's Stamp Out Breast Cancer Act, H.R. 1585, passed by the House on July 22, 1997. This bill is similar to the Feinstein amendment included as part of the Senate's fiscal year 1998 Treasury/Postal appropriations bill, S. 1023, in that it would raise money for breast cancer research through a new, specially designed postage stamp—generally referred to as a semipostal—which would be purchased on a voluntary basis and as an alternative to regular first-class postage.

H.R. 1585 differs from the Feinstein amendment in three respects. The rate of this semipostal would be determined in part, by the Postal Service to cover administrative costs and the remainder by the governors of the Postal Service to direct research. The total cost would not exceed the current cost plus 25 percent. In addition, following the 2-year period beginning on the date which the stamp would be publicly available, the General Accounting Office would report to Congress with an evaluation of the effectiveness and appropriateness of this method of fundraising and a description of the resources required to carry out this bill. Finally, the Postal Service would have the authority to decide when the stamp would be available to the public and would have up until 12 months after the date of enactment to make it available.

Though this is a well-intentioned bill, and breast cancer research is a highly worthwhile cause, the idea of using the Postal Service as a fundraising organization for social issues is just plain wrong. If we start here, where do we stop? The list of diseases is endless. Requiring the Postal Service

to issue a semipostal stamp for breast cancer would place the Postal Service and Congress in the very difficult position of determining which worthy organizations should receive Federal assistance in fundraising and which should not.

The concept of semipostals has been around for years. Some nations issue them, however most do not. The European experience with this kind of stamp has shown that they are rarely as beneficial to the designated organization as would be expected. Consider the example set by our neighbor Canada. In 1975, the Canadian Postal Corporation issued a series of semipostal stamps to provide supplementary revenue for the Canadian Olympic Committee. It was reported that while the program received exceptionally good promotional and advertising support, it fell short of its intended revenue objective. Demand for the semipostals throughout Canada was reportedly insubstantial. The program—viewed as a failure—concluded in 1976. More recently, the Canada Post issued a semipostal to support literacy. With a surcharge of 5-cents per stamp, it raised only $252,000. After raising only a modest amount of money, combined with a tremendous administrative expense, Canada Post says they will not issue another semipostal.

There is a strong U.S. tradition of private fundraising for charities. Such a stamp would effectively use the United States Postal Service as a fundraiser, a role it has never before taken on. The Postal Service's job—and expertise—is mail delivery. Congress should be mindful that the postage stamp pays strictly for postal operations. It is not a fee for anything but delivering the mail and the cost of running the service. In fact, section 3622 of the Postal Reorganization Act of 1970 precludes charging rates in excess of those required to offset the Postal Service's costs of providing a particular service. In other words, the Postal Service does not have the authority to put a surcharge on a postage rate that is cost and overhead driven. There is simply no legitimate connection between the desire to raise money for a cause, and maintenance of the Postal Service's mission of providing universal service at a universal rate.

The goals of H.R. 1585 are laudatory. But, Mr. President, as I previously indicated during Senate consideration of the Feinstein semipostal amendment, the Postal Service should not be doing fundraising.●

ON AND UNDER THE DELAWARE RIVER CLEANUP

● Mr. MOYNIHAN. Mr. President, throughout this week, hundreds of volunteers will gather together for the annual ''On and Under the Delaware River Cleanup'' on the upper Delaware River. People from New York, New Jersey, and Pennsylvania will work together to clean up the Delaware River, picking up trash and removing debris from the shores, surface, and bottom of a 70-mile section of the river. Once again, Ruth Jones and the folks at Kittatinny Canoes will lead this effort and supply the boats, cleaning materials, trash removal, and other services needed for the effort. National Park Service employees and a member of my staff will also participate.

The Delaware River is the longest free-flowing river in the country. It starts in my home county, Delaware County, NY, at the confluence of the east and west branches of the river in Deposit, NY and continues down through Pennsylvania, New Jersey, and Delaware, ultimately feeding into the Atlantic Ocean. The west branch starts in Stamford, NY, just 25 miles from my home in Pindars Corners.

This river is one of New York's and the Nation's great treasures. I applaud Ms. Jones for sponsoring this event and thank all the volunteers for their hard work in helping to keep the river clean.●

EXCHANGE OF NAVAL ATTACHÉS WITH VIETNAM

● Mr. WARNER. Mr President, I rise today to recognize an historic event in our relations with our erstwhile cold war enemy, Vietnam. On May 7, 1997, that country and our own great Nation exchanged defense attachés. Senior Col. Vo Dinh Quang of the Vietnam Army was accredited as the defense, military, naval, and air attaché to the United States. He is the first defense attaché from Vietnam since 1975, when the South Vietnam attaché positions dissolved by default with the collapse of South Vietnam.

The Corps of Foreign Attachés is a distinguished group of foreign senior officers who are accredited to the Department of Defense and the Department of State to officially and personally represent their defense secretaries in the United States with regard to military matters. Eighty-one countries around the world, allied and nonallied, are represented by over 100 navy, army, and air force officers living in the Washington, DC, area. Historically, this prestigious assignment has produced many flag and general officers who have subsequently become the equivalent of our service chiefs or Chairman of the Joint Chiefs of Staff.

A primary responsibility of the foreign defense attaché, as recognized by the Vienna Convention, is to collect information and learn about the services of the United States. To assist in this effort, the U.S. service chiefs sponsor an aggressive information program which includes orientation tours to commands and related industrial facilities; service chief counterpart and other delegation visits; intelligence and operations briefings; and document dissemination. In turn, the attaché provides Department of Defense decisionmakers with perspectives on developments within the attaché's country and armed services.

This is the office in which Senior Colonel Quang finds himself today. Born in 1932, Colonel Quang served in the North Vietnamese and Vietnamese Armies for a total of 27 years before being assigned to the Department of Foreign Relations within the Vietnamese Ministry of Defense. While serving in that capacity, Colonel Quang was a staff member of the Vietnamese Office for Seeking Missing Personnel. His responsibility was to interface with the United States concerning our country's servicemen who were still missing in action.

Once a sworn enemy of the United States, Colonel Quang became a man who searched for the remains of our soldiers, sailors, and airmen. Now he serves here in Washington, representing his country as Vietnam's first postwar defense attaché.

In commemorating this historic event, I pray that this new relationship with Vietnam continues to prosper.●

MIKULSKI AMENDMENT ON AMERICORPS LITERACY FUNDING

● Mr. KENNEDY. Mr. President, I commend my colleague, Senator MIKULSKI, for her leadership yesterday in seeking $20 million for President Clinton's America Reads initiative. This amendment supports 1,300 AmeriCorps members who will serve as literacy tutors to help children learn to read—and read well—by the end of the third grade.

Reading is a fundamental skill for learning, but too many children have trouble learning how to read. If students don't learn to read in the early elementary school years, it is virtually impossible for them to keep up later. According to a recent study, 40 percent of fourth grade students don't attain the basic level of reading, and 70 percent don't attain the proficient level.

Research shows that reading skills are developed not only in the home and in the classroom, but also in communities and libraries. Sustained, reading opportunities outside the regular school day and during the summer can raise reading levels when combined with other instruction. Only 30 minutes a day of reading aloud with an adult can enable a young child to make real gains in reading. Adults also serve as role models for young children.

I commend Senator MIKULSKI for her effective leadership in the extremely important area of community service and childhood literacy. Every child can learn to read well, and every child deserves that chance. No child should be left out or left behind.●

EXPLANATION OF VOTE ON H.R. 2158

● Mr. KYL. Mr. President, yesterday I voted against H.R. 2158, the bill providing fiscal year 1998 appropriations for the Departments of Veterans Affairs, Housing and Urban Development, and various independent agencies. Funding

provided by that measure totaled nearly $9 billion more than the comparable amount provided last year—about a 10-percent increase.

It would be one thing if the increase were devoted to improved services for our Nation's veterans. After all, they put their lives on the line in defense of our country and all of the rights and liberties we enjoy. We owe them a debt of gratitude—and the obligation to fulfill the promises our Nation made to them when they were called to serve.

Yet the spending increase in this bill is not targeted to veterans. The VA sees only a 0.5 percent increase in its budget. Medical care is increased only 1 percent. But presumably, these increases were sufficient to fulfill our obligations to veterans, exceeding President Clinton's request by nearly $93 million. I support them, and I stand ready to do more if that is necessary.

Mr. President, compare the virtual spending freeze that our Nation's veteran population is able to bear with what happens to HUD's budget. Last year, HUD received a total of $16.3 billion. H.R. 2158 proposes to take that figure to $25.4 billion—a $9 billion increase. An increase of nearly 56 percent. That is a huge increase, even by Washington standards.

Now I know that part of the reason for the added funding is the need to renew expiring section 8 housing contracts. But I believe we have a responsibility to try to offset the extra spending with reductions in lower priority HUD programs, rather than just add to the total. I see little evidence of attempting to prioritize HUD and other programs in this bill.

It seems to me that the opportunity to find offsets was certainly there. The AmeriCorps Program, for example, was funded at $405 million. Remember, this is a program that pays volunteers to work. In most parts of the country, paying someone to work constitutes employment. Volunteers provide their time and energy out of their own good will. But here we have a government program—a Clinton administration priority—that actually pays volunteers to work.

AmeriCorps committed last year to try to reduce its cost per participant to $17,000 this year and to $15,000 in 1999. Yet that is how much a lot of people around the country earn from their jobs. This is an unnecessary expenditure of taxpayer funds, and we would do well to eliminate it. Yet I know that President Clinton would probably veto the bill—veterans funding and all—just to preserve it. So there seems to be little incentive to do the right thing and trim expenditures.

The Community Development Block Grant [CDBG] Program is another case in point. The bill provides $1.4 billion for the program, with funding earmarked for a variety of projects, including library expansion in West Virginia, the Paramount Theater in Vermont, the Bushnell Theater in Connecticut, and economic development in downtown Ogden, Utah, to name just a few. If we had to set priorities, just like any family back home, we would probably conclude that section 8 renewals might be a little more important than some of these CDBG grants.

But when the sky is the limit, we do not have to prioritize. We simply add more spending on top of everything else. And that is how we get a deficit problem.

Mr. President, we need a new way of conducting business. We need to get back to a politics of principle, and of being honest with the American people about whether we are serious about seeking more responsible use of hard-earned tax dollars and reducing the deficit. This bill represents the old way of doing things, and exemplifies the politics of pork.

I voted against the budget agreement last month, in large part because it allowed too much new spending. And the HUD and independent agencies portion of this bill is evidence of what we can expect as the agreement is fully implemented. That is why next year's budget deficit is projected to rise—and not fall—as a result of the agreement.

Mr. President, it is unfortunate that we do not have an opportunity to consider the various components of this bill on their own merits—veterans, HUD, EPA, NASA, AmeriCorps, and the like. I would have supported the veterans budget, the NASA budget, and environmental spending in the bill. But as a package, with the very large increase in HUD spending and a lack of sufficient offsets for it, I concluded that it was necessary to register concern about the process and our country's future, and to vote ''no'' on the bill.●

LLOYD D. GEORGE UNITED STATES COURTHOUSE

● Mr. REID. Mr. President, it is with great pride that I rise today in support of a bill I introduced on Monday to designate the new Federal courthouse in Las Vegas as the ''Lloyd D. George United States Courthouse.'' As the Chief Judge of the United States District Court for the District of Nevada, Lloyd George is considered to be one of the most distinguished jurists of the federal judiciary. There is no greater honor we could bestow on the new courthouse in Las Vegas than to name it after a man who has served our Nation with such distinction.

Those who have the privilege of knowing Judge George, as I do, consider him to be a man of great integrity whose career has been marked by a constant commitment to justice. As an attorney. Judge George enjoyed a successful career practicing primarily in the area of commercial law. Prior to his appointment as a United States District Judge in May 1984, Judge George served on the United States Bankruptcy Bench for 10 years. Judge George is a graduate of Las Vegas High and Brigham Young University. He served as the student body president at both schools. He received his law degree from the University of California, Boalt Hall. Judge George was a pilot in the U.S. Air Force, attaining the rank of Captain.

Throughout Judge George's professional life he has assumed many leadership responsibilities requiring countless hours of service work all in the pursuit of improving and preserving the best aspects of our judicial system. He has served on three—and been the chairman of two—United States Judicial Conference Committee. Currently, he serves as a member of the Judicial Conference of the United States. At the request of Chief Justice Rehnquist he serves as a member of the Executive Committee of the Judicial Conference and the International Judicial Relations Committee. He is also a member of the Judicial Council for the Ninth Circuit Court of Appeals, and has chaired the Executive Committee of the Judicial Conference of the Ninth Circuit. Additionally, he serves on the Advisory Board of the Central and East European Law Initiative, American Bar Association's Standing Committee of World Order Under Law, and is an Advisory Committee Member of the American Judicature Society. He frequently lectures in the U.S. and abroad on various legal topics and has published a number of articles in legal periodicals. His dedication to improving and promoting our judicial system is unparalleled.

All of us are fortunate to live in a country where men like Judge Lloyd George serve as the arbiter's of our laws. He is truly a man of the highest integrity whose legal career has been guided by a keen, almost innate, sense of justice. On a personal note, I consider myself most fortunate to call Lloyd George my friend.

I believe there is no better way to honor Judge George than to name this new courthouse the Lloyd D. George United States Courthouse. The proposed courthouse is an architectural wonder that will provide a state of the art judicial forum for generations of Nevadans. Judge George was instrumental in bringing this about. We honor his service to the judiciary and his commitment to the principle of equal justice under law by naming the new courthouse after him.●

APPROPRIATIONS COMMITTEE ALLOCATION

● Mr. DOMENICI. Mr. President, there was an error in the printing of the change to the Appropriations Committee allocation, which was submitted for the RECORD of July 21, 1997. The correct figure for the budget authority allocation pursuant to section 302 of the Congressional Budget Act follows:

Budget Authority	*1998*
Current Appropriations Committee allocation	$792,510,000,000
Adjustment	8,766,000,000
Revised Appropriations Committee allocation	801,276,000,000●

VA–HUD APPROPRIATIONS BILL

● Mr. KERRY. Mr. President, I want to thank Senator BOND, Senator MIKULSKI, and all the members of the VA–HUD Appropriations Subcommittee for all their hard work in bringing this bill to the floor so quickly and with such widespread support. I want to add my voice to the many others offering you congratulations for such a good product.

I appreciate the understanding and expertise both of you bring to this bill. Your sensitivity to the need to create new affordable housing and homeownership opportunities serves every Member of the Senate well.

Unfortunately, no amount of good intentions and hard work can make up for the basic lack of funding for housing programs in this bill. While the bill maintains funding for most crucial programs, existing funding levels will not really solve the housing problems we face in this country.

Let us take a moment to put the problem into a broader context. There are about 16.5 million families that are eligible for housing assistance in America. Yet, only 4.3 million of these families receive any housing assistance whatsoever. This includes households living in public housing, assisted housing, housing built with the tax credit and HOME funds.

Of the 12 million unassisted families, about 5.5 million are faced with desperate housing needs, yet are receiving no help at all from the Federal Government.

These families are paying over half their incomes every month to keep a roof over their heads. Or, they live in housing that is falling down around them. These families teeter on the edge of homelessness. One unanticipated problem—a temporary layoff, an illness of a parent or child, even an unexpected car repair bill—can force these families to choose between paying the rent and buying groceries.

The committee did a good job of addressing many competing needs and interests that go far beyond housing programs. But they have simply not been given enough resources to address the larger need for adequate affordable housing.

The fact is, we are facing a likely reduction in the total affordable housing stock in America. We expect about 100,000 units of public housing to be demolished in the next several years. Private owners of some assisted housing are likely to prepay their subsidized mortgages to get out from under the affordable housing restrictions. Many owners of section 8 project-based housing will simply choose not to renew their contracts, eliminating some of the highest quality affordable housing stock in the inventory.

We cannot continue to go in this direction unless we are prepared to face a huge increase in the problem of homelessness. Already, in a time of low unemployment and strong economic growth, we have seen an increase in homelessness of 5 percent, according to a Conference of Mayors study.

Mr. President, one casualty of the fiscal constraints that the committee labored within is the Low Income Housing Preservation and Homeownership Act [LIHPRH], better known as the Preservation Program. This program has preserved over 80,000 units of affordable housing permanently. Another 30,000 units in 37 States await funding. While the GAO has raised some concerns about this program, I want to make sure the facts get in the record. The average cost of preserving this housing is $30,000 to $33,000 per unit. This housing could not possibly be replaced for such a cheap price in my home State of Massachusetts, nor, I suspect, in many other States, either.

Given the overall reduction of affordable housing, the modest investment it would take to preserve this housing, housing that is unlikely to otherwise be replaced, is a wise investment indeed.

I urge the committee to work in conference to find some funding for this crucial program. I know Senator BOND's interest in accomplishing this goal, along with appropriate reforms to the program.

In doing so, I urge the chairman to adopt a priority for direct sales to tenants. One of the key elements of the Preservation Program has been to empower residents to participate in the decisionmaking regarding how their homes are to be preserved. Sales to the residents who live in these communities is the most direct way to achieve this important goal. It gives the tenants the opportunity to build equity, like other homeowners; it gives tenants a greater stake in the management of the property. In sum, Mr. President, it builds a bridge to the middle class for the residents of these projects. I would be happy to work with the chairman to achieve this goal.

Mr. President, I thank my colleagues for all their hard work. I support this bill and urge my colleagues to do so, as well. I will continue to work for more funding for housing programs, and look forward to the day when the chairman and ranking member are able to fully fund the needs of public housing, assisted housing, and the many other demands they face as well.●

TRIBUTE TO HAMILTON FISH

● Mr. D'AMATO. Mr. President, one year ago today, our friend and former colleague in the other body, Hamilton Fish, died here in Washington.

Ham and his forebears, statesman and patriots to a man, were gifts to our Nation's Capital from New York where they emerged from immigrant roots that were truly extraordinary in the American experience.

In the years I knew Ham, I saw reflected in his bearing, his code of life, his approach to the law and devotion to public service, a man whose very genes held rich lessons of bravery, honesty, integrity and patriotism handed down from those who had formed this Nation, nurtured and served it since the 17th Century. And yet he never let on about the first Mayor of New York, the last Mayor of Brooklyn, a hero of the Battle of Yorktown who looks down from the nearby Rotunda's wall, the Secretary of State, the Senators, Rough Riders and Members of the House of Representatives who filled his family tree.

An impressive lineage was not what was important to him. To Ham, what one did in the time allotted by God was what mattered.

Officially, Hamilton Fish, was the 13-term Congressman from the Empire State's Hudson Valley, who from his earliest years in Congress wrestled with the turmoil of Watergate and the Vietnam war, the causes of civil rights, refugees, the environment, and a daily concern that Washington respond to and be a positive influence for his constituents and all Americans.

He was neither a ''hawk'' nor a ''dove'' in the contentious and important issues of his time, but rather an impressive ''owl''—a wise owl, using head and heart, with the talons to fight a ferocious battle when needed, but possessing the sharp ears and keen eyes to recognize and counsel for the strength to be gained from collegial compromise; knowing the ways to bridge often great divides of politics and ideologies.

Ham Fish was also a very private figure in our midst. The deep love he shared with his wife and family was obvious soon after first meeting him; but the little known, almost spiritual way he approached, planned and prepared for each and every one of his days until he died, whether for legislating, trout fishing or making a favorite soup recipe, being with his grandchildren near his beloved Hudson River or meeting with the famous or not so famous, was astonishing. Hamilton Fish the private man knew each and every day was to be cherished: taken all in all, of limited number and deserving to be filled with actions and thoughts that were positive, moral and strong.

His memory will remain strong for all of us that worked with him. I hope those who are just beginning their lives of public service will take a moment today to think about Hamilton Fish of New York . . . a genuine gift to our nation.●

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

The text of the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, as passed by the Senate on July 22, 1997, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 2158) entitled ''An Act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198); $19,932,997,000, to remain available until expended: Provided, That not to exceed $26,380,000 of the amount appropriated shall be reimbursed to ''General operating expenses'' and ''Medical care'' for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the ''Compensation and pensions'' appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ''Medical facilities revolving fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992 (38 U.S.C. chapter 55).

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,366,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $51,360,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 1998, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $160,437,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $200,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $44,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,278,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $388,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $515,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); $17,026,846,000, plus reimbursements: Provided, That of the funds made available under this heading, $550,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1998, and shall remain available until September 30, 1999.

In addition, contingent on enactment of legislation establishing the Medical Collections Fund, such sums as may be derived pursuant to 38 U.S.C. 1729(g) shall be deposited to such Fund and may be transferred to this account, to remain available until expended for the purposes of this account.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 1999, $267,000,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; $60,160,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8, which shall be transferred from the ''General post fund'': Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000.

In addition, for administrative expenses to carry out the direct loan programs, $54,000, which shall be transferred from the ''General post fund'', as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $786,385,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of three passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $84,183,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $31,013,000.

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING RESCISSION OF FUNDS)

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $4,000,000 or more or where funds for a project were made available in a previous major project appropriation, $92,800,000, to remain available until expended: Provided, That the $32,100,000 provided under this heading in Public Law 104–204 for a replacement hospital at Travis Air Force Base, Fairfield, CA, shall not be obligated for that purpose but shall be available instead to implement the decisions reached as a result of the capital facility recommendations contained in the final report entitled ''Assessment of Veterans Health Care Needs in Northern California,'' (Department of Veterans Affairs Contract No. V101 (93)P–1444): Provided further, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 1998, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1998, and (2) by the awarding of a construction contract by September 30, 1999: Provided further, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93–344): Provided further, That no funds from any other account except the ''Parking revolving fund'', may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $4,000,000; $166,300,000, to remain available until expended, along with unobligated balances of previous ''Construction, minor projects'' appropriations which are hereby made available for any project where the estimated cost is less than $4,000,000: Provided, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe, and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from ''Medical care''.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $80,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERAN CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $10,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1998 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1998 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for ''Construction, major projects'', ''Construction, minor projects'', and the ''Parking revolving fund'') shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the ''Medical care'' account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1998 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1997.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1998 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from ''Compensation and pensions''.

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1998, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the ''General operating expenses'' account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1998, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 1998, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. Section 214(l)(1)(D) of the Immigration and Nationality Act (8 U.S.C. 1184(l)(1)(D)) (as added by section 220 of the Immigration and Nationality Technical Corrections Act of 1994 and redesignated as subsection (l) by section 671(a)(3)(A) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) is amended by inserting before the period at the end the following: '', except that, in the case of a request by the Department of Veterans Affairs, the alien shall not be required to practice medicine in a geographic area designated by the Secretary''.

SEC. 109. None of the funds made available by title I of this Act may be used to provide a locality payment differential which would have the effect of causing a pay increase to any employee that was removed as a Director of a VA Hospital and transferred to another hospital as a result of the Inspector General's conclusion that the employee engaged in verbal sexual harassment and abusive behavior toward female employees.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another head) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $10,119,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, $8,666,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts including, where appropriate, congregate care services associated with the expiring or terminating contracts: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1998: Provided further, That of the total amount provided under this heading, $1,110,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended: Provided further, That of the total amount provided under this heading, $343,000,000 shall be for section 8 rental assistance under the United States Housing Act including assistance to relocate residents of properties (i) that are owned by the Secretary and being disposed of or (ii) that are discontinuing section 8 project-based assistance; for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available in the preceding proviso, $40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 1361l).

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program under the United States Housing Act of 1937, as

amended (42 U.S.C. 1437), $2,500,000,000, to remain available until expended for modernization of existing public housing projects as authorized under section 14 of such Act: Provided, That of the total amount, $30,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing program and for lease adjustments to section 23 projects: Provided further, That of the amount available under this heading, the Secretary of Housing and Urban Development may use up to $60,000,000 for a public and assisted housing self-sufficiency program of which up to $5,000,000 may be used for the Moving to Work Demonstration and up to $5,000,000 may be used for the Tenant Opportunity Program: Provided further, That, for the self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary: Provided further, That all balances, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for the development or acquisition costs of public housing, for modernization of existing public housing projects, for public housing amendments, for public housing modernization and development technical assistance, for lease adjustments under the section 23 program, and for the Family Investment Centers program, shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

(INCLUDING TRANSFER OF FUNDS)

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, including the costs associated with congregate care and supportive services, as amended (42 U.S.C. 1437g), $2,900,000,000, to remain available until expended: Provided, That all balances outstanding, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for payments to public housing agencies for operating subsidies for low-income housing projects, shall be transferred to and merged with amounts made available under this heading.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies, resident organizations, and Indian Tribes and their Tribally designated housing entities (including the cost of necessary travel for participants in such training); $10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development; and $5,000,000 shall be provided to the Office of Inspector General for Operation Safe Home: Provided, That the term ''drug-related crime'', as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, $550,000,000, to remain available until expended, of which the Secretary may use up to $10,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That of the amount made available under this head, $50,000,000 shall be made available, including up to $10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly: Provided further, That no funds appropriated in this title shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, and 1997, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330), $485,000,000, to remain available until expended, of which $5,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to $200,000 for related travel: Provided, That of the amount available under this head, $5,000,000 shall be made available for the credit subsidy cost of guaranteed loans, including the cost of modifying such loans, as authorized under section 601 of the Native American Housing Assistance and Self-Determination Act: Provided further, That these funds are available for the Secretary, in conjunction with Native American groups, Indian tribes and their tribally designated housing entities, for a demonstration on ways to enhance economic growth, access to private capital, and encourage the investment and participation of traditional financial institutions in tribal and other Native American areas: Provided, further: That all balances outstanding as of September 30, 1997, previously appropriated under the headings ''Annual Contributions for Assisted Housing'', ''Development of Additional New Subsidized Housing'', ''Preserving Existing Housing Development'', ''HOME Investment Partnerships Program'', ''Emergency Shelter Grants Program'', and ''Homeless Assistance Funds'', identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas, shall be transferred to and merged with amounts made under this heading.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739) $6,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $73,800,000.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $204,000,000, to remain available until expended.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT

That of any amounts recaptured in excess of $250,000,000 from interest reduction payment contracts for section 236 contracts recaptured during fiscal year 1998, that excess amount shall be available for use in conjunction with properties that are eligible for assistance under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low Income Housing Preservation Act of 1987 (ELIHPA) for projects that are currently eligible for funding, as provided under the VA/HUD Fiscal Year 1997 Appropriations Act: Provided, That the queue shall be reordered so that one project is funded per State using the current order of the funding queue for reordering the queue and 3 projects per HUD region with each project reordered (1) on the basis of

the lowest vacancy rates for the areas where each project is located and, where necessary, (2) using the current order of the funding queue for reordering the queue, where necessary: Provided further, That an owner of eligible low-income housing may prepay the mortgage or request voluntary termination of a mortgage insurance contract, so long as said owner agrees not to raise rents for sixty days after such prepayment: Provided further, that all appraisals of each property in the queue shall be revised to reflect the existing value of the property: Provided further, That, to be eligible, each development shall have been determined to have preservation equity at least equal to the lesser of $5,000 per unit or $500,000 per project or the equivalent of four times the most recently published monthly fair market rent for the areas in which the project is located while considering the appropriate unit size for all of the units in the eligible project: Provided further, That the Secretary may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge for projects assisted under section 236 of the National Housing Act, for the purpose of preserving the low- and moderate-income character of the housing: Provided further, That, notwithstanding any other provision of law, subject to the availability of appropriated funds, each low-income family or moderate income family who is elderly or disabled or is residing in a low-vacancy area, residing in the housing on the date of prepayment or voluntary termination, and whose rent, as a result of a rent increase occurring no later than one year after the date of the prepayment, exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay no less for rent than it paid on such date: Provided further, That any family receiving tenant-based assistance under the preceding proviso may elect (1) to remain in the unit of the housing and if the rent exceeds the fair market rent or payment standard, if applicable, the rent shall be deemed to be the applicable standard, so long as the administering public housing agency finds that the rent is reasonable in comparison with rents charged for comparable unassisted housing units in the market or (2) to move from the housing and the rent will be subject to the fair market or the payment standard, as applicable, under existing program rules and procedures: Provided further, That the tenant-based assistance made available under the preceding two provisos are in lieu of benefits provided under subsections 223 (b), (c), and (d) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990: Provided further, That any sales shall be funded using the capital grant available under subsections 220(d)(3)(A) of LIHPRHA: Provided further, That any extensions shall be funded using a non-interest-bearing capital (direct) loan by the Secretary not in excess of the amount of the cost of rehabilitation approved in the plan of action plus 65 percent of the property's preservation equity and under such other terms and conditions as the Secretary may prescribe: Provided further, That any capital grant or capital loan, including rehabilitation costs, shall be limited to four times the fair market rent for fiscal year 1998 for the area in which the project is located, using the appropriate apartment sizes: Provided further, That section 241(f) of the National Housing Act is repealed and insurance under such section shall not be offered as an incentive under LIHPHRA and ELIPHA: Provided further, That notwithstanding any other provision of law, the Secretary shall, at the request of an owner or a priority purchaser, approve a one-time rent increase of up to 10 percent: Provided further, That notwithstanding any other provision of law, priority purchasers may utilize assistance under the Community Development Block Grant program, the HOME Investment Partnerships Act or the Low Income Housing Tax Credit: Provided further, That projects with approved plans of action may submit revised plans of action which conform to these requirements by March 15, 1998, and retain the new priority for funding under these provisos.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the ''Act'' herein) (42 U.S.C. 5301), $4,600,000,000, to remain available until September 30, 2000: Provided, That $67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of the Act; $2,100,000 shall be available as a grant to the Housing Assistance Council; $1,500,000 shall be available as a grant to the National American Indian Housing Council; $30,000,000 shall be for grants pursuant to section 107 of such Act; $12,000,000 shall be for the Community Outreach Partnership program; $30,000,000 shall be made available for ''Capacity Building for Community Development and Affordable Housing,'' as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103–120) with not less than $10,000,000 of the funding to be used in rural areas, including tribal areas: Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for ''Planning and Management Development'' and ''Administration'' as defined in regulations promulgated by the Department.

Of the amount made available under this heading, notwithstanding any other provision of law, $35,000,000 shall be available for youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading. Local youthbuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for youthbuild funding.

Of the amount made available under this heading, notwithstanding any other provision of law, $60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.

Of the amounts made available under this heading, $30,000,000 shall be available for the New Approach Anti-Drug program for competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing development for low-income families supported by non-Federal Governmental entities or similar housing developments supported by nonprofit private sources; to reimburse local law enforcement entities for additional police presence in and around such housing developments; to provide or augment such security services by other entities or employees of the recipient agency; to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments; and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That such grants be made on a competitive basis as specified in section 102 of the HUD Reform Act.

Of the amounts made available under this heading $42,000,000 shall be available for the Secretary, in consultation with the Secretary of Agriculture, to make grants, not to exceed $7,000,000 each, for rural and tribal areas, including at least one Native American area in Alaska, to test out comprehensive approaches to developing a job base through economic development, developing affordable low- and moderate-income rental and homeownership housing, and the investment of both private and nonprofit capital.

Of the amounts made available under this heading, $40,000,000 for the Economic Development Initiative (EDI) to finance a variety of efforts, including those identified in the Senate committee report, that promote economic revitalization that links people to jobs and supportive services. Failure to fund any project identified for EDI funds in the Senate committee report shall result in all funding under this paragraph to be allocated as funding under the Community Development Block Grant Program as authorized under title I of the Housing and Community Development Act of 1974, as amended.

For the cost of guaranteed loans, $29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act. In addition, for administrative expenses to carry out the guaranteed loan program, $1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

For grants to Empowerment Zones and Enterprise Communities, to be designated by the Secretary of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities, $25,000,000, to remain available until expended.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,400,000,000, to remain available until expended: Provided, That up to $7,000,000 shall be available for the development and operation of integrated community development management information systems: Provided further, That $20,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

SUPPORTIVE HOUSING PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389 and prior laws for the Supportive Housing Demonstration Program, as authorized by the Stewart B. McKinney Homeless Assistance Act, $6,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

SHELTER PLUS CARE

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389 and prior laws for the Shelter Plus Care program, as authorized by the Stewart B. McKinney Homeless Assistance Act, $4,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney

Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $823,000,000, to remain available until expended: Provided further, That any unobligated balances available or recaptures in, or which become available in the Emergency Shelter Grants Program account, Supportive Housing Program account, Supplemental Assistance for Facilities to Assist the Homeless account, Shelter Plus Care account, Innovative Homeless Initiatives Demonstration Program account and Section 8 Moderate Rehabilitation (SRO) account, shall be transferred to and merged with the amounts in this account and shall be used for purposes under this account.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), not otherwise provided for, $839,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, $645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate: Provided further, That all obligated and unobligated balances remaining in either the ''Annual Contributions for Assisted Housing'' account or the ''Development of Additional New Subsidized Housing'' account for capital advances, including amendments to capital advances, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly, under section 202(c)(2) of such Act, shall be transferred to and merged with the amounts for those purposes under this heading; and, all obligated and unobligated balances remaining in either the ''Annual Contributions for Assisted Housing'' account or the ''Development of Additional New Subsidized Housing'' account for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzales National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized under section 811 of such Act, shall be transferred to and merged with the amounts for those purposes under this heading.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z–1) is reduced in fiscal year 1998 by not more than $7,350,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts: Provided, That up to $125,000,000 of recaptured budget authority shall be canceled.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1997, and any collections made during fiscal year 1998, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1998, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000.

During fiscal year 1998, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $200,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $333,421,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $326,309,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $12,112,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $81,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $17,400,000,000: Provided further, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed $120,000,000; of which not to exceed $100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $222,305,000, of which $218,134,000, including $25,000,000 for the enforcement of housing standards on FHA-insured multifamily projects, shall be transferred to the appropriation for departmental salaries and expenses; and of which $4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1998, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $130,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $9,383,000, to be derived from the Ginnie Mae-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $9,383,000 shall be transferred to the appropriation for salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $34,000,000, to remain available until September 30, 1999.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $30,000,000, to remain available until September 30, 1999, of which $10,000,000 shall be to carry out activities pursuant to such section 561. No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $954,826,000, of which $544,443,000 shall be provided from the various funds of the Federal Housing Administration, $9,383,000 shall be provided from funds of the Government National Mortgage Association, and $1,000,000 shall be provided from the ''Community Development Grants Program'' account.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector

General Act of 1978, as amended, $57,850,000, of which $16,283,000 shall be provided from the various funds of the Federal Housing Administration and $5,000,000 shall be provided from the amount earmarked for Operation Safe Home in the ''Drug Elimination Grants for Low Income Housing'' account.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $15,500,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: Provided, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than $0.

ADMINISTRATIVE PROVISIONS

EXTENDERS

SEC. 201. (a) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—Section 1002(d) of Public Law 104–19 is amended by striking ''1997'' and inserting ''1998''.

(b) STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is amended by striking ''fiscal years 1996 and 1997'' and inserting ''fiscal years 1996, 1997, and 1998''.

(c) SECTION 8 RENT ADJUSTMENTS.—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence, by striking ''fiscal year 1997'' and inserting ''fiscal years 1997 and 1998'';

(2) in the last sentence, by striking ''fiscal year 1997'' and inserting ''fiscal years 1997 and 1998''.

(3) in the fourth sentence, by striking ''For'' and inserting ''Except for assistance under the certificate program, for'';

(4) after the fourth sentence, by inserting the following new sentence: ''In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area.''; and

(5) in the last sentence, by—

(A) striking ''sentence'' and inserting ''two sentences''; and

(B) inserting '', fiscal year 1996 prior to April 26, 1996, and fiscal year 1997'' after ''1995''.

(d) PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS AND PREFERENCES.—

(1) Section 402(a) of The Balanced Budget Downpayment Act, I is amended by striking ''fiscal year 1997'' and insert in lieu thereof ''fiscal year 1998''.

(2) Section 402(f) of The Balanced Budget Downpayment Act, I is amended by striking ''fiscal years 1996 and 1997'' and inserting in lieu thereof ''fiscal years 1997 and 1998''.

DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES

SEC. 202. Section 403(c) of The Balanced Budget Downpayment Act, I is amended—

(1) by striking ''fiscal years 1996 and 1997'' and inserting ''fiscal years 1996, 1997, and 1998''; and

(2) by inserting before the semicolon the following: ''and October 1, 1998 for assistance made available during fiscal year 1998''.

FINANCING ADJUSTMENT FACTORS

SEC. 203. Fifty per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

ANNUAL ADJUSTMENT FACTORS

SEC. 204. Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended by inserting the following new sentences at the end: ''In establishing annual adjustment factors for units in new construction and substantial rehabilitation projects, the Secretary shall take into account the fact that debt service is a fixed expense. The immediately foregoing sentence shall be effective only during fiscal year 1998.''.

COMMUNITY DEVELOPMENT BLOCK GRANT

SEC. 205. Notwithstanding any other provision of law, the $7,100,000 appropriated for an industrial park at 18th Street and Indiana Avenue shall be made available by the Secretary instead to 18th and Vine for rehabilitation and infrastructure development associated with the ''Negro Leagues Baseball Museum'' and the Jazz Museum.

FAIR HOUSING AND FREE SPEECH

SEC. 206. None of the amounts made available under this Act may be used during fiscal year 1998 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

REQUIREMENT FOR HUD TO MAINTAIN PUBLIC NOTICE AND COMMENT RULEMAKING

SEC. 207. Notwithstanding any other provision of law, for fiscal year 1998 and for all fiscal years thereafter, the Secretary of Housing and Urban Development shall maintain all current requirements under part 10 of the Department of Housing and Urban Development's regulations (24 CRS part 10) with respect to the Department's policies and procedures for the promulgation and issuance of rules, including the use of public participation in the rulemaking process.

BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY

SEC. 208. States and entitlement communities may use funds allocated under the community development block grant program under title I of the Housing and Community Development Act of 1974 for remediation and development activities related to brownfields projects in conjunction with the appropriate environmental regulatory agencies.

PARTIAL PAYMENT OF CLAIMS ON HEALTH CARE FACILITIES

SEC. 209. Section 541(a) of the National Housing Act is amended—

(1) in the section heading, by adding ''AND HEALTH CARE FACILITIES'' AT THE END; AND

(2) in subsection (a)—

(A) by inserting ''or a health care facility (including a nursing home, intermediate care facility, or board and care home (as those terms are defined in section 232), a hospital (as that term is defined in section 242), or a group practice facility (as that term is defined in section 1106)'' after ''1978''; and

(B) by inserting ''or for keeping the health care facility operational to serve community needs,'' after ''character of the project,''.

FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. 210. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) in subsection (b)(5) by adding before the period at the end of the first sentence '', and not more than an additional 15,000 units over fiscal year 1998''; and

(2) in the first sentence of subsection (c)(4) inserting after ''fiscal year 1997'' the following: ''and not more than an additional 15,000 units during fiscal year 1998.''.

CALCULATION OF DOWNPAYMENT

SEC. 211. Section 203(b) of the National Housing Act is amended by striking ''fiscal year 1997'' in paragraph (10)(A) and inserting in lieu thereof ''fiscal year 1997 and thereafter''.

SECTION 8 MARK-TO-MARKET MULTIFAMILY HOUSING REFORM

SEC. 212. Subtitle B, the Multifamily Assisted Housing Reform and Affordability Act of 1997'', of title II of S. 947, the Balanced Budget Act of 1997, as passed by the Senate on June 25, 1997, is incorporated by reference in this bill, the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1998.

HOPE VI NOFA

SEC. 213. Notwithstanding any other provision of law, including the July 22, 1996 Notice of Funding Availability (61 Fed. Reg. 38024), the demolition of units at developments funded under the Notice of Funding Availability shall be at the option of the New York City Housing Authority and the assistance awarded shall be allocated by the public housing agency among other eligible activities under the HOPE VI program and without the development costs limitations of the Notice, provided that the public housing agency shall not exceed the total cost limitations for the public housing agency, as provided by the Department of Housing and Urban Development.

ENHANCED DISPOSITION AUTHORITY

SEC. 214. Section 204 of the Department of Veterans Affairs and Housing and Urban Development, and independent Agencies Appropriations Act, 1997 is amended by inserting after ''owned by the Secretary'' the following: '', including, for fiscal year 1998, the provision of grants and loans from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation or demolition.

HOME PROGRAM FORMULA

SEC. 215. The first sentence of section 217(b)(3) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking ''only those jurisdictions that are allocated an amount of $500,000 or greater shall receive an allocation'' and inserting in lieu thereof the following: ''jurisdictions that are allocated an amount of $500,000 or more, and participating jurisdictions (other than consortia that fail to renew the membership of all of their member jurisdictions) that are allocated an amount less than $500,000, shall receive an allocation''.

INDIAN HOUSING REFORM

SEC. 216. Upon a finding by the Secretary of Housing and Urban Development that any person has substantially, significantly, or materially violated the requirements of any activity under the Native American Housing Block Grants Program under title I of the Native American Self-Determination Act of 1996 or any associated activity under the jurisdiction of the Department of Housing and Urban Development, the Secretary shall bar that person from any such participation in programs under that title thereafter and shall require reimbursement for any losses or costs associated with these violations.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; $23,897,000, to remain available until expended: Provided, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: Provided further, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: Provided further, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $4,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $45,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the ''Corporation'') in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the ''Act'') (42 U.S.C. 12501 et seq.), $420,500,000, to remain available until September 30, 1999: Provided, That not more than $25,000,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)): Provided further, That not more than $2,500 shall be for official reception and representation expenses: Provided further, That not more than $59,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601 et seq.): Provided further, That not more than $215,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the Americorps program), of which not more than $40,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than $5,500,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That to the maximum extent feasible, funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: Provided further, That not more than $18,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): Provided further, That not more than $43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): Provided further, That not more than $30,000,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That $20,000,000 shall be available for the America Reads Initiative: Provided further, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): Provided further, That no funds from any other appropriation, or from funds otherwise made available to the Corporation, shall be used to pay for personnel compensation and benefits, travel, or any other administrative expense for the Board of Directors, the Office of the Chief Executive Officer, the Office of the Managing Director, the Office of the Chief Financial Officer, the Office of National and Community Service Programs, the Civilian Community Corps, or any field office or staff of the Corporation working on the National and Community Service or Civilian Community Corps programs: Provided further, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $3,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251–7298, $9,320,000, of which $790,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set fourth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,815,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $600,000,000, which shall remain available until September 30, 1999.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,801,000,000, which shall remain available until September 30, 1999.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $28,500,000, to remain available until September 30, 1999.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $19,420,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $1,400,000,000 (of which $100,000,000 shall not become available under September 1, 1998), to remain available until expended, consisting of $1,150,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101–508: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That $11,641,000 of the funds appropriated under this heading shall be transferred to the ''Office of Inspector General'' appropriation to remain available until September 30, 1999: Provided further, That notwithstanding section 111(m) of CERCLA or any other provision of law, $68,000,000 of the funds appropriated under

this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: Provided further, That $35,000,000 of the funds appropriated under this heading shall be transferred to the ''Science and Technology'' appropriation to remain available until September 30, 1999: Provided further, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1998.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $65,000,000, to remain available until expended: Provided, That no more than $7,500,000 shall be available for administrative expenses.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended: Provided, That not more than $8,500,000 of these funds shall be available for administrative expenses.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $3,047,000,000, to remain available until expended, of which $1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and $725,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended; $100,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; $50,000,000 for grants to the State of Texas for the purpose of improving wastewater treatment for colonias; $15,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages as provided by section 303 of Public Law 104–182; $82,000,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the report accompanying this Act; and $725,000,000 for grants to States, federally recognized tribes, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities pursuant to the provisions set forth under this heading in Public Law 104–134, including grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: Provided, That notwithstanding any other provision of law, hereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the State match for either SRF program provided that revenues from the bonds are allocated for the purposes of the Safe Drinking Water Act and title VI of the Federal Water Pollution Control Act, respectively, in the same portion as the funds are used as security for the bonds: Provided further, That, hereafter from funds appropriated under this heading, the Administrator is authorized to make grants to federally recognized Indian governments for the development of multimedia environmental programs: Provided further, That, hereafter, the funds available under this heading for grants to States, federally recognized tribes, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities may also be used for the direct implementation by the Federal Government of a program required by law in the absence of an acceptable State or tribal program: Provided further, That, notwithstanding any other provision of law, the Administrator is authorized to make a grant of $4,326,000 under title II of the Federal Water Pollution Control Act, as amended, from funds appropriated in prior years under section 205 of the Act for the State of Florida and available due to deobligation, to the appropriate instrumentality for wastewater treatment works in Monroe County, Florida.

WORKING CAPITAL FUND

Under this heading in Public Law 104–204, delete the following: the phrases, ''franchise fund pilot to be known as the''; ''as authorized by section 403 of Public Law 103–356,''; and ''as provided in such section''; and the final proviso. After the phrase, ''to be available'', insert ''without fiscal year limitation''.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $4,932,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, $2,436,000: Provided, That, notwithstanding any other provision of law, no funds other than those appropriated under this heading, shall be used for or by the Council on Environmental Quality and Office of Environmental Quality.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $34,265,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $320,000,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended: Provided, That none of the funds appropriated for the Federal Emergency Management Agency may be used to perform repair, replacement, reconstruction, or restoration activities with respect to (1) trees and other natural features belonging to State and local governments that are located within parks and recreational facilities, as well as on the grounds of other publicly-owned property; or (2) parks, recreational areas, marinas, golf courses, stadiums, arenas or other similar facilities which generate any portion of their operational revenue through user fees, rents, admission charges, or similar fees.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,495,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $341,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, $171,773,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $4,803,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, $207,146,000: Provided, That for purposes of predisaster mitigation pursuant to 42 U.S.C. 5131 (b) and (c) and 42 U.S.C. 5196 (e) and (i), $5,000,000 of the funds made available under this heading shall be available until expended for project grants for State and local governments.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended, $100,000,000: Provided, That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and the National Flood Insurance Reform Act of 1994, not to exceed $21,610,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 1999. In fiscal year 1998, no funds in excess of (1) $47,000,000 for operating expenses, (2) $375,165,000 for agents' commissions and

taxes, and (3) $50,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1998, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a methodology for assessment and collection of fees to be assessed and collected beginning in fiscal year 1998 applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1998 shall approximate, but not be less than, 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable, and shall reflect the full amount of costs of providing radiological emergency planning, preparedness, response and associated services. Such fees shall be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. Assessment and collection of such fees are only authorized during fiscal year 1998.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,419,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1998 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts: Provided further, That notwithstanding any other provision of law, the Consumer Information Center may accept and deposit to this account, during fiscal year 1998 and hereafter, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials and undertaking other consumer information activities; may expend those gifts for those purposes, in addition to amounts appropriated or otherwise made available; and the balance shall remain available for expenditure for such purpose.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,326,500,000, to remain available until September 30, 1999: Provided, That of the amount appropriated or otherwise made available by this heading, $1,000,000 may be available for the Neutral Buoyancy Simulator program.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,642,000,000, to remain available until September 30, 1999.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles; $2,503,200,000, to remain available until September 30, 1999.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $18,300,000.

ADMINISTRATIVE PROVISIONS

Notwithstanding the limitation on the availability of funds appropriated for ''Human space flight'', ''Science, aeronautics and technology'', or ''Mission support'' by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in ''Mission support'' pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for ''Human space flight'', ''Science, aeronautics and technology'', or ''Mission support'' by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2000.

Notwithstanding the limitation on the availability of funds appropriated for ''Mission support'' and ''Office of Inspector General'', amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1998 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

Of the funds provided to the National Aeronautics and Space Administration in this Act, the Administrator shall by November 1, 1998, make available no less than $400,000 for a study by the National Research Council, with an interim report to be completed by June 1, 1998, that evaluates, in terms of the potential impact on the Space Station's assembly schedule, budget, and capabilities, the engineering challenges posed by extravehicular activity (EVA) requirements, United States and non-United States space launch requirements, the potential need to upgrade or replace equipment and components after assembly complete, and the requirement to decommission and disassemble the facility.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1998, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 1998 shall not exceed $203,000.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; $2,524,700,000, of which not to exceed $228,530,000 shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 1999: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: Provided further, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That $40,000,000 of the funds available under this heading shall be made available for a comprehensive research initiative on plant genomes, including the corn genome: Provided further, That $359,000,000 of the funds available under this heading shall not be made available for initiatives in Knowledge and Distributed Intelligence and Life and Earth's Environment until the agency submits appropriate milestones to be achieved by the initiatives in fiscal year 1998.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $85,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $625,500,000, to remain available until September 30, 1999: Provided, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the

General Services Administration for security guard services and headquarters relocation; $136,950,000: Provided, That contracts may be entered into under ''Salaries and expenses'' in fiscal year 1998 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $4,850,000, to remain available until September 30, 1999.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $50,000,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; and not to exceed $1,000 for official reception and representation expenses; $23,413,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: Provided further, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A–21.

SEC. 417. Such sums as may be necessary for fiscal year 1998 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1998 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1998 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

SEC. 421. Such funds as may be necessary to carry out the orderly termination of the Office of Consumer Affairs shall be made available from funds appropriated to the Department of Health and Human Services for fiscal year 1998.

AMERICORPS STUDENT LOAN REPAYMENT

SEC. 422. Not withstanding any other provision of law, the term ''qualified student loan'' with respect to national service education awards shall mean any loan made directly to a student and certified through an institution of higher education as necessary to assist the student in paying the cost of attendance, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SENSE OF THE SENATE CONCERNING CATASTROPHIC NATURAL DISASTERS

SEC. 423. (a) FINDINGS.—The Senate finds that—

(1) catastrophic natural disasters are occurring with great frequency, a trend that is likely to continue for several decades according to prominent scientists;

(2) estimated damage to homes, buildings, and other structures from catastrophic natural disasters has totaled well over $100,000,000,000 during the last decade, not including the indirect costs of the disasters such as lost productivity and economic decline;

(3) the lack of adequate planning for catastrophic natural disasters, coupled with inadequate private insurance, has led to increasing reliance on the Federal Government to provide disaster relief, including the appropriation of $40,000,000,000 in supplemental funding since 1989;

(4) in the foreseeable future, a strong likelihood exists that the United States will experience a megacatastrophe, the impact of which would cause widespread economic disruption for homeowners and businesses and enormous cost to the Federal Government; and

(5) the Federal Government has failed to anticipate catastrophic natural disasters and take comprehensive action to reduce their impact.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should consider legislation that embodies the following principles:

(1) Persons who live in areas at risk of natural disaster should assume a practical level of personal responsibility for the risks through private insurance.

(2) The insurance industry, in partnership with the Federal Government and other private sector entities, should establish new mechanisms for the spreading of the risk of catastrophes that minimize the involvement and liability of the Federal Government.

(3) A partnership should be formed between the private sector and government at all levels to encourage better disaster preparation and respond quickly to the physical and financial impacts of catastrophic natural disasters.

SEC. 424. It is the sense of the Senate that Congress should appropriate for the Department of Veterans Affairs for discretionary activities in each of fiscal years 1999 through 2002 an amount equal to the amount required by the Department in such fiscal year for such activities.

SEC. 425. (a) Not later than 60 days after enactment of this Act, the Senate Committee on Veterans' Affairs shall hold one or more hearings to consider legislation which would add the following diseases at the end of section 1112(c)(2) of title 38, United States Code:

(1) Lung cancer.
(2) Bone cancer.
(3) Skin cancer.
(4) Colon cancer.
(5) Kidney cancer.
(6) Posterior subcapsular cataracts.
(7) Non-malignant thyroid nodular disease.
(8) Ovarian cancer.
(9) Parathyroid adenoma.
(10) Tumors of the brain and central nervous system.
(11) Rectal cancer.

(b) Not later than 30 days after enactment of this Act, the Congressional Budget Office shall provide to the Senate Committee on Veterans' Affairs and the Senate Appropriations Committee an estimate of the cost of the provision contained in subsection (a).

This Act may be cited as the ''Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998''.

NATIONAL GEOLOGIC MAPPING REAUTHORIZATION ACT OF 1997

Mr. COCHRAN. I ask unanimous consent that the Energy Committee be discharged from further consideration of H.R. 709 and, further, that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 709) to reauthorize and amend the National Geologic Mapping Act of 1992, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill appear at this point in the RECORD.

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

The bill (H.R. 709) was considered read the third time, and passed.

TAXPAYER BROWSING PROTECTION ACT

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 39, H.R. 1226.

The PRESIDING OFFICER. Without objection, the clerk will report.

A bill (H.R. 1226) to amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

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

The bill (H.R. 1226) was considered read the third time, and passed.

OAS-CIAV MISSION IN NICARAGUA

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 114, S. Con. Res. 40.

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

The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 40) expressing the sense of the Congress regarding OAS-CIAV Mission in Nicaragua.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table and that any statements relating to the resolution appear at this point in the RECORD.

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

The concurrent resolution (S. Con. Res. 40) was agreed to, as follows:

S. CON. RES. 40

Whereas the International Support and Verification Commission of the Organization of American States (in this resolution referred to as the ''OAS–CIAV'') was established in the August 7, 1989, Tela Accords by the presidents of the Central American countries and by the Secretaries General of the United Nations and the Organization of American States for the purpose of ending the Nicaraguan war and reintegrating members of the Nicaraguan Resistance into civil society;

Whereas the OAS–CIAV, originally comprised of 53 unarmed Latin Americans, successfully demobilized 22,500 members of the Nicaraguan Resistance and distributed food and humanitarian assistance to more than 119,000 repatriated Nicaraguans prior to July 1991;

Whereas the OAS–CIAV provided seeds, starter plants, and fertilizer to more than 17,000 families of demobilized combatants;

Whereas the OAS–CIAV assisted former Nicaraguan Resistance members in the construction of nearly 3,000 homes for impoverished families, 45 schools, 50 health clinics, and 25 community multi-purpose centers, as well as the development of microenterprises;

Whereas the OAS–CIAV assisted rural communities with the reparation of roads, development of potable water sources, veterinary and preventative medical training, raising basic crops, cattle ranching, and reforestation;

Whereas the OAS–CIAV, together with the Pan-American Health Organization (PAHO), trained local paramedics to staff 22 health posts in the Atlantic and Pacific regions of Nicaragua and provided medical supplies to treat mothers, young children, and cholera patients, among others, in a five-month program that benefited nearly 50,000 Nicaraguans;

Whereas the OAS–CIAV, with 15 members under a new mandate effective June 9, 1993, has investigated and documented more than 1,800 human rights violations, including 653 murders and has presented these cases to Nicaraguan authorities, following and advocating justice in each case;

Whereas the OAS–CIAV has demobilized 20,745 rearmed contras and Sandinistas, as well as apolitical criminal groups, and recently brokered and mediated the successful

May 1997 negotiations between the Government of Nicaragua and the largest rearmed group;

Whereas the OAS–CIAV has resolved hostage crises successfully, including the 1993 abductions of UNO party Congressmen, the Vice President and the French military attache, and the 1996 kidnappings of an Agency for International Development contractor and 28 Supreme Electoral Council employees;

Whereas the OAS–CIAV created 86 peace commissions and has provided assistance and extensive training in human rights and alternative dispute resolution for their members, who are currently mediating conflicts, including kidnappings and demobilization of rearmed groups, in every municipality of the zones of conflict;

Whereas the OAS–CIAV assistance and training by the OAS–CIAV of rural Nicaraguans has led to a decrease in violence in the zones of conflict since 1994, in some areas as much as 85 percent;

Whereas the OAS–CIAV has assisted children wounded by land mines;

Whereas the OAS–CIAV has provided assistance to disabled war veterans and widows of combatants;

Whereas the OAS–CIAV provided and distributed 44,010 birth certificates to rural Nicaraguans in early 1996, allowing them to participate in the 1996 presidential and parliamentary elections; and

Whereas the OAS–CIAV provided transportation to and communication with remote areas or areas of conflict, assuring a secure climate for voter registration and the elections: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Senate—

(1) commends and congratulates Santiago Murray and Sergio Caramagna, the first and current directors, respectively, of the OAS–CIAV and all members of the OAS–CIAV team for their tireless defense of human rights, promotion of peaceful conflict resolution, and contribution to the development of freedom and democracy in Nicaragua; and

(2) expresses its support for the continuation of the role of the Organization of American States (OAS) in Nicaragua described in the resolution passed by the OAS General Assembly in Lima, Peru, on June 4, 1997.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such resolution to the Secretary General of the Organization of American States.

RELATIVE TO THE SITUATION ON CYPRUS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 115, Senate Concurrent Resolution 41.

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

The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 41) calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at this point in the RECORD.

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

The concurrent resolution (S. Con. Res. 41) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 41

Whereas the Republic of Cyprus has been divided and occupied by foreign forces since 1974 in violation of United Nations resolutions;

Whereas the international community, Congress, and successive United States administrations have called for an end to the status quo on Cyprus, considering that it perpetuates an unacceptable violation of international law and fundamental human rights affecting all the people of Cyprus, and undermines significant United States interests in the Eastern Mediterranean region;

Whereas the international community and the United States Government have repeatedly called for the speedy withdrawal of all foreign forces from the territory of Cyprus;

Whereas there are internationally acceptable means to resolve the situation in Cyprus, including the demilitarization of Cyprus and the establishment of a multinational force to ensure the security of both communities in Cyprus;

Whereas during the past year tensions in Cyprus have dramatically increased, with violent incidents occurring along cease-fire lines at a level not reached since 1974;

Whereas recent events in Cyprus have heightened the potential for armed conflict in the region involving two North Atlantic Treaty Organization (NATO) allies, Greece and Turkey, which would threaten vital United States interests in the already volatile Eastern Mediterranean area and beyond;

Whereas a peaceful, just, and lasting solution to the Cyprus problem would greatly benefit the security, and the political, economic, and social well-being of all Cypriots, as well as contribute to improved relations between Greece and Turkey;

Whereas a lasting solution to the Cyprus problem would also strengthen peace and stability in the Eastern Mediterranean and serve important interests of the United States;

Whereas the United Nations has repeatedly stated the parameters for such a solution, most recently in United Nations Security Council Resolution 1092, adopted on December 23, 1996, with United States support;

Whereas the prospect of the accession by Cyprus to the European Union, which the United States has actively sup- ported, could serve as a catalyst for a solution to the Cyprus problem;

Whereas President Bill Clinton has pledged that in 1997 the United States will ''play a heightened role in promoting a resolution in Cyprus''; and

Whereas United States leadership will be a crucial factor in achieving a solution to the Cyprus problem, and increased United States involvement in the search for this solution will contribute to a reduction of tension on Cyprus: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) reaffirms its view that the status quo on Cyprus is unacceptable and detrimental to the interests of the United States in the Eastern Mediterranean and beyond;

(2) considers that lasting peace and stability on Cyprus could be best secured by—

(A) a process of complete demilitarization leading to the withdrawal of all foreign occupation forces;

(B) the cessation of foreign arms transfers to Cyprus; and

(C) the provision of alternative internationally acceptable and effective security arrangements with guaranteed rights for both communities as negotiated by the parties;

(3) welcomes and supports the commitment by President Clinton to give increased attention to Cyprus and to make the search for a solution a priority of United States foreign policy, as witnessed by the appointment of Ambassador Richard Holbrooke as Special Presidential Emissary for Cyprus; and

(4) calls upon the parties to lend their full support and cooperation to United States, United Nations, and other international efforts to promote an equitable and speedy resolution of the Cyprus problem—

(A) on the basis of international law, the provisions of relevant United Nations Security Council resolutions, and democratic principles, including respect for human rights; and

(B) in accordance with the norms and requirements for accession to the European Union.

Mr. BIDEN. I rise to congratulate the Senate on having adopted Senate Concurrent Resolution 41, which calls for a United States initiative seeking a just and peaceful resolution on the situation on Cyprus.

Senator SMITH of Oregon and I submitted this resolution last week in the Committee on Foreign Relations, where it received speedy and favorable action. I applaud my colleagues for having adopted the resolution today.

For 23 years Cyprus has been divided, with the northern part occupied by Turkish troops, and the southern part home to the Greek Cypriot community. Tensions remain high, and since Cyprus has become one of the most heavily armed places in the world, the possibility for serious hostilities is high. So, Mr. President, it is clear that the status quo on Cyprus is detrimental to U.S. interests in the volatile Eastern Mediterranean region.

The resolution declares that lasting peace and stability on Cyprus could best be served by complete demilitarization leading to the withdrawal of all foreign occupation forces, the cessation of foreign arms transfers to Cyprus, and the provision of alternative internationally acceptable and effective security arrangements with guaranteed rights for both communities as negotiated by the parties.

The resolution also welcomes and supports President Clinton's commitment to give increased attention to Cyprus as witnessed by Ambassador Holbrook's appointment as Special Presidential Emissary for Cyprus.

Finally, the resolution calls upon the parties to lend their full support and cooperation to United States, United Nations, and other international efforts to promote an equitable and speedy resolution of the Cyprus problem on the basis of international law,

relevant U.N. Security Council resolutions, and democratic principles, including respect for human rights, and in accordance with the norms and requirements for accession to the European Union.

This last item is important, Mr. President, giving the naming earlier this month of Cyprus to the first group of candidate countries for final membership negotiations with the European Union, along with Poland, the Czech Republic, Hungary, Slovenia, and Estonia.

Mr. President, the intolerable situation on Cyprus must be changed. Face to face negotiations between the two parties have resumed, and there are some grounds for optimism. I hope that this resolution will serve to energize the parties to come to a just and lasting agreement.

I thank the Chair and yield the floor.

ORDERS FOR THURSDAY, JULY 24, 1997

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:45 a.m. on Thursday, July 24. I further ask that on Thursday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate immediately resume consideration of S. 1033, the Agriculture appropriations bill.

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

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, tomorrow, the Senate will resume consideration of S. 1033, the Agriculture appropriations bill. By previous consent, there will be 10 minutes of debate, equally divided, between Senator COCHRAN and Senator WELLSTONE on the Wellstone amendment regarding school breakfast. Also by consent, at 10 a.m., the Senate will proceed to a series of rollcall votes on the remaining amendments to the agriculture appropriations bill, including final passage. Following disposition of the agriculture appropriations bill, it is the intention of the majority leader that the Senate proceed to the consideration of the transportation appropriations bill. Therefore, Members can anticipate rollcall votes throughout Thursday's session of the Senate.

ADJOURNMENT UNTIL 9:45 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:26 p.m., adjourned until Thursday, July 24, 1997, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1997:

DEPARTMENT OF STATE

WILLIAM F. WELD, OF MASSACHUSETTS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO MEXICO.

EXECUTIVE OFFICE OF THE PRESIDENT

RITA D. HAYES, OF SOUTH CAROLINA, TO BE DEPUTY UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, VICE WILLIAM BOOTH GARDNER, RESIGNED.

EXTENSIONS OF REMARKS

FEDERAL FACILITIES CLEAN WATER COMPLIANCE ACT

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. DEFAZIO. Mr. Speaker, today I'm re-introducing the Federal Facilities Clean Water Compliance Act (H.R. 2222). This legislation, which I first introduced in 1993, would subject Federal facilities to the same requirements under the Clean Water Act, as private facilities.

Five years ago, Congress overwhelmingly enacted the Federal Facilities Compliance Act. This act has become a major enforcement tool in cleaning up waste at military and civilian sites around the Nation. But few people realize it only applies to solid wastes. Liquid discharges into surface water at Federal facilities are completely exempt from enforcement actions under the law. Under this indefensible double standard, the Federal Government gets off scot-free for the same violations for which private companies and local government are slapped with fines of $25,000 each day.

At the Hanford Nuclear Reservation in the Pacific Northwest, hundreds of billions of gallons of contaminated wastewater were discharged directly into the Columbia River. More than 400 billion gallons of liquid waste have been discharged into the soil, contaminating over 200 square miles of ground water with radioactive and chemical wastes. This contamination is slowing inching toward, and in some cases has already reached, the Columbia River.

In December 1991, following a 3-year, billion-dollar start-up effort, the Department of Energy's [DOE] ''K'' Reactor at the Savannah River Site in South Carolina discharged thousands of curies of contaminated cooling water into the Savannah River. As a result, a number of drinking water plants, food processors, and oyster beds on the river had to be shut down until the tritium concentrations diminished.

It was not the first time radioactive pollutants had been dumped into the river. DOE records indicate that more than 3.5 million curies of tritium had been released from the site since 1984.

In Texas, the DOE has admitted to discharging waste from its Pantex Plant into nearby Playa Lakes. In Ohio, the DOE has dumped over one-half million pounds of uranium into the air and water from its Fernald Plant, located 20 miles northwest of Cincinnati. Drinking wells south of the Fernald plant are contaminated with radioactivity at levels as much as 250 times higher than limits set by the Environmental Protection Agency [EPA].

One startling fact highlighted by all of these tragic spills is that radioactive discharges from Federal facilities are not regulated under the Clean Water Act [CWA]. Neither the EPA nor individual States can set or enforce discharge limits for Federal facilities that dump nuclear waste into our streams and rivers.

Although the CWA defines a pollutant as ''radioactive material'' and requires DOE and other Federal agencies to comply with the CWA in the same manner and to the same extent as private individuals, the language doesn't have much backbone. A 1976 Supreme Court decision, Train versus Colorado PIRG, ruled that the CWA's definition of pollutant does not clearly indicate whether Congress intended the CWA to apply to radioactive materials regulated under the Atomic Energy Act—namely ''source,'' ''special nuclear,'' and ''by-product'' materials. These are the chief waste discharges found in tritium and released from DOE and Department of Defense facilities.

In addition, States are virtually helpless to do anything about the dumping, since States cannot assess civil penalties against the Federal Government under the doctrine of sovereign immunity.

Under the CWA, States may assess penalties against individuals up to $25,000 per day per violation. However, another Supreme Court decision, State of Ohio versus DOE, ruled that the DOE and other Federal agencies are immune from civil penalties under the CWA and the Resource Conservation and Recovery Act [RCRA].

This infamous decision ultimately led Congress to pass the Federal Facilities Compliance Act for RCRA in 1992. The exemption for the CWA still remains.

And finally, the EPA cannot issue administrative orders or assess penalties against other agencies for violating the CWA. The EPA may currently assess penalties up to $10,000 per day against individuals. But it can only issue administrative orders against Federal facilities on a consent basis. The EPA cannot assess unwanted penalties against a Federal agency. This essentially limits the EPA's primary enforcement mechanism to voluntary compliance agreements.

Congress needs to fill this regulatory void by providing independent oversight of Federal facilities that discharge radioactive waste into our waters. That authority already exists for toxics, suspended solids, and other nonradioactive pollutants under the CWA. Radioactive material should not be held to a lesser standard.

In addition, we should grant EPA the same regulatory powers it now enjoys under the Clean Air Act. Under this act, the EPA can regulate radioactive air pollutants discharged from Federal facilities. There is no distinction made between pollutants; a poison is still a poison. We should eliminate the paradox under the Clean Water Act.

The legislation I'm introducing today will eliminate the exemption under the CWA for radioactive discharges, empower States to assess civil penalties against Federal agencies, and authorize the EPA to issue unilateral administrative orders and assess penalties against other Federal agencies for violations of the CWA. My bill is supported by the Clean Water Network, Natural Resources Defense Council, USPIRG, Physicians for Social Responsibility, the Military Production Network, Plutonium Challenge, and Heart of America Northwest. It has also been endorsed by the Oregon Department of Energy and the Oregon Department of Environmental Quality.

At a time when the emphasis on America's nuclear weapons complex is shifting from production to cleanup, it's essential that we close these dangerous loopholes. Independent oversight of Federal facility discharges can prevent future accidents from happening and provide a means of cleanup enforcement when they do occur. I urge my colleagues to cosponsor this legislation and join me in this effort.

TRIBUTE TO CLAIRE AND BEAVER JUTRAS

HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. BASS. Mr. Speaker, I rise today to pay tribute to Claire and Roland, ''Beaver'' Jutras, of Peterborough, NH, who have recently been named as Parents of the Year by the National Parents Day Foundation. When Claire and Beaver Jutras are asked about their four daughters, Michelle, Christine, Natalie, and Veronica, they say that they have been blessed. It is now clear that these four girl have been blessed as well, with two loving, caring and dedicated parents.

Claire and Beaver are an inspiration to all parents for their selfless devotion to their daughters. The girls are active in countless activities and organizations. As any parent knows, that means Claire and Beaver have always had to find time to provide transportation and attend games and activities, as well as being active community leaders themselves. Beaver is the director of the Peterborough recreation department, a leader in his church, and an active, committed citizen of the town. He has been recognized as a Paul Harris Fellow, the VFW man of the Year in 1981, and Citizen of the Year in 1987. He was also a member of the ConVal District School Board and teaches at his church.

Claire Jutras is a special education aide at Peterborough Elementary School but worked part time while her daughters were in school so as to be able to devote her afternoons to them and their activities. She has also served as a Brownie leader, a teacher, and Eucharistic minister at their church, a preschool teacher, a recreation volunteer, and supervisor of the checklist for the town.

The Jutrases are civic and spiritual leaders, athletes, scholars, and good neighbors. Families such as this one are the fabric of smalltown new Hampshire. It is an honor to be able to recognize them for their accomplishments.

CALLING FOR UNITED STATES INITIATIVE SEEKING JUST AND PEACEFUL RESOLUTION OF SITUATION ON CYPRUS

SPEECH OF

HON. ROD R. BLAGOJEVICH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Mr. BLAGOJEVICH. Mr. Speaker, I rise today to reflect on Cyprus' troubled history. For years, the people of Cyprus have suffered under the yoke of Turkish aggression. But I also rise to look for hope toward the future. For recent events have left the people of Cyprus with the best hopes for peace they have had in decades.

Cyprus is a unique nation, one which has always served as a bridge between the cultures of East and West. The mix of cultures of the Cypriot people was for generations a blessing rather than a curse. Almost four decades ago, when Cyprus was granted independence from Britain, it appeared that for the first time in the centuries the Cypriot people would be able to determine their destiny. But that opportunity was torn from their grasp by the threat of outside aggression. In 1974, that threat was realized when the Turkish military invaded Cyprus, dividing the island and causing immeasurable pain and suffering. While the idea of ethnic cleansing was not invented on Cyprus, it was carried out with brutal efficiency. Thousands were forced out of their homes, never to return. Families were torn apart, separated only by an artificial line drawn by aggression. Cyprus' natural beauty was forever scarred by outside invaders.

As Americans, it is vital that we support the peace process in Cyprus while the opportunity remains. The United States is uniquely situated to play an important and constructive role in the effort to build peace in Cyprus. The President's recent appointment of Richard Holbrooke as his special representative to Cyprus is especially welcome. Ambassador Holbrooke has ably demonstrated his skill as a peacemaker and a diplomat. His role in the process only serves to reassure optimists that the opportunity for peace is real, and that the United States is deeply committed to the effort for peace in Cyprus. We cannot let this opportunity slip out of our grasp. We must stand with the people of Cyprus as they work to throw off the yoke of Turkish oppression.

CALLING FOR UNITED STATES INITIATIVE SEEKING JUST AND PEACEFUL RESOLUTION OF SITUATION ON CYPRUS

SPEECH OF

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Mr. BURTON of Indiana. Mr. Speaker, I rise in support of peace and stability on the Island of Cyprus. However, Mr. Speaker, if there is to be a resolution of the Cyprus issue, then there must be a balanced approach giving both Greeks and Turks equal voice both in the process and in the government. If this resolution intends to bestow sole rule of Cyprus to the Greek community, then I rise in strong opposition.

We have been down that blood-soaked road before when in the 1960's and 1970's, Archbishop Makarios adopted a policy of Enosis, in an attempt to unite Cyprus with Greece. Fighting broke out, many Turkish Cypriots were killed, in some cases, slaughtered, and the Turkish Government, as one of the legal guarantors of the Republic of Cyprus, felt, in order to protect the lives and safeguard the property of the Turkish Cypriots, that military intervention was in order.

Since 1974, there has been a de facto military balance on the island which has prevented additional bloodshed. An upset in this balance could result in future hostilities. The international community cannot make the problem go away between the Greeks and Turks on the island of Cyprus, only those two parties can.

Having said that Mr. Speaker, I am very concerned with some of the language in House Concurrent Resolution 81. The language of the resolution states, ''Whereas the prospect of the accession by Cyprus to the European Union, which the United States has actively supported, could serve as a catalyst for a solution to the Cyprus problem.''

This language does not give any incentive to the Greek Cypriots to settle with the Turkish Cypriots. Moreover, on February 24, 1997, Greece alone objected to a draft common EU position demanding that ''all Cypriots be able to participate in the accession process'' because, according to Athens, its reference to Turkish Cypriots contradicts U.N. and EU policies that one internationally recognized Cyprus Government is competent to negotiate for the state.

The resolved clauses are especially troubling. The second resolved clause states, ''The Congress considers lasting peace and stability on Cyprus could best be secured by a process of complete demilitarization leading to the withdrawal of all foreign occupation forces, * * *, and providing for alternative internationally acceptable and effective security arrangements as negotiated by the parties.''

Mr. Speaker, this to me suggests that Turkey is directed to withdrawal from the island of Cyprus without direct input from the Turkish Cypriot community. This is not possible without the creation of a security apparatus which is found acceptable to the Turkish Cypriot community. The Congress needs a careful reminder into the history of Cyprus before such a suggestion is considered.

I want to remind my colleagues that in 1960, when Great Britain relinquished control of the island, a bicommunal government was established with shared leadership by Turkish Cypriots and Greek Cypriots as political equals. Neither community was to dominate the new government. Tragically, right after Britain's departure, the new President of Cyprus, a Greek Cypriot, Archbishop Makarios, began to carry out his plan for union with Greece. By December 1963, Greek Cypriots had destroyed the bicommunal character of the republic physically ousting Turkish Cypriot leaders from their elected positions and destroying over 100 Turkish Cypriot villages.

For the next 11 years, Turkish Cypriots, heavily outnumbered by the Greek Cypriots, suffered great losses—human and material—in clashes initiated by Greek Cypriots and fully supported by the Greek Army. One out of every one hundred twenty Turkish Cypriots, including women, children, and the elderly, was killed during this period even with U.N. peacekeeping troops present on the island. Thousands of Turkish Cypriots were forced to flee from their homes to live in enclaves throughout the island and were, held hostage in their own land without representation in government which was stipulated in the 1960 constitution.

United States Secretary of State George Ball visited Cyprus in February 1964 and concluded that Greek Cypriots ''just wanted to be left alone to kill Turkish Cypriots.'' Turkey waited for 11 years for help from the world community. None came. By 1974, Turkey could no longer stand by and watch innocent Turkish Cypriots be slaughtered by Greek Cypriots.

So Turkey intervened militarily on the island which was completely legal under the 1960 Treaty of Guarantee signed by the Turkish Cypriots, Turkey, Britain, Greece, and the Greek Cypriots. It clearly stated that any of the signatories had the right to intervene on Cyprus should the sovereignty of the island be threatened. These troops have posed no threat to the southern part of the island. Since the Turkish military intervention concluded in 1974, these troops have never attacked or threatened to attack the south. They are simply to ensure the security of the Turkish Cypriot community.

Due to domestic considerations, we are not doing what is right and necessary on the Cyprus issue. The Cyprus conflict is an international issue relating to Turks and Greeks and, if we want to help settle the issue, we must be totally even-handed in all facets of our approach. They both must learn to live in cohabitation. Perhaps, separate sovereignty of the communities, as in the proposal of bizonal and bicommunal governance, is in the best interest of security both for the region and for the United States. That could be determined in meetings between Turkish Cypriot President Rauf Denktash and Greek Cypriot leader Glafko Clerides.

Mr. Speaker, in closing I want to thank my chairman, the honorable and kind-hearted gentleman from New York, BEN GILMAN, for bringing this issue to the attention of the Congress. Cyprus is a vital issue for the security of the eastern Mediterranean. The proper encouragement by the United States Congress could help both Greeks and Turks to understand that they must work together to resolve their differences.

TRIBUTE TO PHEBE WARD BOSTWICK

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Ms. ESHOO. Mr. Speaker, I rise today to honor Phebe Ward Bostwick, an outstanding citizen and dedicated community leader of the 14th Congressional District who passed away on July 6, 1997. She was the devoted wife of Alan Bostwick and the stepmother of three children, the proud grandmother of eight, and great grandmother of seven. She was married to Alan Bostwick for a remarkable 36 years.

Phebe Bostwick was a trailblazer. At the young age of 15, she was admitted to Stanford University as one of only 500 women permitted to study on the campus at any one

time. She pursued education as her course of studies and earned her teaching credential at the university.

She began her 45 years as a northern California educator in Calistoga, Piedmont, and Redwood City High Schools before becoming an English instructor at San Francisco City College. She earned a reputation at the college as an administrator who could easily adapt to any assignment. She later spent 25 years as principal of Galileo Adult School which eventually became a part of the San Francisco Community College district. She was also loaned out for several other projects; as a counselor with the U.S. Department of Employment for women trainees for aircraft jobs, and to Contra Costa County to set up new community colleges. She also served as a member of the United Nations Educational, Scientific and Cultural Organization Commission. She enriched the lives of countless young people as their teacher with her intelligence, common sense, warmth, and wisdom and contributed greatly to the improvement of the administration in all the institutions she served.

Upon her retirement from education, Phebe Bostwick committed herself to volunteering in a number of organizations including the Little House Senior Center where she was program director and president of its council, volunteering at the Center for 20 years. She was a forceful advocate for seniors as a member of the California Senior Legislature where she represented 103,000 older adults of San Mateo County. She chaired the Legislative Committee, often testified at hearings, and was a featured speaker at conferences on legislative advocacy training. Phebe Bostwick also served with great distinction on the San Mateo County Commission on Aging and its Advisory Committee, and was a member of Soroptimist International of San Francisco.

Mr. Speaker, Phebe Bostwick was a shining light among us, inspiring all who knew her. She was a high achiever and made remarkable contributions to our community and our country. She lives on through her stepchildren, grandchildren, and great grandchildren, through her devoted husband Alan, and through all of us who were blessed to be part of her life, work with her and call her friend.

Mr. Speaker, I ask my colleagues to join me in paying tribute to a noble woman who lived a life of purpose and to extend our deepest sympathy to Alan Bostwick and the entire Bostwick family.

Phebe Bostwick's legacy is that she made each one of us better, and because of her, our community and our country have been immeasurably bettered as well.

CLARIFICATION OF THE TREATMENT OF INVESTMENT MANAGERS

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. FAWELL. Mr. Speaker, I am pleased to today introduce legislation which amends title I of the Employee Retirement Income Security Act of 1974 [ERISA] to permit investment advisers registered with State securities regulators to continue to serve as investment managers to ERISA plans.

At the end of last Congress, landmark bipartisan legislation was enacted which adopted a new approach for regulating investment advisers: the Investment Advisers Supervision Coordination Act (title III of P.L. 104–290). Under the act, beginning July 8, 1997, States are assigned primary responsibility for regulating smaller investment advisers and the Securities and Exchange Commission [SEC] is assigned primary responsibility for regulating larger investment advisers. Under this framework, however, smaller investment advisers registered only with the States, and prohibited by the new law from registering with the SEC, would no longer meet the definition of ''investment manager'' under ERISA, since the current Federal law definition only recognizes advisers registered with the SEC.

As a temporary measure, a 2-year sunset provision was included in the securities reform law extending for 2 years the qualification of State registered investment advisers as investment managers under ERISA. This provision was intended to address the problem on an interim basis while the congressional committees with jurisdiction over ERISA reviewed the issue. We have reviewed this issue and have developed the legislation that I am introducing today to permanently correct this oversight.

Without the legislation I am introducing, State licensed investment advisers who, because of the securities reform law, no longer are permitted to register with the SEC would be unable to continue to be qualified to serve as investment managers to pension and welfare plans covered by ERISA. Without this legislation, the practices of thousands of small investment advisers and investment advisory firms would be seriously disrupted after October 10, 1998—as would the 401(k) and other pension plans of their clients.

It is necessary for an investment adviser seeking to advise and manage the assets of employee benefit plans subject to ERISA to meet ERISA's definition of ''investment manager.'' It is also important, for business reasons, for small investment advisers to eliminate the uncertainty about their status as investment managers under ERISA. This uncertainty makes it difficult for such advisers to acquire new ERISA-plan client and could well cause the loss of existing clients.

The bill will amend title I of ERISA to permit an investment adviser to serve as an investment manager to ERISA plans if it is registered with either the SEC or the State in which it maintains its principal office and place of business, if it could no longer register with the SEC as a result of the requirements of the 1996 securities reform law. In addition, at the request of the Department of Labor, the bill requires that whatever filing is made by the investment adviser with the State be filed with the Secretary of Labor as well.

Arthur Levitt, Chairman of the Securities and Exchange Commission, has written a letter expressing the need for this legislation and his support for this effort to correct this problem. I ask that a copy of Chairman Levitt's letter be inserted in the RECORD.

This legislation also has the support of the Department of Labor. In addition, this bill is supported by the International Association for Financial Planning, the Institute of Certified Financial Planners, the National Association of Personal Financial Advisors, the American Institute of Certified Public Accountants, and the North American Securities Administrators Association, Inc. Identical legislation is being introduced on the other side of the Hill by Senator JEFFORDS, the chairman of the Senate Labor Committee.

Congress must act quickly to correct this oversight, to protect small advisers from unintended ruin and to bring stability to the capital management marketplace.

U.S. SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, April 7, 1997.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Education and the Work Force, U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN GOODLING: I am writing to urge that the House Committee on Education and the Work Force consider enacting legislation to amend the Employee Retirement Income Security Act of 1974 (''ERISA;'') in a small but terribly important way. Unless the Congress acts quickly, thousands of small investment adviser firms, and their employees, risk having their businesses and their livelihoods inadvertently disrupted by changes to federal securities laws that were enacted during the last Congress.

At the very end of its last session, Congress passed the Investment Advisers Supervision Coordination Act. This was landmark bipartisan legislation that replaced an overlapping and duplicative state and federal regulatory scheme with a new approach that divided responsibility for investment adviser supervision; states were assigned primary responsibility for regulating smaller investment advisers, and the Securities and Exchange Commission was assigned primarily responsibility for regulating larger investment advisers. We supported this approach.

Until the Coordination Act takes effect in the next few months, most of the nation's 23,500 investment adviser firms—regardless of their size—will continue to be registered with the SEC, as they have for many decades. Once the Act becomes effective, however, we estimate that as many as 16,000 firms will be required to withdraw their federal registration. Indeed, this requirement is crucial if the Act's overall intent of reducing overlapping and duplicative regulation is to be realized. But the withdrawal of federal registration is also what causes the problem for these firms under ERISA.

As a practical business matter, it is a virtual necessity for a professional money manager (such as an investment adviser) seeking to serve employee benefit plans subject to ERISA to meet ERISA's definition of ''investment manager.'' The term is defined in ERISA to include only investment advisers registered with the SEC, and certain banks and insurance companies. Once the Coordination Act becomes effective, large advisers registered with the SEC will of course continue to meet the definition. But small advisory firms will not be able to meet the definition of investment manager because they will be registered with the states rather than with the SEC. Thus they may well be precluded from providing advisory services to employee benefit plans subject to ERISA, even if they have been doing so successfully for many years.

The sponsors of the Coordination Act were aware that the interplay between the Act and ERISA could have substantial detrimental consequences for small advisors, and thus added an amendment to ERISA during the House-Senate Conference on the Act. The ERISA amendment provided that investment advisers registered with a state can serve as ''investment managers'' for two years, or through October 12, 1998. My staff has been told that this ''sunset'' provision was included in the ERISA amendment so that the

appropriate congressional committees with jurisdiction over ERISA could have a reasonable amount of time to review the amendment before deciding whether to make it permanent. Apart from that important procedural issue, I am not aware of any other considerations that would suggest the need for the ERISA amendment to expire in two years.

I believe that the Congress should move as quickly as possible to enact legislation that eliminates the sunset provision, and permanently enables properly registered state investment advisers to continue their service as investment managers under ERISA. There is no reason to wait until 1998 to do so. In fact, many small investment advisers believe that the ongoing uncertainty about their status as ''investment managers'' under ERISA is making it difficult for them to acquire new ERISA plan clients, and may even cause them to lose existing clients. Some advisers think the harm they could suffer, even before the expiration of the sunset provision next year, could be irreparable, and it is easy to see why.

It is only through the swift action of your Committee that these unintended and unnecessary consequences for thousands of successful small businesses can be avoided. If you or your staff would like additional information about this matter, please do not hesitate to contact me at 942–0100, or Barry P. Barbash, Director of the Division of Investment Management, or Robert E. Plaze, an Associate Director in the Division, at 942–0720.

Sincerely,

ARTHUR LEVITT.

TRIBUTE TO LINDA MITCHELL

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. FLAKE. Mr. Speaker, Linda Mitchell was honored as the Lutheran Schools Association Administrator of the Year for Metropolitan New York and New Jersey. Ms. Mitchell is a lifelong resident of Queens, NY, and in response to the need for a successful learning environment she founded Holy Trinity Community School in 1976. As principal of the school, she has committed her efforts to provide children with a quality education funded on solid moral teaching. She has also worked hard to increase the school's relationship with the Holy Trinity Lutheran Church. This effort has motivated the school to adopt positive themes like ''Do the Right Thing'' and ''Zero Tolerance.'' These themes steer children away from negativity and encourage them to eliminate physical aggression, while stressing the importance of learning values. She is particularly committed to creating an accepting environment for children who have been unsuccessful in other school settings.

In addition to her role as principal of HTCS, Ms. Mitchell serves on the Hillis Park Gardens Board, the Community Board 12, the 103d Precinct Community Council, and the board of the Greater Jamaica Community Coalition. She has received additional awards for service to her community, where she is recognized for her active involvement in local affairs. Linda Mitchell is a model citizen for all Americans. She is intent on serving her community in every way, and demonstrates how we, as individuals, can improve the status of our communities. I commend Ms. Mitchell for her service, acknowledge her for her excellences, and join with all of those honoring her as an outstanding individual.

STAMP OUT BREAST CANCER ACT

SPEECH OF

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Mr. FAZIO of California. Mr. Speaker, I rise today in strong support of H.R. 1585, sponsored by myself and my colleague, SUSAN MOLINARI. I seem to have developed quite a history with the idea of an experiment whereby the American people would contribute to public health causes through the voluntary purchase of a U.S. postage stamp.

In May of 1996, Dr. Ernie Bodai—one of my constituents and the chief of surgery at the Kaiser Permanente Medical Center in Sacramento, CA—came to my office with an innovative proposal. Dr. Bodai's idea involved a bill to establish a special first-class postage stamp priced at 1 cent above normal first-class postage. The stamp would be purchased voluntarily, with the additional penny going toward breast cancer research. As a result of Dr. Bodai's unflagging personal effort, I was pleased to introduce the Breast Cancer Research Stamp Act in the 104th Congress. That piece of legislation gained the support of 86 Members of the House of Representatives.

This year, I reintroduced this bill in the 105th Congress, and H.R. 407 has the support of 125 of my colleagues. Thanks to some energetic and tireless efforts by several compassionate groups within the breast cancer advocacy community and a special thank you to my colleague, SUSAN MOLINARI, we are considering today H.R. 1585, the Stamp Out Breast Cancer Act of 1997. H.R. 1585 remains true to the idea of the American public participating in the search for a cure for breast cancer. H.R. 1585 also ensures that money raised by the breast cancer research stamp will not replace current Federal funding levels. It will add to it.

H.R. 1585 provides a workable and realistic framework for a cooperative effort between the Postal Service and the American public to take place. Questions have been raised—how much money could be raised by the sale of a stamp priced above the normal first-class postage rate? And how much would such an endeavor cost the Postal Service to administer? H.R. 1585 sets up a demonstration project to answer these questions. After 2 years, the General Accounting Office will provide an evaluation of the effectiveness of this project. And after 2 years, perhaps there will be additional money from the stamp going toward breast cancer research at the National Institutes of Health and the Department of Defense.

I want to thank Representative MCHUGH, chairman of the Postal Service Subcommittee, for working out the details of this bill so that we may finally put this project into place. And I want to thank again my colleague, SUSAN MOLINARI, for her effort and commitment to seeing that this bill and this cause moves forward in the House of Representatives. We have made tremendous progress in raising money, awareness and spirits in the battle against a disease that has devastated the lives of millions of loved ones, but we still have a long way to go. I know that we will get there, through the support of legislators in Congress and the grass roots support in our communities.

By passing H.R. 1585, we will enable the people of the United States to demonstrate a spirit of volunteerism to advance our successes in finding a cure for breast cancer. I urge my colleagues to vote to suspend the rules and pass this important piece of legislation.

VETERANS IN POLITICS HONORING SENATOR JACOBSEN

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. GIBBONS. Mr. Speaker, Veterans in Politics, a nationally recognized veteran's organization, is honoring Senator JACOBSEN at a ceremony this evening in Las Vegas. I would like to have the following comments included in the CONGRESSIONAL RECORD today for their event.

As a fellow veteran with Senator LAWRENCE JACOBSEN, it is my honor and privilege to pay special tribute to a man who has committed his entire life to serving our great State and Nation. ''JAKE,'' as he is known to most, is one of the true legends in Nevada politics. JAKE is someone who would rather be out there with his sleeves rolled up helping Nevadans than sitting in a restaurant with well-paid lobbyists. His commonsense approach to politics is refreshing and sorely needed in Carson City.

JAKE's life and his ensuing marriage to beloved Betty is one of true Americana literature. Born in Gardnerville in 1921, JAKE has lived there all his life. When the call to duty came to serve his country, JAKE enlisted in the U.S. Navy during World War II. Little known to many, he is a survivor of the attack on Pearl Harbor. When the 50th anniversary of Pearl Harbor was recognized in 1991, JAKE was one of the most sought after speakers in the State and graciously rose to the occasion. His sense of patriotism is practically unmatched by any other political figure in Nevada.

Through his membership in the American Legion, JAKE has been committed to preserving and enhancing patriotism and education with such programs as Boys State. Held every year in Carson City, JAKE has shared his vast experiences and knowledge of public service with the young men of Nevada.

Having served with JAKE in the Nevada Legislature, I know first hand of his unwavering dedication to the hard-working families that he represents so well. JAKE is also one of the Nevada Legislature's strongest supporters of veterans issues, including bringing a veterans home to Nevada.

It has been a true pleasure and honor to work with LAWRENCE ''JAKE,'' JACOBSEN and join him in promoting many of the noteworthy causes he has championed. He has been both a mentor and friend providing much appreciated advice since my earliest days as a legislator. JAKE has inspired and encouraged all of us in one form or another to maximize our abilities. He has provided us a model to follow

which will not be easy to emulate yet will give us something to which we can strive, For that JAKE, we will always be grateful. Best wishes in all of the pursuits and endeavors which are still awaiting you.

REGARDING INTERFERENCE OF EUROPEAN COMMISSION IN MERGER OF BOEING CO. AND McDONNELL DOUGLAS

SPEECH OF

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Ms. HARMAN. Mr. Speaker, I rise to express deep concern about the future of American aerospace industry in light of the European Union's inappropriate and unfounded reaction to the Boeing-McDonnell Douglas merger.

The EU threatens to interfere with this merger on the grounds that it impinges on fair trade. They have stated their intent to do this even after Boeing offered numerous concessions, including modification of exclusive purchasing arrangements with several American carriers.

There are persistent rumors that the EU is demanding other concessions as well, including closing of aircraft plants and requiring Boeing to put McDonnell Douglas' commercial segment on the market. Giving in to such conditions could cost thousands of U.S. jobs—many of them in southern California—adversely affect the efficiency of the industry, and set a disastrous precedent.

Free and fair trade is a cornerstone of our relations with Europe, but the EU's threatened actions contribute little to either and we ought to resist them. Their demands in this case are clearly unreasonable and an infringement upon U.S. sovereignty.

This merger will not result in unfair trade practices as the EU contends. McDonnell Douglas' commercial aviation accounts for only 4 percent of the global market. In fact, the Federal Trade Commission's review of the merger determined that McDonnell Douglas was not a factor in the commercial aviation market.

The likelihood that this merger will somehow limit competition is nonexistent. And, Boeing's offer to substantially modify its arrangements with American carriers seems to more than make up for any advantage it might theoretically gain from its acquisition of McDonnell Douglas.

EU interference in the merger is unwarranted, and, if allowed to continue, is likely to redound with far reaching and adverse effects for all concerned. Therefore, I urge my colleagues to support this resolution, and I urge the President to deal with the EU promptly and resolutely and defend the rights of American business to consummate mergers that have been reviewed and approved by the appropriate U.S. Government agencies.

TRIBUTE TO HAM FISH

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. HOUGHTON. Mr. Speaker, there are few indispendable people. Ham Fish was one of them. He gave something to this House, his country that was unique and powerful.

We miss Ham.

IN RECOGNITION OF FORMER CONGRESSMAN HAM FISH

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mrs. KELLY. Mr. Speaker, today marks the first anniversary of the death of New York's Congressman Hamilton Fish. For many years, Ham Fish represented the people of New York's Hudson Valley with dedication and integrity. It is now my honor and privilege to represent that congressional district here in the House.

Ham was one of the giants of this great legislative body. His was a voice of reason through tumultuous times in our Nation and at all times on the people's House; he served us with integrity and honor. In his long and distinguished service on the House Judiciary Committee, Ham Fish's name was synonymous with justice and fair play for all Americans. While carefully looking after the needs of the people of the Hudson Valley, who repeatedly returned him to Congress, Ham Fish gained national recognition for his principled positions and his determination to protect the integrity of our Republican institutions.

Mr. Speaker, Ham Fish embodied all that is good and great about this House. Today, on the anniversary of his death, I ask that we honor his memory by living up to the high principles and unquestioned integrity which are the legacy of his service to us and to the American people.

A TRIBUTE TO FLOYD D. HISER, SR.

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fearless and selfless efforts of a dedicated helicopter pilot from the city of Blyth, CA. Floyd D. Hiser, 51, recently lost his life when his Bell 206L–1 engine stalled while fighting an out-of-control blaze in the San Bernardino National Forest on July 6, 1997.

The fire charred over 2,797 acres of trees and brush, and was threatening the terrain above the city of Highland, CA. On the scene, there were 903 firefighters and officials accompanied by tankers and helicopters battling to put out the blaze. Floyd Hiser, a pilot with over 10,000 hours of flight time, was flying for Rogers Helicopters of Clovis, when he was called to battle the fires in the rugged terrain of the San Bernardino Mountains.

Hiser held commercial, instrument, and instructor ratings for fixed-winged and rotary-winged aircraft and was an FAA-certified flight examiner for prospective helicopter pilots. His commitment to the protection and safety of his community did not stop with flying. He served in the U.S. Marine Corps from 1964 to 1968, and was also a Vietnam veteran. He also served in the Blyth Police Department as a sergeant and detective from 1969 to 1979.

Hiser is survived by wife, Sharon; his daughter, Kimberly; his mother, Ruby Faye; his stepmother, Ruth Wadlow; his brother, Loyld; and four grandchildren. After a moving ceremony, his flag-draped coffin was carried out of the church by a color guard, the last two members of which carried red fire axes to remember his efforts.

''Floyd could put the drops on the leaves that he wanted hit,'' said one of his many friends. Floyd died doing what he loved most, and what he believed in: piloting a helicopter and protecting people from a wildland fire.

Mr. Speaker, Floyd Hiser provided an example of leadership and the ultimate level of sacrifice for the benefit of his friends, family, and the communities he protected. His efforts will long be respected and admired. I ask that you join me, our colleagues, and hundreds of people who knew and loved Floyd, and to recognize him for his lifetime commitment to the protection and goodwill of the communities he served.

THE CONGRESS ACCORDING TO KESSLER?

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. LIVINGSTON. Mr. Speaker, I rise today in defense of this most noble of democratic institutions and the Members who occupy it.

Mr. Ronald Kessler has written a book entitled ''Inside Congress,'' the premise of which is that we, the elected representatives who hold seats in this Congress are nothing but scoundrels, criminals, and charlatans.

Mr. Speaker, not only do I rise in total disagreement with Mr. Kessler's cynicism, but I strongly maintain that the people who serve here are, for the most part, good, decent, honest, hard-working, patriotic Americans.

In support of my position, I submit into the RECORD an article I wrote which appeared in the newspaper ''The Chronicle'' of Colfax, LA.

It is my hope that the American people will see through Mr. Kessler's sensationalism and realize that the overwhelming majority of the Representatives, Senators, and staff are truly worthy of their trust.

THE CONGRESS ACCORDING TO KESSLER?

(By U.S. Rep. Bob Livingston)

In Ron Kessler's tell-all book, ''Inside Congress,'' only true charlatans, perverts and power-mad political hucksters are worthy of note. Sadly, that pretty much encompasses every member of the House and Senate for in Mr. Kessler's view, we're all rotten.

Fortunately, Mr. Kessler himself spared me from buying his book. After seeing him on ''Good Morning America'' last week, I learned everything I need to know about it. The people who inhabit Mr. Kessler's Congress come straight out of a B movie. In fact, Kessler said that the television talk shows

only feature the more articulate members who look good on camera and seem intelligent. But according to him, that's not reality. Most members are ''clueless'' and incapable of discussing issues on a substantive level, relying on handlers to tell them what to think and say. He went as far as to write that when members are on the floor, sans makeup and proper lighting, they look, ''shifty.'' Talk about broad generalizations. At least Good Morning America anchorman, Charlie Gibson politely demurred. Charlie spent eight years covering Congress and found most members to be honest, hard-working men and woman interested in ''doing the people's business.'' My thanks to Mr. Gibson for his judgment with which I heartily concur. Yet faced with Mr. Gibson's gentlemanly confrontation, Mr. Kessler insisted that Congress is a cesspool of corruption. In fact, Mr. Kessler was so sanctimoniously assured, he refused to admit he might have overstated his case just a bit.

While in Congress over the last twenty years, I've seen some members reap the rewards of inappropriate and even criminal acts. But those are the exceptions and far from the rule. For the most part, members of Congress are honest, dedicated, patriotic, hard working, competent legislators. In fact, most members love and respect this greatest of democratic institutions and would avoid bringing shame on this House at all costs. They are good people trying to do good things, be they conservative or liberal, Republican or Democrat.

Yet our televisions, radios and newspapers are saturated with detailed accounts of official misconduct. After all, good news is no news and people like Mr. Kessler, who only report the seedier side of life, profit by capturing the public's attention. Mr. Kessler knows that books in the ''shocking real story'' genre sell.

Kessler's sources include Capitol Hill police, Congressional staff and some members themselves, few if any quoted by name. Who would expect them to hurl salacious rumors in the clear light of public scrutiny? Instead, most chose to remain anonymous.

Kessler has been inside a lot over the last few years. He has been inside the FBI, inside the CIA, inside the White House—I wonder if he paid the admission price to get inside the Lincoln bedroom?

Perhaps Mr. Kessler should go outside for a change. He could take in a ballgame or play some golf. A little fresh air and sunshine might do him some good. It might even change his outlook on life. Then, he might conclude that in reality, the good people of the world—and that includes those in the United States Congress—far outnumber the bad.

I don't know what his next subject will be, but after his performance on ABC, perhaps the title of his next book should be ''A View of the World—From Under a Rock'' by Ron Kessler.

IN HONOR OF THE ADIRONDACK MUSEUM

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the Adirondack Museum as it celebrates its 40th anniversary documenting the Adirondack region's history and culture. The museum's wealth of knowledge enables its visitors to enjoy the entire region with increased understanding and appreciation.

Since its opening in 1957, the museum's collection has grown to include a large and varied assortment of books, maps, paintings, photographs, drawings, and prints. Seventy-five horse-drawn carriages, a private parlor rail car, a 1926 Lin tractor, a blacksmith shop, and the second largest collection of boats in the United States further enhance the museum's offerings.

In addition to its many exhibits, the Adirondack Museum runs educational programs aimed at teaching local residents, including thousands of children annually, about the relationship between the Adirondacks and its residents. Last summer, in a project sponsored by the National Endowment for the Arts, the museum collected oral histories and photographs for a folklore presentation about the forest experiences of women. Through educational undertakings such as this one, the Museum encourages and guides exploration of the culture and history of this majestic geographical area.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to the Adirondack Museum as it celebrates 40 years of enhancing and sharing the history and culture of the Adirondacks with the local community and visitors from around the world. The Adirondack Museum has played a central role in making the magnificent Adirondack Park what the New York Times, in 1864, called a Central Park for the world.

REGARDING INTERFERENCE OF EUROPEAN COMMISSION IN MERGER OF BOEING CO. AND MCDONNELL DOUGLAS

SPEECH OF

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Mr. McDERMOTT. Mr. Speaker, I rise in strong support of House Resolution 191. I am deeply concerned that the European Union might vote tomorrow to disapprove the Boeing-McDonnell Douglas merger and impose a multi-billion dollar fine on the Boeing company—a fine that would effectively shut Boeing out of the European market because it would be levied on payments to Boeing by European airlines.

In my view, Boeing has made numerous reasonable efforts to not only convince the European Commission that the merger is not anti-competitive, but also offered several options that should ease European concerns. Yet despite these efforts, the Commission has responded with extreme demands—including the transfer of patented technology and cancellation of existing sales contracts.

It would be unfortunate for the EU to use this proposed merger, as an attempt to improve Airbus's competitive position at Boeing's expense. If the Commission continues its obstructive course, the likely impact of a failed merger would result in the bankruptcy of McDonnell Douglas, the loss of 14,000 high-technology jobs in Southern California, and the substantial devaluation of assets for those airlines that have McDonnell Douglas aircraft in their fleet.

Hopefully this scenario can be averted. With the passage of this resolution as well as the continued pressure by the Clinton administration, I am confident we can reach a favorable conclusion to this unfortunate trade dispute.

TRIBUTE TO NANCY BRUTON-MAREE

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to pay tribute to one of my constituents, Nancy Bruton-Maree of Raleigh, NC. Mr. Speaker, Nancy will soon complete her year as national president of the American Association of Nurse Anesthetists [AANA]. I am very pleased that one of North Carolina's own was tapped as the 1996–97 president of this prestigious national organization.

The AANA is the professional association that represent over 26,000 practicing CRNA. Founded in 1931, the American Association of Nurse Anesthetists is the professional association representing CRNA's nationwide. As you may know, certified registered nurse anesthetists administer more than 65 percent of the anesthetics given to patients each year in the United States. CRNA's provide anesthesia for all types of surgical cases. CRNA's are the sole anesthesia providers in 70 percent of rural hospitals, affording these medical facilities obstetrical, surgical, and trauma stabilization capabilities. They work in every setting in which anesthesia is delivered, including hospital surgical suites and obstetrical delivery rooms; ambulatory surgical centers and the offices of dentists, podiatrists, and plastic surgeons.

Nancy received her bachelor of science degree from Guilford College in Greensboro, and her masters in science in anesthesia from Bowman Gray School of Medicine of Wake Forest University in Winston-Salem. She currently serves as the director of the Raleigh School of Nurse Anesthesia and has done so since 1990. She also serves as visiting assistant professor at the School of Nursing, at the University of North Carolina at Greensboro. In addition she is a relief CRNA with Sanders and Associates in Wrightsville Beach.

Nancy has enjoyed an outstanding career and has been an anesthetist since 1974. She has been a program instructor, president of the North Carolina Association of Nurse Anesthetists, served on various AANA committees and its board of directors, and has earned the respect and admiration of her friends and colleagues both inside and outside of her profession. She has published various articles and spoken numerous times before various professional groups and societies.

I know that her husband Ben and son Scott take special pride in what Nancy has accomplished throughout her career. I congratulate Nancy on her year as president of the American Association of Nurse Anesthetists and I am proud of her many accomplishments.

Congratulations Nancy.

20TH ANNIVERSARY OF SURFACE MINING CONTROL AND RECLAMATION ACT OF 1997

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. RAHALL. Mr. Speaker, on February 26, 1972, at 8 o'clock in the morning, a coal waste dam failed on the Middle Fork of Buffalo Creek in Logan County. Over 175 million gallons of water and coal waste raced through a 17-mile valley. In its wake, 125 people were dead, 523 injured, and 4,000 left homeless.

Historically, the environmental effects of coal mining were often neglected. From the time surface mining techniques became widespread until the 1970's, it was assumed implicitly that the permanent degrading of the local surroundings and the pollution of streams was the inevitable price a community paid in return for jobs and tax revenue generated by the coal industry.

What happened at Buffalo Creek changed all of that. While the lives of those 125 individuals could not be reclaimed, their ultimate sacrifice raised the level of public attention to the plight of coalfield citizens from a local, to a truly national, level.

The Buffalo Creek disaster also became, in 1977, a major factor in the enactment of the Surface Mining Control and Reclamation Act, known as SMCRA.

August 3, 1997, marks the 20th anniversary of the date former President Jimmy Carter signed SMCRA into law. The act set detailed mining and reclamation standards for coal operators and established in abandoned mine reclamation fund to finance the restoration of land that had been mined and abandoned in prior years. I was pleased to have been a Member of Congress who worked to make that law a reality, and to have participated in the Rose Garden ceremony when President Carter signed the legislation into law.

Much has changed over the last 20 years since SMCRA was enacted. The coal industry has benefited because the law created a more level playing field. At one time States would try to increase the competitiveness of their industry by reducing environmental regulations. That cannot happen under SMCRA. Coalfield citizens have benefited as well. Many hazards we once faced—burning job piles, abandoned open mine portals, and landslide-prone hillsides—have been eliminated and the land brought back to productive uses.

SMCRA also created a Federal agency to make sure the States properly enforced the law. This arrangement has also benefited coalfield residents as this agency, the Office of Surface Mining Reclamation and Enforcement, is their second line of defense—their safety net—against the occasional failure of State enforcement authorities to fully implement SMCRA.

In recognition of the 20th anniversary of SMCRA, today I am introducing a House concurrent resolution which reaffirms the goals of SMCRA: the advancement of the health, safety, and general welfare of the residents of the Nation's coalfields.

Joining me in introducing this resolution are a number of my Democratic colleagues on the Resources Committee. They are Mr. MILLER of California, Mr. VENTO, Mr. ROMERO-BARCELEÓ, Mr. KENNEDY of Rhode Island, Mr. DEFAZIO, Mr. ABERCROMBIE, Mr. PICKETT, Mr. ORITIZ, Ms. CHRISTIAN-GREEN, Mr. FALEOMAVAEGA, and Mr. HINCHEY. To each of them, I express my gratitude for their support of this resolution and what it means to the people of the Appalachian region.

Mr. Speaker, this resolution simply states it is the sense of the Congress that the private property rights of coalfield citizens should be protected against incursions by improper coal mining practices. It states that the homes, farms, water supplies, and places of business of coalfield residents should be protected from subsidence, from improper blasting practices, and from landslides and erosion.

It states that the health, safety, and general welfare of coalfield citizens should not be diminished, or threatened, by the failure of State or Federal regulatory authorities to enforce SMCRA.

It states that coalfield residents have the right to enjoy the recreational values of their rivers and streams, that these water bodies should not be diminished by acidic or toxic water pollution from coal mining operations.

And it states that coal operators, as citizens of our Nation's coalfields, deserve equal protection under SMCRA. That they deserve equal protection against predatory policies which may be advanced on the State level aimed at providing operators in one State a competitive advantage over operators in another State. In effect, that it is our policy that Kentucky should no less effectively enforce SMCRA than West Virginia, giving Kentucky operators a leg up on West Virginia operators in pursuing utility coal contracts. That in the Powder River Basin, Montana producers should not have a competitive advantage over those in Wyoming because of less stringent environmental protection standards.

Mr. Speaker, I would be remiss if I did not also take this opportunity to pay homage to the father of the Surface Mining Control and Reclamation Act of 1977, our former colleague and once chairman of the Committee on Interior and Insular Affairs, Morris Udall. It took Mo over 9 years and two Presidential vetoes to gain the enactment of Federal surface mining legislation. But get it enacted he did. While he hailed from Arizona, I know that Mo came to understand Appalachia and the pressing need we had at that time for Federal leadership in gaining the enactment of legislation such as SMCRA. The last time I visited Mo, I told him that I was seeking to return the favor by promoting the reform of the mining law of 1872 which in its present form so adversely affects the environment of the West.

Finally, I would like to note that nine House Members and eight Senators signed the conference report on H.R. 2, the legislation which was enacted as SMCRA back in 1977. Of those nine House Members, I am the only one still serving in the House of Representatives. Of the eight Senators, two still serve: Senator WENDELL FORD of Kentucky and Senator PETE DOMENICI of New Mexico. I salute these gentlemen as well for their foresight and courage in working 20 years ago to gain the enactment of SMCRA.

THE HARPY EAGLE PROJECT

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. SHAW. Mr. Speaker, I rise today to recognize Ron Magill and the harpy eagle project—an international collaboration which aims to educate today's youth on the necessity of protecting our fragile environment. The harpy eagle project, as it has come to be known, was first conceived of by Mr. Ron Magill, zoological ambassador and director of communications at Miami's Metrozoo. After seeing the tremendous results that Metrozoo's many educational programs have had on area youth, Mr. Magill realized the profound impacts that occurred as a result of educating young Americans about protecting our wildlife. Mr. Magill did not, however, limit his vision of a concerned, earth-friendly future generation to North America. He also recognized the need to educate international youth on the necessity of restoring and maintaining the natural habitat of indigenous animals. Combining his desire to educate with his concern for the harpy eagle, Mr. Magill has created the harpy eagle project.

Last month Mr. Magill traveled to Panama for the groundbreaking of an international facility dedicated entirely to the harpy eagle. The harpy eagle, Panama's national bird, is the largest, most powerful bird of prey in the world. It is, quite literally, the top of the food chain in the tropical rain forest and plays an invaluable role in maintaining the delicate balance of life in Panama. Sadly, however, fewer than 20 pairs of harpy eagles exist today in Panama. The species has disappeared altogether in Costa Rica.

Mr. Speaker, the Harpy Eagle Center, a facility for which Mr. Magill has worked tirelessly over the past 4 years, will not only educate its visitors on the plight of the harpy eagle, but will also introduce them to the unique diversity of the rainforest. Hopefully, visitors to the center will leave with a newfound interest and concern for the care and protection of the tropical rainforest. It is, after all, only through an enhanced understanding of the ecosystem and of habitat restoration that we can hope to protect our fragile environment for future generations.

Mr. Magill also created a wonderfully unique project for the schoolchildren of Panama. Supported by the Panamanian Government, Mr. Magill initiated a competition in which students will paint the harpy eagle. The winning image will become the next postage stamp for the Republic of Panama.

Mr. Speaker, I commend Mr. Magill on his hard work and dedication in creating the harpy eagle project. The project has successfully combined Mr. Magill's desire to inform the public of the necessity of protecting our wildlife with the understanding of the importance of international cooperation concerning our environment.

RECOGNITION OF PUBLIC SERVICE OF DR. THOMAS LARSON

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. SHUSTER. Mr. Speaker, I rise to thank Dr. Thomas Larson for the vital contributions he has made to our Nation's transportation policy, most recently in the field of rail passenger transportation. Dr. Larson has had a long and distinguished career in transportation policy, including outstanding performance as the Secretary of Transportation of the Commonwealth of Pennsylvania, and as administrator of the Federal Highway Administration under President Bush. In these earlier positions, Dr. Larson demonstrated broad expertise, an impressive ability to bring together people and organizations with different views, and a tireless dedication to achieving a sound, balanced, and steady national transportation policy.

Earlier this year, knowing of Dr. Larson's outstanding credentials and record, I asked him to be the coordinator who would head the all-volunteer Inter-City Rail Working Group established by the Transportation and Infrastructure Committee to recommend policies to address the current critical situation and near-bankruptcy of Amtrak.

As he always does, Tom approached this task with boundless zeal and determination. Like the other working group members, Tom served without any compensation and traveled to all working group meetings at his own expense. He met with the other 12 members of the working group, who represented both political parties and a wide range of transportation expertise—finance, rail operations, passenger service, labor relations, and more. Getting these people from various parts of the country together for discussions and deliberations was no easy task in itself. But Tom also managed to guide the discussions so effectively that the working group was able to coalesce around a single package of policy recommendations on an 11 to 2 vote. I consider this an outstanding accomplishment, but for Tom Larson, it is par for the course.

Tom has continued to assist the Transportation and Infrastructure Committee as we work to forge new legislation not only to reform inter-city rail passenger service, but also to fashion the bill that will reauthorize the many surface transportation programs under the Intermodal Surface Transportation Efficiency Act [ISTEA]. His counsel has been especially valuable, since Tom was the Federal Highway Administrator at the time Congress wrote the book in the original 1991 ISTEA legislation.

In conclusion, Mr. Speaker, I want to convey my heartfelt thanks and those of my colleagues on the Transportation and Infrastructure Committee to Dr. Tom Larson for his wise and valuable counsel and assistance. We do not yet know whether inter-city rail passenger service can be successfully reformed without the chaos of an Amtrak bankruptcy, but Tom and his colleagues have given us a much better framework for approaching this task as a result of their selfless public service. I can think of no better model or epitome of true public service than the career of Dr. Tom Larson.

CALLING FOR UNITED STATES INITIATIVE SEEKING JUST AND PEACEFUL RESOLUTION OF SITUATION ON CYPRUS

SPEECH OF

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Ms. HARMAN. Mr. Speaker, I rise today in support of Concurrent Resolution 81, calling for a just and peaceful resolution of the situation in Cyprus. The division of Cyprus and the emotional and physical suffering it has brought to island inhabitants and their families has gone on far too long. It is time to renew efforts to bring peace to this troubled part of the world.

Mr. Speaker, I see three positive signs on the horizon which, if supported and nourished, offer hope for a settlement of the conflict in Cyprus.

First, the United Nations is hosting a new set of talks between Cypriot President Clerides and Turkish Cypriot leader Denktash. Although similar negotiations have been brokered with little effect in the past, open channels of communication are indispensable—they cannot be discounted.

Second, Cyprus is preparing to enter into negotiations with the European Union in 1998 to gain membership into the EU. The prospect of EU membership offers increased prosperity for all, and may provide an added incentive for all sides to resolve their differences.

Third, there is again high-level United States engagement in the issue, with the appointment by the President of Richard Holbrooke as Special Presidential Envoy to Cyprus.

Mr. Speaker, I believe these three developments provide renewed momentum toward resolving this difficult problem, with its potential for increasing tensions in an area of strategic interest to the United States.

The expressed support of the U.S. Congress for a peaceful resolution is important and I join in support of House Concurrent Resolution 81.

INCREASED HIGHWAY FATALITIES DUE TO FASTER SPEED LIMITS

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. RAHALL. Mr. Speaker, just last week, in the July 14, 1997, issue of USA Today an article entitled ''Fewer Dying Despite Faster Speed Limits'' reported that a decrease in the number of highway fatalities is a direct result of increased speed limits. On the contrary, the National Highway Traffic Safety Administration claims that highway fatalities are in fact up overall from 1996, leading us once again to the conclusion that speed and safety don't mix.

In 1987, when we allowed States to raise rural interstate highway speed limits to 65 mph, a 15–20 percent increase in deaths on interstate highways resulted, amounting to an increase of 500 deaths per year. Now, after the States were allowed, at their option, to raise speed limits in 1995, we see once again the result of high speed limits. Every time we raise the speed limit more people die. It's as simple as that.

In 1995, when Congress considered legislation to repeal the national speed limit, I led the charge to maintain what was then current law set in place in 1974. I did so because, as a result of that law, the very first year after its enactment highway deaths dropped by over 9,000.

At the time, I said that the repeal of the national minimum speed limit would turn our highways into killing fields. Some proponents of the National Highway System Designation Act of 1995, however, used States' rights as an issue in passing this bill. They claimed we should let the States decide what their own speed limits should be. I'll say now what I said then, this is not a States' rights issue, it is a human rights issue. People are dying out there and we have the opportunity to do something about it. After all, the Federal Government financed 90 percent of the cost to construct the Interstate Highway System. The Federal Government, therefore, has a vested interest in the protection and safety of those roads.

Yet, the National Highway System Designation Act of 1995 gave the States the power to set their own speed limits. It repealed the Federal standard. In many cases States raised their speed limits. Many by 10 mph, others by 15–20 miles per hour, and in extreme cases such as Montana, simply abolished them during daytime hours. The numbers don't lie. These increased speed limits have led to more deaths on America's highways.

For example in California on roads where speed limits were increased to 70 or 75 miles per hour there has been a 12 percent increase in fatalities. On roads where there was a increase to 65 miles per hour there has been a 22 percent increase in fatalities. However, sometimes the numbers can be misleading. In California they have a reduction in traffic fatalities. However, on roads where the speed limit was increased, they saw an alarming rise in the number of traffic fatalities. The reason for the overall reduction in deaths is the result of a 8 percent reduction in death on roads that remained at the 55 miles per hour speed limit.

These are the facts. On roads where the speed limit is increased, more people die. On roads where the speed limit remained 55 miles per hour, there was a reduction in traffic fatalities. It's simple, it's there in black and white. Let's make our roads safe again and demand a uniform national speed limit of 55 miles per hour.

IN HONOR OF LOUIS L. FERFOLIA

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor the memory of Louis L. Ferfolia, an accomplished businessman, as well as a devoted husband. This year marked the 70th anniversary of the founding of his Ferfolia funeral homes and of the marriage to his wife.

Mr. Ferfolia was born in Cleveland, where he experimented in many fields of business before entering the funeral home business. After graduating from the College of Mortuary

Science in 1927, he established his first funeral home on E. 81st Street. He and his family have also operated another funeral home in Sagamore Hills Township for the past 3 years.

Mr. Ferfolia was a member in a number of different organizations. He belonged to the Cuyahoga, OH, and national funeral directors and embalmers associations. For over 30 years he was president of the Woodland Hills Businessmen Association. Mr. Ferfolia also belonged to the Catholic Order of Foresters, West Side Slovenian Home, Newburgh-Maple Heights Pensioners, St. Monica Catholic Church, St. Monica Golden Agers, and the Martineer's Club. He was a supporter to many men's and women's bowling teams.

Mr. Ferfolia was also a member of several Slovenian fraternal organizations including KSKJ, SNPJ, and AMLA. In 1980, he was honored as Maple Heights Slovenian Home Man of the Year. Mr. Ferfolia and his wife, Theresa, were active travelers. Trips were taken to the Amazon River, Europe, and to Florida.

Along with his wife, Mr. Ferfolia is survived by his son, Donald of Maple Heights; his sister; 4 grandchildren; and 16 great-grandchildren. He will be missed by his family and by all who had the pleasure of knowing him.

THIRD ANNIVERSARY OF THE BOMBING OF THE JEWISH CENTER IN ARGENTINA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. LANTOS. Mr. Speaker, last week marked the third anniversary of the most brutal terrorist attack in the Western Hemisphere. Eighty-six people were killed and over 300 injured when a terrorist bomb ripped through the Jewish Social Service Center in Buenos Aires, Argentina, on July 18, 1994. The building which was destroyed in that bombing houses social services and other agencies for the Jewish community of Argentina.

To this day, Mr. Speaker, the perpetrators of this despicable and cowardly act of violence have gone unpunished. I am deeply concerned at the inability of the Argentine Government thus far to bring a successful conclusion to this investigation. The families of the victims of that horrendous crime still await the final information about those who committed this crime, and all law-abiding citizens everywhere await justice for the victims and appropriate punishment for those murderers who carried out this dastardly act. It is essential that these outlaws be apprehended and punished.

For 3 years, the people of Argentina and citizens throughout the world have been waiting for justice in this horrendous bombing. But this is not the only unresolved terrorist crime in Argentina. In addition to the 1994 Jewish Social Service Center bombing, the 1992 bombing of the Israeli Embassy also in Buenos Aires, Argentina, also remain unsolved. Swift and certain justice is the only effective way to deal with terrorists. If we do not bring this matter to a close, we fail families and survivors of those who lost their lives and those who have been maimed and injured in these bombings. This only encourages terrorists.

It is essential that the international community work together to confront terrorism and to ensure that terrorists understand that we will not be swayed by such ruthless and underhanded tactics. It is the responsibility of all of us living under the threat to terrorism to keep up the pressure to see this issue solved. In memory of those victims of 3 years ago, I urge the Government of Argentina renew its efforts to bring those responsible for this most horrendous crime to justice.

GROWTH IN MANAGED CARE MAY BE RESPONSIBLE FOR DECLINE IN MEDICARE RESEARCH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. STARK. Mr. Speaker, in recent months, the future of graduate medical education [GME] has been one of the most frequently discussed topics, both by this Congress and the interested public. While the budget reconciliation bills currently underway in the Congress make some changes in GME, the key long-term problems are not being addressed, and time is running out for our Nation's premier academic teaching and research institutions.

Health care in 1997 is far different than it was in 1965 when Medicare was established. The environment and methods for training the next generation of physicians and other health care providers has changed, but the way we fund that training has not kept pace. The evolution of managed care has had a definite impact on our medical schools and our academic health centers. Governmental support in the form of Medicare has been sufficient in the past, but similar guarantees no longer exist. Now is the time to consider revolutionary changes in graduate medical education. The establishment of an all-payer trust fund, supported by the Government, as well as by all users of health care, is a reasonable option to consider. If we don't begin to rethink and change the way in which we currently fund graduate medical education, the quality and stability of health care in America may be the price we pay.

The most recent edition of ''The Journal of the American Medical Association'' [JAMA] includes an alarming study that may represent the direction we are heading if we continue to treat graduate medical education the same way it has always been treated. The study focuses on the decreasing levels of research being conducted in academic medical centers. The authors found that, ''Anecdotal evidence suggests that managed care has the potential to affect research conducted in academic medical centers by challenging clinical revenues.'' Their findings provide evidence of the existence of an inverse relationship between growth in awards by the National Institutes of Health [NIH] and managed care penetration among U.S. medical schools. They found that medical schools in markets with high-managed care penetration had slower growth in dollar amounts and numbers of NIH awards compared to schools in markets with low- or medium-managed care penetration.

If managed care has the potential to affect research levels in a negative manner, then we must find a way to provide for alternative funding mechanisms to continue research in our medical schools and academic health centers. An all-payer trust fund could help support vital and necessary research activities in appropriate settings.

The authors state:

> Managed care plans often select physicians and hospitals on the basis of cost. As managed care entities negotiate discounted fees with the faculty practice plans and teaching hospitals that support medical schools, the ability of medical schools to maintain their research base may be jeopardized.

It is a known fact that medical schools in the United States rely heavily on clinical revenues generated by their faculty. These revenues help support a wide variety of medical school functions, including the core academic programs, undergraduate and graduate medical education, and biomedical research. According to the study in JAMA, this clinical support was estimated to total $2.4 billion in 1993. Of this, approximately $816 million or $0.10 of every faculty practice plan dollar collected was used to finance research. If the emergence and growth of managed care has had a demonstrable impact, as suggested by the article, then we must explore other avenues to ensure that valuable research activities are not sacrificed in the process.

Establishing an all-payer trust fund would better ensure that all components of medical education receive adequate support. For years, Medicare has been the single best source of reliable funding for teaching and research hospitals, but the available funds are already shrinking in relative terms as we struggle to maintain solvency of the Medicare trust fund while preparing for the aging of the baby boom population. An all-payer trust fund would help alleviate some of the current drain on Medicare through GME while concurrently increasing the total amount of funds available to qualified institutions. A trust fund would rely on support from a broader patient population than exists today. It would require fair and equal contributions from all those who benefit from care provided by physicians and health care professionals trained in the world's most advanced and well-respected institutions.

The idea has been discussed previously. Research today. What about tomorrow? What activities will be sacrificed next because of insufficient funds in the world of health care? If we continue to delay, we may discover the hard way what the answer to that question is. That's one risk I don't intend to take. The time for support is now. The report of a decline in research activities should be a call to action.

A TRIBUTE TO THE LATE HON. HAMILTON FISH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. GILMAN. Mr. Speaker, 1 year ago today marked the passing of one of our outstanding Members of Congress.

Congressman Ham Fish was part of a disappearing breed—an individual dedicated to public service for no purpose other than helping others. Ham was devoted to creating a better nation for all of us.

During his congressional career, Hamilton Fish became the ranking Republican on the Committee on the Judiciary. It was in this capacity that he earned a nationwide reputation as a leading proponent of civil rights for all Americans. He was the champion of our minorities and the downtrodden.

Ham Fish was also a member of the Select Committee on Children, Youth and Families.

Ham Fish's experiences on these panels exposed him to school administrators, teachers, parents, criminal justice officials, and students who alerted him to the escalating levels of violence in and around our schools. In his largely suburban and rural Hudson Valley, NY congressional district and in other areas of the country, Congressman Fish recognized a steady decline in safe and secure environments in which young people could learn, free from fear of violence and crime.

During the development of the crime bill of 1992, Congressman Fish utilized his practical experience to propose funding for an institute, comprising experts in education, health care, and juvenile justice which would determine effective antidotes and intervention strategies that would be made available nationally to schools and communities in crisis.

Although not accomplished before he left public office at the end of the 103d Congress, Hamilton Fish continued his advocacy for this institute, actively working on its behalf with his former colleagues up until a week before his death.

Bipartisan congressional support for his dream was achieved with passage of the Omnibus Appropriations Act of 1997. The U.S. Department of Justice has now begun funding the institute.

The institute has now been renamed ''The Hamilton Fish National Institute on School and Community Violence'' in recognition of much that characterized the man and the Congressman: total commitment to country, family, the young, as well as integrity, dialog, and reconciliation.

The Hamilton Fish National Institute on School and Community Violence is a living memorial to an outstanding legislator and remarkable individual whose career is an example to us all.

Mr. Speaker, two individuals have eloquently captured the essence of Ham Fish. The first was Ralph G. Neas, a longtime family friend who delivered the eulogy at St. Albans Chapel here in Washington a year ago next week. The second was William L. Taylor, who spoke a few words of tribute at the Hamilton Fish Library in Garrison, NY, earlier this year. I request that both of these tributes be inserted in the CONGRESSIONAL RECORD at this point:

REMARKS OF RALPH G. NEAS AT THE MEMORIAL SERVICE FOR CONGRESSMAN HAMILTON FISH. JR.—ST. ALBANS CHAPEL, WASHINGTON, DC, JULY 30, 1996

Mary Ann, Hamilton, Alexa, Nicholas, Peter, others in the Fish family, Speaker Gingrich, Members of Congress, and distinguished guests, I am profoundly grateful and deeply honored to have this opportunity to help celebrate the extraordinary life and legislative career of Congressman Hamilton Fish, Jr.

As the Executive Director of the Leadership Conference on Civil Rights, the legislative arm of the civil rights movement, I had the privilege of working with Ham Fish on nearly two dozen legislative campaigns between 1981 and 1995. Hamilton Fish was a civil rights champion, a mentor, and a close friend.

During the past week, the press coverage of Ham's thirteen terms in Congress has accurately characterized his personal integrity, his principled leadership, and his courageous commitment to equal opportunity for all Americans.

But, frankly, what I have read does not capture the sheer magnitude of Ham Fish's legislative accomplishments or, very importantly, the manner in which he achieved them. For a few minutes, I would like to share with you my perspective on this great man.

First, let us look at Ham Fish's civil rights record. It was legendary in its scope and breadth. Propelled by an awesome sense of justice and a determination not to rest until he had completed his mission. Ham Fish played an important role in virtually every civil rights law enacted over the past two and a half decades.

Even during the Reagan and Bush presidencies, when Ham often faced formidable odds, he helped shepherd through Congress nearly a score of civil rights laws. Indeed, during this remarkable era, Ham, along with Don Edwards, his Democratic partner in guarding the Constitution, actually strengthened all the major civil rights statutes.

To sum up all these legislative successes would take up most of the morning. But I would like to mention specifically five landmark laws where Ham Fish was either the House author or the lead Republican sponsor. And, with respect to several of them, Ham was the legislator who fashioned the bipartisan compromise that catapulted the bill toward passage.

The 1982 Voting Rights Act Extension. Extended the Voting Rights Act for twenty-five years, overturned an adverse Supreme Court decision, and extended for ten years bilingual ballot assistance for language minorities.

The Civil Rights Restoration Act (1988). Overturned the notorious 1984 *Grove City* Supreme Court decision and once again made it illegal to use federal funds to discriminate against women, minorities, persons with disabilities, and older Americans.

The Fair Housing Act Amendments of 1988. Provided at long last an effective enforcement mechanism for the 1968 Fair Housing Act. The 1988 Amendments also prohibited discrimination in housing against families with children and people with disabilities for the first time.

The Civil Rights Act of 1991. Overturned eight Supreme Court decisions that had dramatically weakened our nation's equal employment opportunity laws. And provides, for the first time, monetary damages for women and persons with disabilities who are victims of intentional discrimination.

The Americans with Disabilities Act (1990). Prohibits discrimination against 49 million Americans with disabilities in employment, public accommodations, communications and transportation.

These historic civil rights laws have benefitted, and will continue to benefit, millions of Americans. And let me state this as unequivocally as possible: these laws would not have been enacted without Congressman Hamilton Fish. His leadership during the most challenging of times was absolutely indispensable.

But it was not just the quantity and quality of these civil rights laws, or the legislative skills that made them possible, that made Hamilton Fish so special. In fact, his other attributes are what truly set him apart, providing standards of leadership that should serve as a model for everyone.

First, Ham Fish always understood thoroughly the need for bipartisanship. He knew how to build coalitions and forge a consensus. He knew the art of the timely compromise, the good compromise made at the right time that will produce the requisite number of votes, either a simple majority or a super majority, that is needed to enact a law.

The numerical results of the legislative victories I cited previously ample demonstrate this commitment to bipartisanship. The average final passage vote on these five laws was 90 percent of both Houses of Congress. Thanks to Ham Fish and his allies, the past decade and a half has been, legislatively, a bipartisan reaffirmation of civil rights laws and remedies.

Second, while Ham Fish was passionate in his beliefs, civility characterized his every action. He treated everyone with dignity. Few in Washington have matched his ability to command both the respect and the love of his peers. Time and again he proved that a nice guy can finish first.

Third, Ham Fish revered the institution in which he served. He enjoyed immensely being a member of the House of Representatives and always strove to make the House work. And while the House held his primary allegiance, he also respected the other institutions that comprise the federal government.

When the need arose, Ham Fish could be a fierce partisan. But he knew that bipartisan cooperation, not partisan confrontation, must ultimately prevail if government is to function at all.

Finally, and perhaps most significantly, Ham Fish was courageous. Whether it was voting to impeach a President of his own party or standing firm on civil rights legislation, Ham Fish did what he believed to be fair and just.

Last week, Congressman Maurice Hinchey summarized eloquently how Ham carefully balanced loyalty and independence in order to further the national interest. He stated:

''Ham was very proud to be called a loyal Republican, but he knew that loyalty does not mean surrender of one's own judgment and temperament . . . He believed that he served his party best when he served his country best, and that he served the country best by bringing the best of his own mind and heart to every issue he addressed.''

After he retired from the House, Ham Fish continued to work on behalf of his favorite issues. Just last month the two of us visited Senator Nancy Kassebaum and Congressman Amo Houghton lobbying on behalf of affirmative action and legal services.

As you can tell by now, I cherished my friendship with Ham. He was always there to help, performing any task with graceful enthusiasm. I will miss so much his warm smile, his mischievous sense of humor, and his calm and gentle presence.

As I sat praying at St. Albans chapel this morning, I thanked God for allowing Katy and me the opportunity to get to know Ham. And I was thankful that we all had the benefit of Ham's leadership at critical moments during our nation's past quarter of a century. As we leave the chapel shortly, let us all pray that God will bless America with a few more Ham Fishes.

TRIBUTE TO THE LATE HAMILTON FISH—GARRISON, N.Y., APRIL 27, 1997

(By William L. Taylor)

It is truly a great honor and privilege for me to be asked to say a few words of tribute to the memory of Rep. Hamilton Fish.

I have worked as a lawyer in the field of civil rights for more than 40 years, starting as an attorney on the staff of Thurgood Marshall in 1954. During that time I have established my own private hall of fame for people

who have made important contributions to providing opportunity to millions of citizens who have suffered discrimination. It is not a very large hall of fame and several of those in it are people whose names or contributions are not well known to the American people, because they did not seek to draw public attention to themselves or seek acclaim for their work.

One of those people is Judge Robert L. Carter who was Thurgood Marshall's chief deputy in bringing the case of Brown v. Board of Education and other landmark cases that started the legal revolution in civil rights and then went on to a distinguished career as a federal judge in New York. Bob Carter was my first boss at the NAACP Legal Defense Fund. He is celebrating his 80th birthday at an event in New York City that starts in a few minutes and that is the reason I can't stay with you this evening.

Another of the people in my hall of fame is Ham Fish. Although I had met him before, my first substantial encounter with Ham Fish came under somewhat dramatic circumstances in 1981. I was working with the Leadership Conference on Civil Rights in seeking a reauthorization of the Voting Rights Act of 1965 which many people think is the most effective piece of civil rights legislation passed in this century. But in 1981 we were in a tough fight because many in Congress thought the time had come to end the special provisions of the Voting Rights Act. An agreement that had been made by civil rights forces with another Republican member of Congress fell apart just as the House Judiciary Committee was to meet to consider the bill. Mr. Fish was a senior member of the committee and a supporter of the extension of the Voting Rights Act, but he had not been intimately involved with the legislation. I spent all night with other civil rights lawyers redrafting the bill and Rep. Don Edwards arranged for me to see Mr. Fish at 10 am, just before the Committee was scheduled to meet.

I approached the meeting with some trepidation. What would Rep. Fish think about our coming to him at the last moment? Would he be able to master the details of a complicated piece of legislation in so short a time and serve as its chief Republican spokesman?

In his book Giantkillers, Mike Pertschuk describes what happened:

"Taylor, on three hours sleep, briefed Fish just 15 minutes before the Committee meeting. Fish, a quick study, quickly grasped the essential elements and later deftly defended the bill in committee as if he had spent all night writing it."

The legislation passed and Fish proved "an eloquent advocate."

Afterwards, I thought back on how remarkable that meeting had been. The typical member of Congress of whatever political persuasion would have spent at least some time berating me for coming to him only when we were in dire straits (and would have had some justification for saying so). Ham Fish didn't waste any time massaging his ego. Instead, he asked a few incisive questions about the bill until he was satisfied he could support it and serve as its spokesman. He knew that there was an important job in fighting voting discrimination still to be done and he kept his eye on the ball.

That first meeting in many ways typified the relationship we came to enjoy over more than a dozen years. During those years, Ham Fish was the Republican leader in the House responsible for passing several pieces of landmark civil rights legislation—including the Civil Rights Restoration Act of 1988, the Fair Housing Amendments of 1988, the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991. It is fair to say that those laws have benefitted millions of people—people of color, women, disabled people, older people. The laws did not give people special favors or breaks; rather they enable them to remove barriers to achieving their potential and to their ability to live in dignity. And though few may know his name, all of these millions owe a debt to Ham Fish for his leadership in passing these laws. Indeed, all of us who have led advantaged lives owe Ham a debt for enabling us to live in a society that is fairer, more just, less marked by ugly prejudice than the world inhabited by our forebears.

But while I think about these great achievements, I also think about the personal qualities of Ham Fish. He had both a first rate mind and traits of modesty and humility. That is a rare enough combination in the general population and it is almost unheard of among politicians. Often, in his office or in a committee meeting or on the floor of the House, someone would put forth a proposition that would not bear scrutiny. Instead of challenging the person aggressively, Ham would get a twinkle in his eye and a slight hint of a smile and would then ask in gentle, matter-of-fact tones a question or two that would expose the flaws in the speaker's argument. And that was his manner with people from all parts of the political spectrum. I sometimes brought lawyers from our civil rights coalition into his office who were very bright people, but who may have been off on a tangent that was not realistic or sensible. Ham brought them back to earth. In fact, although I don't like to admit it, I may have been a victim of that twinkle and amused smile once or twice myself.

The other legislative leader who comes to mind whose manner was similar was Phil Hart from Michigan—another member of my private hall of fame. Both he and Ham Fish genuinely deserve the appellation used so freely in the Congress—gentleman.

This is not to say that Ham Fish was modest to the point of self-abasement. He took a quiet pride in his work on civil rights. I remember how touched he was when the NAACP decided to honor him for his leadership. He shared a draft of his acceptance speech with a couple of us because he wanted to be sure that he was conveying adequately how important the cause was and how appreciative he was of the honor.

Ham Fish was also courageous. By the 1980s, civil rights legislation, although vitally needed, was not popular in many places. Although there were 40 or so Republicans in the House who joined with Ham Fish in providing the critical votes for civil rights laws, by the mid-80s almost none of them were on the House Judiciary Committee. That meant that Ham walked a lonely path. Often, under circumstances when we would ordinarily meet with staff, we met with Mr. Fish alone because of concerns about the divided loyalties of the committee staff. That isolation had to be difficult for Ham although he never talked about it or said a bad word about any of his colleagues. It surely would have been easier to go along with fellow committee members who could, if they became displeased enough, vote him out of his position as ranking minority member of the committee. But Ham Fish followed his conscience just as he did in that early vote to impeach a President and on so many other matters.

Last year as I was leaving the moving memorial service for Representative Fish at St. Albans Chapel in Washington, I ran into a Republican Congressman I knew. He is a very bright and capable legislator who had made an unsuccessful run for higher office and then returned to the House and his record on issues of civil rights and social justice is a mixed one. As we were parting I said to him "I hope you will carry on in the tradition of Ham Fish." I hadn't planned to say that and I wasn't sure how he would take it since he regards himself as very independent. But he clearly was flattered and he replied that he hoped he would be equal to the task.

In the months that followed, there was one clear test of character in the House and this Congressman stood up with a handful of other Republicans to go against his party's demands and to vote his conscience. I like to believe he was thinking of Ham Fish when he cast that vote. I don't know that for sure.

But I do know that Hamilton Fish left his legacy in many places—in the passion for justice of his children who I have become acquainted with over the years, in the civil rights and other communities he served, and in the Congress itself. It is a legacy of commitment, of generosity of spirit and of courage. And it should leave us all a bit more hopeful about the future.

10TH ANNIVERSARY OF SAY YES TO EDUCATION

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. FATTAH. Mr. Speaker, today I rise in honor of the 10th anniversary of a program that has made a dramatic difference in the lives of students in Philadelphia and two other cities, and that has helped our Nation focus attention on better ways to promote success for inner-city students.

In June 1987, a trustee of the University of Pennsylvania, George Weiss and his former wife Diane, made an announcement at the Belmont Elementary School that changed the lives of 112 West Philadelphia students and launched a program that has become a national model for intervention in urban schools.

Say Yes to Education began with a promise by the Weisses to pay complete costs for college or postsecondary training. However, they knew that more would be needed to ensure that the students would be prepared to take advantage of their promise. The Say Yes to Education Foundation was formed under the educational leadership of Dr. Norman Newberg, its executive director and Randall Sims, its senior project coordinator. The program provided counseling, tutoring, mentoring, and summer programs to enrich the cultural and intellectual lives of the student. Perhaps even more important was the personal involvement of the Weisses and the Say Yes staff in encouraging the students. On more than one occasion, George Weiss himself knocked on doors to personally urge students to reject negative influences and take education seriously. It's this kind of dedication that makes the Say Yes program a national example of true educational reform.

Under Dr. Newberg's leadership, Say Yes is organized as a four-way partnership between sponsors, a college or university, the students and their families, and the public schools. The relationship with a college or university adds a significant dimension to the program because of the vast human and institutional resources which are available to be used in support of student progress. The university connection helps to spread information and ideas to other educators about what works.

The program has grown to include over 300 students, including a class from the Harrity Elementary School in Philadelphia and students in Hartford, CT, and Cambridge, MA. To date 67 of the original Say Yes students have graduated from high school, with 19 matriculating at 4-year colleges and 21 at 2-year colleges. This number far exceeds the expectations of educational experts for students from similar economic backgrounds.

The stories of these students, dubbed the Belmont 112 by the Philadelphia Inquirer in periodic articles about the program, have touched the lives of many Philadelphians and inspired other sponsors to reach out to urban students.

It is because the success of programs like Say Yes to Education, that I introduced the 21st Century Scholar Act, H.R. 777. This act would notify elementary school students at the poorest public schools in the country that they would be eligible for the maximum Federal Pell grant award if they complete their high school education and gain admission into a postsecondary institution. In addition, my legislation would make available tutoring and mentoring services to these students through the existing Federal TRIO programs. The 21st Century Scholars Act implements the efforts of successful private early intervention programs, such as Say Yes to Education, on a national scale.

To mark the 10th anniversary of the Say Yes to Education Program, a reunion of student participants and sponsors will take place in Philadelphia on July 26, 1997.

I am pleased to honor the original Belmont Say Yes to Education students by entering their names into the CONGRESSIONAL RECORD: Allen Alexander; Eric Alexander; Tanyell Alick; Dana Baynes; Jerell Baynes; Majovie Billups-Bland; Maurice Boone; Christopher Bradford; Mitchell Bronson; Shermika Brown; Walter Brown; Damion Caldwell; Tabitha Casper; Sekou Clark; David Cox-Sims; Kimberly Creamer; Zengo Daigre; Zeno Daigre; Jahleel Daniels.

James Davis; Solomon Davis; Troy Davis; William Dorsey; Frank Duckett; Craig Dunston; Anita Edwards; Micah Ellison; Jalina Evans; Mark Ferguson; Vedia Fisher; Tolanda Fortune; Craig Freeman; Gregg Freeman; Joelena Fuller; Lamont Goings; Ayenna Gomez; Yasmeen Grantham; Steven Guilford; Antoinette Harper; Mack Harvey; Mildrianne Hatten; Jerwayne Haywood; Kenneth Hilliard; Charles Hollerway; Micah Holliday; Jermaine Horton; Nicole Huff; Carol Jackson; Eugene Jackson; Tamika Jackson; Carmen James; Aronda Jenkins; James Johnson; Ravenel Johnson; Crystal Jones; Chantel Jones-Akers; Marvette Leatherberry; Sherlina Leatherberry; Christopher Lee; Latasha Lighty; Nickia Little; Genise Mace; Cedric Mallory; Richard Matthews.

Percy McKitthen; Charles Miles; Dellshon Miller; Sonny Miller; Vanessa Mitchell; Jarmaine Olliviere; William Payne; Ronald Pierce; Aaron Pitt; Shaheed Purnell; Joanne Randall; Nicole Randall; Kemeika Richardson; Rodana Robinson; Juanita Rollerson; Quentin Ross; Katrina Scruggs; Edwin Seals; Marc Seymour; Michael Shenoster; Harold Shields, Jr.; Orion Sistrunk; Tanisha Smalls; Cornell Smith; Jumar Smith; Larry Smith; Rodney Sowell; Janine Spruill; Dorothy Stewart; Jeremy Summers; Iva Supplee-Tate; Bradley Torrence; Horace Torrence; Montara Tyler; Kenya Walker; Shantee Washington; Bryant Webster; Pauline White; Kelly Whitehead; Eric Whitney; Bill Wilcox; David Williams; Paul Williams; Tamika Williams; Tashieka Williams; Theresa Williams; Marvin Wilson; Christopher Wood.

I hope that all Members will take time to learn more about this important program and its successes as our Nation moves forward in its effort to revitalize education for all students.

SALUTING NASA

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. KUCINICH. Mr. Speaker, I rise in support of the excellent work being done by the scientists and engineers at the National Aeronautics and Space Administration [NASA]. NASA is an extremely important public agency and its vast array of work including space, science, aeronautics, global environment, and education, benefits the Nation on a number of levels.

Under the direction of Administrator Daniel Goldin, current NASA operations are both dynamic and productive. Mr. Goldin has been an agent of positive change and reform. Programs are being carried out faster and cheaper. His dedication to the international space station has promoted an atmosphere in which nations from around the world have been willing to work in partnership. His efforts in seeking the inclusion of the Russian space agency are particularly noteworthy. They demonstrate the impact that the space program can have on international relations, encouraging cooperation toward peace. A United States and Russian joint space program is something that could never have even been dreamed of when cold war divisions were prevalent. The program highlights the mutual interests and mutual benefits of peace shared by our two great nations.

Of the many missions which NASA is currently working on, Mars Pathfinder, which landed on July 4, 1997, is the highlight. The mobile geological studies of Mars which are currently being carried out, are extremely innovative and educational. I would like to commend the brilliant scientists and engineers of NASA for the success of this mission.

NASA's international space station [ISS], phase I, has sought to collaborate international efforts in order to place into orbit and monitor American astronauts in space.

NASA's Mission to Planet Earth [MTPE] and the Earth Observing System [EOS] have provided, and are continuing to provide, key data on the Earth's global climate change. The program, designed by the talented engineers and staff of TRW, headquartered in the Cleveland area, endeavors to evaluate the interaction between the elements and the effects of natural and human-induced changes on the global environment. In the past the program has helped us to understand about the ozone layer and the effects and causes of destructive natural phenomena. At this time there are a number of scientific instruments aboard various spacecraft which are monitoring climatic trends.

A driving force behind the success of NASA's missions is the work carried out by the Cleveland based Lewis Research Center [LeRC]. The Mars Pathfinder mission is one in which LeRC has an important role. The geological experiments being carried out by the Sojourner rover on Mars were formulated by LeRC scientists. The Lewis team is also a major participant in microgravity research. The near zero gravity experimentation has been successfully used over 80 times on 30 different missions. Eleven NASA Lewis experiments are part of the microgravity science laboratory aboard the space shuttle. These experiments will be invaluable in providing a bridge between present operations and those operations to be conducted in the near future aboard the ISS.

As impressive as all of these programs are, perhaps NASA's biggest achievement lies in the fact that all of the above has been conducted while reducing spending.

The Appropriations Committee proposed a fiscal year 1998 budget of $13,648,000,000. As each fiscal year budget passes, projected NASA future spending shrinks. Productivity, however, has been maximized. The Earth Observing System program, for example, was in fiscal year 1991 forecast by NASA to require $17 billion of public funds through the year 2000. In the fiscal year 1996 budget plan this projection had been reduced to $7.2 billion. NASA has managed to achieve more with less.

One reason for the NASA success story is the cooperative interaction with commercial institutions and the links forged with their international counterparts. By collaborating with private sector organizations, NASA has been able to restructure certain of its operations while still achieving the desired results. For example, the technology generated by NASA in detecting and tracking tornadoes, has been used by commercial weather stations. Such links have produced a catalyst enabling more research and development to be undertaken.

Mr. Speaker, NASA is the unparalleled world leader in space technology, enabling this country to maintain world leadership in science technology and in aeronautics research and in space exploration. I salute the thousands of NASA employees who help to make the program possible.

NIKOLAI IVANOVICH GETMAN: ARTIST OF THE SOVIET GULAG

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. LANTOS. Mr. Speaker, I would like to recognize the accomplishments of Soviet born artist, Nikolai Getman, a refugee of the Soviet Gulag, the immense series of prison camps that extended across the length and breadth of the former Soviet Union. His paintings have given us a unique insight into the ghastly life of the Gulag. This exhibition, a collection of paintings depicting life at the Gulag, is of immense historical importance. Over the past several months the Jamestown Foundation, a nonprofit organization which focuses on the former Soviet Union, has raised funds to bring these paintings to the United States and save them from possible destruction. The paintings will be available for viewing in the Rotunda of the Russell Senate Office Building between July 21 and July 25.

In 1946, Soviet police imprisoned Nikolai Getman in the Gulag, the Soviet Union's state operated system of prisons and forced labor camps. He is one of the millions of victims of Josef Stalin's purges and political repressions. Getman's crime was that he had been present in a cafe with several fellow artists, one of whom drew a caricature of Stalin on a cigarette paper. An informer told the authorities about the drawing, and the entire group was arrested for anti-Soviet behavior. Getman spent 8 years in Siberia at the Kolyma labor camp where he witnessed one of the darkest periods of Soviet history. Although he survived the camp, the horrors of the Gulag were burned into his memory. Upon his release in 1954, Getman returned to his career as a painter, painting prominent members of state.

In secret, however, he drew many pictures depicting his memories of the camps. He told no one, not even his wife, what he was doing because to do so meant risking imprisonment or even death. Despite the danger, he undertook the project believing that he must record the plight of the millions of dead prisoners so their fate would not be forgotten. For more than four decades, Getman worked at his task of creating a visual record of the Gulag. During those years, his secret collection grew to 50 paintings which depict all aspects of life in the camps.

The Getman collection is outstanding. It is the only known visual record to exist of this tragic period in Soviet history. If film or other visual representations of the Soviet Gulag existed, they have been largely destroyed or suppressed. The Getman collection stands alone as a most unique historical document.

Getman, now 79, lives in Oryol, Russia. He feared that when he died his paintings would be destroyed or sold off. He asked the Jamestown Foundation to assist him in moving the paintings to a place of safety in the West and to develop a plan for their preservation and exhibition. After 6 months of effort, the paintings are now safely in the United States.

It is important that Nikolai Getman's painting act as a public reminder, a means of education, and a testament to the more than 50 million people who died in one of the most vicious and brutal acts of political repression. Getman's perservance, determination, and bravery, as well as the hard work of the people at the Jamestown Foundation, have guaranteed that the visual record of the atrocities exists despite concerted attempts on the part of the Russian authorities to make the memories disappear. Mr. Speaker, I take great pride in the fact that the first exhibition of such important works will take place inside the U.S. Congress.

AMERICAN HERITAGE RIVERS

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. REYES. Mr. Speaker, I am concerned about efforts by some of my colleagues to prohibit any further action on the American Heritage Rivers Initiative, which was proposed by President Clinton in his State of the Union Address earlier this year.

In the committee report accompanying the Agriculture Appropriations Act for fiscal year 1998, H.R. 2160, language is included stipulating that ''Funds for [the American Heritage Rivers] initiatives are not available until justification and reprogram requests are approved.'' In addition, Representative HELEN CHENOWETH has introduced a bill to prohibit any further action on the initiative.

I am a very strong supporter of this initiative and am working very actively with my colleagues along the Rio Grande River to submit a proposal for consideration for designation as 1 of the first 10 rivers to be designated.

The Rio Grande River is rich in history, with dramatic contrasts. Some stretches offer incredible scenery and a pristine environment, while others are marred by the stench of pollution that threatens public health. For roughly 1,000 miles, the Rio Grande, known in Mexico as the Rio Bravo, serves as an international boundary. The river has provided the water needed for border towns to grow into sister cities. It has nurtured industry, agriculture, and the development of commerce on both sides of the border, but demand for its water is exceeding supply in many places. How we secure the quantity and quality of water needed from the Rio Grande and other sources will be crucial to the prospects for sustaining growth for our region in the 21st century.

The possibility for designation of the Rio Grande as an American Heritage River offers an opportunity for communities along the Rio Grande to work together and gain easier, more direct access to existing Federal assistance. The designation would help us celebrate our heritage, draw attention to the natural wonders of our river and, at the same time, address very real and complex challenges facing its wonders of our river and, at the same time, address very real and complex challenge facing its future. Proposals for designation will be evaluated on whether the plans have strong or solid community support which involve partnerships between the public and private sectors.

The Federal Government is to offer a partnership determined by the needs of the local communities, offering them ways to cut through redtape and develop innovative arrangements for new or existing objectives. There are to be no new regulations or standards, and property rights are not to be impaired.

It is important to note that this opportunity comes at the same time that the Texas legislature has passed a major overhaul of our State's water law to help communities and regions work together in planning for the future. The Rio Grande was cited as a special case and agencies were instructed to seek Federal assistance.

Regional councils of government along the border are meeting now to frame a proposal to be sent to the White House on behalf of those local jurisdictions that wish to participate. The proposed partnership is to have key Federal agencies assist the communities of the Rio Grande develop the long-term assessments of their water needs called for by the water plan that Governor George Bush recently signed into law. A broader partnership is being proposed under which the Federal, State and local authorities working with business and civic groups will assist Rio Grande communities to participate in the 1998 Smithsonian Folklife Festival in Washington, DC. That year's festival will focus on the Rio Grande/Rio Bravo and provide a unique opportunity for us to share our rich heritage with over 1 million visitors.

A focus on the Rio Grande is something Texas can get behind. We are proud of our river and want to assert our stake in its future. The proposed being drafted will make sure that Federal jurisdiction is not expanded, that no new regulations are imposed as a result of the designation, and that no one's property rights or water rights are affected. Our effort is being designed and managed by Texans on behalf of a heritage we share with our neighbors and fellow Americans.

I urge all of my colleagues to join me in supporting the American Heritage Rivers Initiative and opposing efforts to kill this important initiative.

Finally, Mr. Speaker, I am submitting for the record a list of questions I submitted to the Council on Environmental Quality and the responses I received. I believe this documents answers all of the concerns that have been expressed by citizens and my colleagues.

EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON ENVIRONMENTAL QUALITY,

Washington, DC, July 18, 1997.

Hon. SILVESTRE REYES
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE REYES: Thank you for your recent letter requesting additional information on the American Heritage Rivers initiative. I appreciate your continued support and outstanding leadership in the Congress. I have attached answers to the 25 questions. I hope this information is helpful to you.

Please let me know if I can be of further assistance.

Sincerely,

KATHLEEN A. MCGINTY, *Chair.*

Enclosure.

ANSWERS IN RESPONSE TO QUESTIONS SUBMITTED REGARDING THE AMERICAN HERITAGE RIVERS INITIATIVE

1. Q: Can the designation be, in effect, a contract between the local jurisdictions and the federal government in which the terms, the scope and the limitations of the designation are set out clearly and agreed upon by all parties?

A: There is nothing in the initiative that requires applicants to enter into any type of agreement with the federal government. Designation is the recognition of local communities' efforts to enhance and protect their river resources.

As a practical matter, the federal government cannot enter into ''contracts,'' in the legal sense, with communities. However, the federal government often enters into Memoranda of Understanding with state, tribal and local governments and nongovernmental organizations. Designated communities will have the option of entering into Memoranda of Understanding at the local level to explain the terms, scope and limitations of designation and how they want to work with federal agencies.

2. Q: Will a designation carry with it any new federal regulation, mandate, or increased eligibility standards? Can that be asserted in a designation proclamation?

A: No. Designation as an American Heritage River will not carry with it any new federal regulation, mandate or increased eligibility standards.

As stated in the Federal Register Notices of May 19 and June 10, ''The [American Heritage Rivers] initiative will create no new regulatory requirements for individuals or state and local governments.'' This can be asserted in a designation proclamation.

The goal of the American Heritage Rivers initiative is to support communities, within existing laws and regulations, by providing them with better access to information, tools and resources, and encouraging private funding of local efforts deserving of special recognition.

3. Q. Will and AHR designation affect property rights and/or water rights in any way?

A: No. An American Heritage Rivers designation will not adversely affect property or water rights. The initiative will not grant any federal, state or local government entity any new authority or control over private property. The comment period was extended, in part, to work with landowners and other interested parties to better understand the initiative. During this period, we have listened to these concerns and have developed the following language that will be included in the final description of the American Heritage Rivers initiative to demonstrate our intent not to diminish property and water rights:

''In implementing the American Heritage Rivers initiative, Federal departments shall act with due regard for the protections of private property provided by the Fifth Amendment to the United States Constitution.''

4. Q: Can there be procedures for prohibiting any changes in existing private property, water and/or development rights on land along a river in connection with activities recognized under an AHR designation? Or: Can there be procedures for geographic areas within the designated geographic area to be exempted from activities recognized under the AHR designation?

A: The local and state governments establish procedures for changes to existing private property, water and/or development rights. Any geographic areas within the designated geographic area to be exempted from such activities will be identified by the local sponsoring organization.

5. Q: What is the procedure that makes the projects of an American Heritage River designee a priority to federal agencies? What could be the practical benefit of that?

A: After the President designates the rivers, the Secretaries of the participating federal agencies will enter into a Memorandum of Understanding describing how they will work together to create the American Heritage Rivers initiative.

The practical benefit is that communities will have easier access to information about existing federal resources and help in targeting funding and technical assistance resources most appropriate to their needs.

As stated in the Federal Register Notices of May 19 and June 20, an ''interagency task force will work with each River Community as it is designated to identify technical and funding needs. First, a team of planning and technical assistance experts will help each designated River Community assess its strategy and implementation plan to identify technical assistance and funding needs. Then, federal agencies will commit field staff and resources to the teams, which will also include non-federal partners, such as state, local, tribal governments and nongovernmental organizations.''

This means that each interagency task force will work closely with the community to meet identified community needs. Not every community will require the resources and programs of every federal agency. The ''River Navigator'' will be a full-time liaison between the community and the federal agencies. The resources and staff of the agencies will be accessed as appropriate and needed.

6. Q: Does an AHR designation have to include the full watershed/basin of the river? How does an applicant set the geographical limits of the designation?

A: An American Heritage Rivers designation does not have to include the full watershed or basin of the river. Communities set the geographical limits of the application and the designation is confined to those limits.

7. The Federal Register mentions the restoration of rivers.

a. What is meant by restoration?

Restoration is any activity that returns an area to a former use or condition. The extent of restoration activities will be defined by the communities in their applications.

b. If there is a designation, will that mean local acquiescence to a federal effort to restore that river to previous uses or to a natural state untouched by human activities?

Absolutely not. The community will identify what they want to do within a designated area. The American Heritage Rivers initiative is not about ''local acquiescence to a federal effort.'' It is about federal agencies working closely with communities to achieve the communities' goals.

c. Does ''restoration'' have to be a part of the proposal in order to secure a designation?

Restoration does not have to be part of any designation. The community decides its priorities and seeks designation based on that community's needs.

8. Q: Could a designation enable local jurisdictions along the Rio Grande to have a stronger and more active voice with federal and international activities such as Border XXI, NADBank, BECC and the IBWC? If so, how?

A: We are hopeful that the American Heritage River designation will provide many more avenues for the federal government to form partnerships with local communities. There are a number of existing opportunities along the border, including Border XXI, NADBank, BECC and IBWC, that the communities along the Rio Grande might identify in their application. Representatives from these programs would be included in the federal assistance team working with the designated river's community to ensure that the community's goal and objectives are integrated into these institutions' decision making.

9. Q: Once a river has been designated in response to the communities' application, can the projects and activities within the original application be modified or added to at a later time? Who can make such changes and who would decide or approve them?

A: The community can make changes or modifications to their plan consistent with the process and criteria used to develop and recognize the application by the community and the federal government.

10. Q: How can the designation be used to encourage Mexican enforcement of environmental laws that deal with discharge into the Rio Grande?

A: The American Heritage Rivers initiative does not alter existing environmental law or dispute resolution processes.

11. Q: As a Rio Grande application is drafted, could representatives from relevant federal agencies be made available to field questions regarding the AHR program and how each agency might give priority to the designated rivers?

A: Yes. Federal agency representatives were trained in a video uplink on June 17 to answer questions about the American Heritage Rivers initiative. Lists of these employees will be available in mid-July.

12. Q: Does federal attention to water flow needs and water quality automatically follow a designation or must it be something specifically identified in the application?

A: No federal attention automatically follows a designation, unless it is requested by the community in its application. The federal agencies will assess whether such a request is authorized by Congress, that funds are appropriated for such action, or can be appropriated if the action is approved.

13. Q: Would a designation of the Rio Grande mean federal funds would be diverted from other activities in the state to the designated river's program?

A: No. The initiative will help communities through better use and coordination of existing programs and resources. Communities will only receive funds for which they would be otherwise eligible, under the authorization and appropriation terms of Congress.

14. Q: Can the CEQ make public the designation proposals it has received from Texas?

A: As the application process has not opened, no proposals have been received from Texas, or any other state. Many communities requested nomination of their rivers following the President's State of the Union Address. These communities have been asked to submit formal applications, once those applications are available in mid-September.

American Heritage Rivers is committed to an open process and full disclosure. Information will be made available about applications received.

On the American Heritage Rivers homepage, we are asking people to self report their interests in specific river designations. You can access the homepage at: http://www.epa.gov.owow.heritage.rivers.html

15. Q: Will procedures be put in place whereby the applicant can ask to have a designation rescinded and/or given activities and/or geographical rescinded?

A: Yes. As stated in the June 20 Federal Register Notice, ''Any community which nominates a river for designation and has its river designated, may have this designation terminated at its request at any point in the future.''

16. Q: How is the AHRI associated with the United Nations or the NAFTA or their agencies?

A: The American Heritage Rivers initiative has not been associated with the United Nations or NAFTA. As stated in the June 20 Federal Register Notice, ''Foreign governments and their international organizations will not have a role in sponsoring a nomination to be an American Heritage River nor will they have any authority granted to them as a result of an American Heritage River designation.''

17. Q: If planning of a capital intensive scenic route or nature trail along a river was part of an AHR designation, would a subsequent proposal for appropriation of new money for the projects planned be prejudiced by the ''no new money'' commitment?

A: No. Substantial federal resources have already been authorized and appropriated by Congress. Therefore, projects otherwise eligible for funding would not be prejudiced against because of an American Heritage Rivers designation. In fact, for some projects, the cooperation of the federal, state and local agencies through the American Heritage Rivers initiative could strengthen a subsequent proposal for funds.

18. Q: Why is the AHRI needed to get the federal agencies to do what they are supposed to be doing anyway?

A: The federal agencies have done an excellent job of cooperating more effectively. Interagency cooperation is at an all-time high, which is good news for taxpayers. But as the Administration's effort has found, the job of reinvention is never complete. The National Performance Review, directed by Vice President Gore, continuously seeks to create a government that works better and costs less through focusing on customer service, developing partnerships and delegating power to the front lines.

The American Heritage Rivers can help accomplish this in four ways:

1. To recognize outstanding community-led efforts. The American Heritage Rivers initiative is the most important recognition of local river efforts in 20 years.

2. To serve as models of the most innovative, successful and sustainable approaches to river restoration and protection for communities across the United States. The lessons learned from these models can be applied to programs across the country.

3. To ensure that federal agencies are cooperating to the greatest extent possible. At a time of declining federal resources, the Administration believes the decisions about prioritizing federal programs should come from the affected communities.

4. To encourage greater agency cooperation across disciplines and programs. There is a continuing need to integrate the environmental, economic and historic disciplines of not only the federal government, but state and local governments as well.

19. Q: What protection is there in the AHRI for the rights of those in a community that do not favor a designation?

A: As stated in the June 20 Federal Register Notice, ''A local mechanism will be required that allows members of a community to comment on the nomination of a river or river stretch by their community.''

The nomination process will be fully controlled, discussed and organized at the local level. The concerns of all members of a community should be aired as the nomination is prepared. Communities submitting applications should make opportunities available for members of the local public to comment on the nomination. Elected officials are expected to participate in the nomination process. The Administration will also make public the nominations that it receives.

20. Q: Will a designation application gain points in the scoring process if it has bipartisan support?

A: Yes. Bipartisan support will help a community demonstrate that it meets the criterion of broad community support.

21. Q: Would requests for federal agency help to prepare for participation in the Smithsonian Institute's 1998 American Folklife Festival be an appropriate activity under the AHRI?

A: Yes. The community defines appropriate activities under the American Heritage Rivers initiative.

22. Q: Could local requests for federal grants and cooperative assistance to improve use of river water in irrigation be recognized as part of an AHR designation?

A: Again, the community defines appropriate activities under the American Heritage Rivers initiative. If a community decided to seek federal grants and cooperative assistance to improve use of river water in irrigation that would definitely be considered if the river gained American Heritage River status. The American Heritage Rivers initiative would not alter or affect any laws or rights relating to river or water flows.

23. Q: Are applications for designation required to include specific projects for implementation under the designation? If yes, what is the impact on other projects in the designated area that are not included in the designation application?

A: One of the criteria for designation is that communities have in hand, or are developing, a well-defined plan of action for the river. Projects and products, including any anticipated impacts beyond the designated river area, are part of this plan of action. Other components of the action plan are community vision, operating procedures and policies, description of how the proposal takes into account existing plans for the area, public participation and public education, committed and anticipated resources, schedule of actions, the community's expectation of the federal role, obstacles to community action, including those the community believes can be resolved by joint federal, state and local support, and measures of success.

There is not necessarily an impact on other projects in the designated area that are not included in the designation application. Some projects, of course, may be dependent on each other.

24. Q: can an AHR designation create a situation to allow one of its projects to circumvent existing and required local and/or regional planning processes? If not, would an application for designation be eligible for consideration if specific projects were not mentioned, but the application stressed the desire to acquire designation to attain an increased federal focus to aid in encouraging and supporting local, regional and state planning processes that would result in projects that are in compliance with local, state and federal requirements?

A: No. American Heritage Rivers designation will not be a means for projects to circumvent local or regional planning processes. Quite the contrary. The goal of American Heritage Rivers is to look to local or regional planning processes and to ensure that the federal agencies are cooperating sufficiently to streamline processes to help communities realize their goals wherever possible. All actions, by all involved with the initiative at the federal, state and local levels, must take place within existing laws and regulations.

If the community wished to identify appropriate roles for and services from the federal agencies, assistance with local, state and regional planning processes would be eligible. All the projects under consideration in a designated area do not necessarily have to be mentioned in the application. However, to the extent that these projects demonstrate how the community meets the criteria, including broad community support and strategies that lead to action, their inclusion is to the benefit of the applying community.

25. Q: Is it the intent of the AHRI to designate rivers on the basis of demonstrated historical, cultural, economic and environmental significance, or to designate rivers based on the merits of proposed projects?

A: Both. It is the intent of the American Heritage Rivers to designate rivers on the basis of their demonstrated historical, cultural, economic and environmental significance and the commitment the communities have to preserving and restoring these resources. Projects identified by the community should integrate, to the largest extent possible, the environmental, historic and economic aspects of their communities.

HONORING THE RETIREMENT OF REV. DR. JAMES W. BATTLE, SR.

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. VENTO. Mr. Speaker, I rise today to celebrate the career of the Reverend Dr. James W. Battle Sr. Reverend Battle has served as pastor of Mount Olivet Baptist Church in Saint Paul, MN, since June 1972. His distinguished career and commitment to the community should serve as an example to all.

Pastor Battle answered his call to the ministry and moved with his family to Nashville, TN, in order to attend the American Baptist College. He graduated and became the chaplain of the State Prison, and later a counselor at Meharry Medical College. In 1972, he accepted the position as pastor of Mount Olivet Baptist Church in Saint Paul, MN. In 1977, the pastor received his master's of divinity from the Luther Seminary in Saint Paul, and earned his doctorate of ministry degree from the United Seminary in New Brighton, MN, in 1985.

Under his leadership, Mount Olivet has steadily grown. Shortly after his arrival, he directed the construction of a new church building and revived Bible study classes. These improvements have resulted in additional services being provided by the church, as well as expansions to the church facility.

Aside from being a dynamic leader of his church, Pastor Battle has extended his energies to the community. He has served as: cofounder of the Saint Paul Ecumenical Alliance of Congregations; member of the St. Paul Urban League; member of the Council of Black Minnesotans; member of the Rainbow Coalition; and chairman of the Minority Advisory Committee of the Metropolitan Transit Commission.

In addition, the Reverend has organized his community at several levels. He was an organizer of the march of the State capitol in honor of Dr. Martin Luther King, Jr., in 1979, and most recently helped coordinate the Minnesota contingency to the Million Man March in Washington, DC, which departed from and returned to Mount Olivet. Currently, he is also involved with a Gang Summit at Mount Olivet, the African-American Parent Group, Native American Special Project, and Lao Family Community Services, all in Saint Paul.

In 1996, I was privileged to be present when Pastor Battle received Luther Seminary's annual Race, Church, and Change Award. He has also been the recipient of the S.E. Hall Community Service Award from the Saint Paul Urban League, and the Martin Luther King Humanitarian Award for Outstanding Achievement and Contribution in the area of religion in 1992 and 1993.

I would like to take this opportunity to congratulate the Reverend Battle and his family for all of his accomplishments as he celebrates 25 years with Mount Olivet. I would also like to thank him for serving his church and community with such dedication and devotion and hope that he and his family are blessed with greater endeavors in the future. Happy Retirement.

IN HONOR OF PUERTO RICO ON ITS CONSTITUTION DAY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor the citizens of Puerto Rico on Constitution Day, July 25, 1997. The people of Puerto Rico established the Constitution of the Commonwealth of Puerto Rico for the very same reasons our forefathers wrote the Constitution of the United States of America, to establish themselves as a democracy.

The Puerto Rican Constitution ensures basic welfare and human rights for the people, ensconces the idea of a government which reflects the will of the people, and pays tribute

and loyalty to the Constitution of the United States of America.

The Puerto Rican culture is a distinctly unique culture. By pledging allegiance to the Constitution of the United States of America, the people of Puerto Rico celebrate shared beliefs and the co-existence of both cultures. By ratifying their own constitution, the people of Puerto Rico retain and honor their original heritage while expressing the desire to pursue democracy and happiness for themselves.

A TRIBUTE TO WILLIAM ''B.J.'' HANNON

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. STRICKLAND. Mr. Speaker, I rise today to pay tribute to William ''B.J.'' Hannon. Born September 18, 1927, in Ironton, OH, B.J. has shown throughout his life that one man, by dedicating himself to his work and his community, can make a real and lasting difference in people's lives.

After has graduation from Ironton High School, B.J. proudly served his country in the U.S. Navy from June 1945 to August 1946. After this period of service, B.J. returned home to Ironton and began working at the Wilson Sporting Goods Co., where he was employed for 36 years.

Through his love of sports, B.J. gave every member of the Ironton community the opportunity to become a star athlete. Both children and adults alike have benefited from B.J.'s knowledge of sports and devotion to his hometown. A coach since 1960, B.J. has coached almost every sport conceivable including football, basketball, baseball, softball, and track.

He still coaches youth football, bringing countless hours of fun and hard work to the youth of Ironton.

The impact that a positive role model can have on children is immeasurable, and B.J. has not taken his responsibility lightly. One can only imagine how many little league kids might have been inspired to work a little harder after realizing that what they accomplish on the field can be duplicated in others aspects of their lives. Maybe some of the players on his high school girls' basketball team were inspired to take their game to the next level, college. And the hours of fun and relaxation that playing for his women's softball team or men's basketball team provides have let the adults in Ironton have as much fun as their children. For these reasons, in 1987 B.J. was an Ironton Sports Day honoree.

B.J. has also taken this responsibility to the civic level. He is a member of the Ironton City School Board, the city recreation board, and the Ironton Little League board of directors. These positions have allowed him the opportunity to provide his insight on issues affecting the entire community, and have established him as a greatly respected figure in the Ironton area. The best part is that B.J. doesn't think of these positions as jobs, but as a way to improve the quality of life in Ironton.

At the end of this month, B.J. will be retiring from Cabletron—a company he helped build over the past 10 years. He began with the company on day one when Cabletron first set up operations in Ironton with just 25 employees. And he has left his mark. I recently attended the dedication of Cabletron's new state-of-the-art manufacturing facility in Ironton which now employs over 550 employees. There is no historical document stating when the last industrial facility was built in the city of Ironton. But we know it has been a long time. The construction of this new facility shows that Cabletron sees its future in southern Ohio. There is no doubt that Cabletron's presence and growth in Ohio are the result of the skills and commitment of our work force. There truly has been an outstanding group of men and women who have contributed to the growth of Cabletron. And B.J. has been at the center of it all. As human resources director, B.J. put together and led this world-class work force.

During the dedication of Cabletron's new facility, every time B.J.'s name was mentioned the workers erupted with applause. The feeling seems mutual. B.J. excels in his ability to work with people. He treats everyone as an individual, and respects them and their opinions.

One of my favorite stories about B.J. involves an incident on a hot summer day when the air conditioning went out at the plant. B.J. showed up with boxes of popsicles for the 120 employees who were working at the plant at that time, and invited them all to take a break and share a popsicle with him. No matter what the situation, you can always count on B.J. to look out for those he works with.

B.J.'s noteworthy professional and public life has paralleled an equally happy home life. Married since 1952, B.J. and his wife Lavena have a son, Jeffrey, and three grandchildren. In his leisure hours, B.J. enjoys getting in some rounds of golf, and not surprisingly, enjoys watching his grandchildren participate in sports.

Mr. Speaker, it is a privilege for me to honor a man who, simply by going about his work and being dedicated to his hometown, has given so much to the Ironton community. People of all ages, athletes, spectators, and fellow employees have had their lives touched by Mr. Hannon, whether they knew him or not. People like Mr. Hannon are what make smalltown America a great place to live. I hope my colleagues will join me in congratulating Mr. Hannon on his retirement and thanking him for his years of dedication to his community.

WHY MANAGED CARE PLANS NEED OUTSIDE AUDITS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. STARK. Mr. Speaker, one of the issues under debate between the House and Senate in the Medicare budget reconciliation bill is the issue of whether managed care plans should have an external and on-going—outside—quality review, or whether we should just rely on them being periodically reviewed through the accrediting process.

The Peer Review Organization for parts of the Delaware, Maryland, D.C., and Virginia area has written me, showing how HMO's that obtain accreditation from private accrediting agencies can, upon review and check by an external quality reviewing organization, be found to have serious problems.

It is important that we have both accrediting and outside, external review. The excerpt from the letter from the Delmarva Foundation for Medical Care, Inc., speaks for itself. Second, I would like to include in the RECORD a memo from the National Health Law Program concerning the limits and dangers of relying on private accreditation.

[From the Delmarva Foundation for Medical Care, July 11, 1997]

Table 1 presents non-compliance rates from a Medical Record Review we did of five managed care organizations for FY 97. All but one is accredited by NCQA. Each of these clinical areas were reviewed against specific standards well known and accepted by the industry. For instance, for hypertension, specific processes of care were measured, such as whether the patient had a physical examination, specific laboratory tests, blood pressure monitoring, and diet/exercise education.

TABLE 1—ACCREDITATION AND NON-COMPLIANCE RATE WITH CLINICAL PERFORMANCE STANDARDS

	HMO1	HMO2	HMO3	HMO4	HMO5
NCQA Accreditation [1]	3	1	3	0	1
External Review: [2]					
Hypertension	38	39	39	46	53
Immunizations	(3)	(3)	(3)	57	55
Mental health	(3)	(3)	35	(3)	(3)
Initial assessment	56	49	43	44	57
Problem corrections	47	67	55	44	67

[1] Accreditation figures given in years.
[2] External Review Non-compliance rates given in percent.
[3] Met an acceptable threshold.

These final data reflect results from a review of the SYSTEMS in place at those HMO's. Using health education as an example, 58 percent of the performance standards were not met by one HMO, 33 percent for another. In another example, one HMO, which has a three year accreditation had an overall non-compliance rate of 23 percent; 33 percent of the enrollee rights standards were not met; 39 percent of the patient satisfaction standards were failed and 33 percent of the health education standards were not met.

PRIVATIZING GOVERNMENT REGULATION OF PUBLICLY FUNDED HEALTH PLANS: THE LIMITS OF PRIVATE ACCREDITATION

(Prepared by Claudia Schlosberg, Esq.)

Senate and House conferees begin deliberations this week to reconcile legislation designed to balance the federal budget in the next five years. Both the Senate and House versions contain a daunting number of changes to the nation's health safety net programs: Medicaid and Medicare. Some, such as eliminating the waiver requirement, have received a great deal of attention. Many other provisions, however, lie obscured within hundred of pages of text and have received little, if any public scrutiny. One such provision exempts Medicaid managed care plans from the requirement of an annual external, independent review if they have attained accreditation from a private, nonprofit accrediting body such as the National Committee for Quality Assurance or the Joint Commission on the Accreditation of Health Organizations. The annual external review process is designed to look at quality outcomes and the extent to which he managed care entity is meeting the terms of its contract with the state. In similar fashion, the House Medicare provision waive requirements for external review if a plan is privately accredited.

Consumers should be deeply troubled and concerned by this extension of ''deemed status'' to publicly-funded health plans. Although private accreditation of health care facilities and services historically has played

an important role in the evolution of internal health care quality assurance systems, the role and function of a private accrediting organization is very different from that of a public regulatory authority. The extension of deemed status to publicly-funded health plans, as currently proposed, represents a swift and sure erosion of federal oversight and regulatory authority, the elimination of public access to meaningful information about health plan quality, and diminished public accountability. Consider the following:

(1) Lack of Independence—Private accrediting bodies such as the National Commission of Quality Assurance (NCQA) and the Joint Commission on Accreditation of Health Care Organizations (JCAHO) are closely tied to the industries they oversee and monitor. Industry representatives are heavily represented on their boards and they are financially dependent on the industries they oversee. Fees for accreditation services can run into tens of thousands of dollars. For example, the base rate for NCQA accreditation of a health plan with fewer than 50,000 members in $42,350 just for the initial two to four day survey. Health care organizations such as managed care companies purchase not only accreditation services but also technical assistance and consulting services to improve survey performance. Although both JCAHO and NCQA assert they operate free of conflicts of interest, the close ties to and financial dependency on the managed care industry, as well as their dual roles as monitor and advisor, raise clear concerns about independence and objectivity.

(2) Lack of Accountability—When the Health Care Financing Administration or a state licensing authority conducts an on-site quality review, the findings of the actual survey reports are available to the public (Nursing homes in fact must post a copy of their latest survey report within the facility). In contrast, the private accreditation process is shrouded in secrecy. Although both NCQA and JCAHO release sanitized summaries of accreditation reports to the public, the underlying findings from the actual surveys themselves are held in strictest confidence. Absent specific legislation, public access to meaningful information, even when relied upon by government regulators, is virtually non-existent.

(3) Flawed Survey Protocols—As a general rule, regulatory authorities are required to conduct annual, unannounced, on-site surveys. The element of surprise is an important tool that helps ensure that surveyors observe the actual operations of a health plan or facility. In contrast, private accrediting bodies generally survey only every three years, and surveys are scheduled well in advance. NCQA for example, schedules surveys in conjunction with the health plan at a mutually agreeable date. NCQA also gives plans advance notice of the specific clinical records that they will review. Additionally, both NCQA and JCAHO supply the names of the survey team members in advance and strongly encourage health plans to undergo ''practice'' accreditation reviews as a way of preparing for the full accreditation survey. Health plans thus have ample opportunity to assess and spruce-up operations before the survey team's arrival. Often, the fixes are illusionary. When the survey team leaves, the amenities and improvements disappear.

Private accrediting bodies also make no provision for interested third parties to speak confidentially with the survey team. JCAHO policy provides for disclosure to the health facility of the identity of any person seeking a public information interview with a surveyor—a process unlikely to encourage staff, patients or interested members of the public to come forward with complaints or information about health plan policies and practices. Recently, hospital workers at Columbia Sunrise Hospital in Las Vegas, Nevada requested an opportunity to meet in confidence with a JCAHO survey team to share workers' concerns about quality issues in the facility being surveyed. JCAHO refused. Instead two hospital worker representatives met with the JCAHO survey team on hospital premises, at a place and time set by hospital management, with senior hospital officials present.

(4) Discretion and Variability Among Surveyors—Both NCQA and JCAHO use consultant surveyors—professionals from health plans and health practitioners who take time off from their regular jobs to conduct site visits over several days. Although surveyors receive training, individual surveyors have much discretion and use their own judgment when evaluating a health plan or facility. Consequently, there can be a great deal of variation in how standards are scored. Complex scoring methodologies also obscure results. For example, under guidelines established in the JCAHO scoring manual on accreditation of hospitals, perfect scores do not necessarily reflect 100 percent compliance with standards. This is because a score of one (on a five-point scale) requires a showing of only 91-percent compliance, while a score of two requires a showing of only 76-percent compliance. Thus, even facilities with significant problems affecting large number of patients can attain high scores.

(5) Adequacy of Standards.—Although private accrediting bodies purport to utilize rigorous quality standards, the standards will largely focus on process or structure rather than on the outcomes of care. The standards themselves often provide only a minimum framework and give plans enormous discretion to define not only the standards themselves but the level of required compliance. For example:

NCQA Managed Behavioral Health Care Standards for Accreditation require plans to make timely utilization management decisions but the health plan, not NCQA, has discretion to define its own timeliness standard.

To meet NCQA's requirements for clinical quality improvement activities, a full service behavioral health plan that provides both in-patient and out-patient care need only assess and evaluate three issues relevant to its membership. A managed behavioral health plan not only can pick and choose what clinical issues to assess and evaluate, it also has complete discretion to define the clinical issue, to set its own benchmark, and to adopt or establish quantitative measures to assess performance and identify areas for improvement.

Private accreditation standards also fail to address key indicators. For example, NCQA Managed Behavioral Healthcare Standards do not require plans to monitor death or adverse drug interactions. Plans also are not required to monitor long and short-term community tenure. Despite the potential for abuse and misuse in the behavioral health field, absolutely nothing in the standards addresses the use of seclusion and physical restraint.

(5) Public Participation in the Development of Standards—When federal or state governments seek to develop or change standards used to regulate health facilities and services, they are required by law to notify the public and provide opportunity for public comment. In contrast, private accrediting bodies are under no obligation to elicit public comment. Although private accrediting bodies have solicited outside comments on drafts of some accreditation standards, the process is entirely voluntary and variable.

(6) Access to Standards—Unlike federal regulations, standards and surveyor guidelines, which are readily available to the public through libraries, the world wide web or low and no-cost publications, private accreditation standards are difficult and expensive to access. Private accrediting organizations copyright and market their standards and survey materials. The cost of NCQA's Standards for Managed Care Plans is $75.00. Copies of the surveyors' guidelines and data collection tools cost an additional $195.00 each or can be purchased together at the discounted price of $365. Thus, the complete set of NCQA accreditation materials for managed care plans is over $400—an amount which is prohibitive for most of the general public and the public sector advocacy community. Without ready access to the standards and guidelines, consumers and their advocates have little opportunity to effect policy debates, seek improvements or monitor implementation.

(7) Lack of Meaningful Enforcement—Once a survey is completed and scored, an accreditation decision is made. As a general rule, a health plan or facility can receive full accreditation, accreditation with recommendations, one-year accreditation, denial or deferral. Other than denying, deferring or granting less than full accreditation status, private accrediting bodies do not have the tools or the mandate to pursue intermediate sanctions or take other action to ensure compliance. The result is that poor performing facilities can continue to operate with impunity. To monitor private accrediting bodies' performance, federal Medicare law requires the Health Care Financing Administration to conduct validation surveys of health facilities that have been granted ''deemed'' status. However this important safeguard is not included within the provisions extending deemed status to health plans.

(8) Complaint Investigations—Unlike state and federal authorities, private accrediting bodies do not routinely respond to or investigate complaints, even when they relate to facilities and services which they have accredited. The extension of deemed status to health plans threatens to undermine public resources needed to sustain these critical regulatory activities.

CONCLUSION

While private accrediting bodies play an important role in the evolution of quality assurance systems, the private accreditation process is inherently limited. Private accrediting bodies operate as partners with health plans and are not accountable to the public. Standards measure process, not quality. Even NCQA admits that ''NCQA accreditation does not constitute a warranty or any other representation by NCQA to any third parties (including, but not limited to, employers, consumers, or organizations members) regarding the quality or nature of the . . . services provided or arranged by the [health plan].'' Accordingly, private accreditation of health plans should not be used to supplant a truly independent oversight process. At the very least, if private accreditation is to be more formally integrated into public oversight of health plans to minimize actual (not just perceived) duplication, public accountability must be preserved. Accordingly, private accrediting bodies must be required to fully disclose survey information, government must have authority to validate survey data; effective enforcement mechanisms must be clearly established in law; government must remain the final arbiter on compliance issues and retain authority to investigate complaints and enforce standards; and standards used to reach accreditation decisions must be developed in a

public process and once developed, placed in the public domain at low or no cost.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill, H.R. 2107, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes:

Mr. WELDON. Mr. Chairman, during the debate on my amendment to the Interior appropriations bill that will ensure families are able to enjoy this national seashore, I was asked by my colleagues to submit examples of the type of behavior that park visitors were encountering. In response to these requests, I am submitting the following examples. When families go to a national park, they do not expect to see the type of behavior that is listed below. These examples are taken verbatim from National Park Service Criminal Incident Records. My amendment, which was adopted 396–25 ensures that Brevard County, FL is able to set its own public decency standard without fear of the Federal Government overruling their decision.

CRIMINAL INCIDENT RECORDS

Two visitors stopped at the visitor center and reported a man and woman having sex on the beach while numerous other nude people watched. Ranger [deleted] and I responded and walked to the area, observing the couple described earlier and approximately 10 others in the immediate area. Most were regulars on the beach, including [deleted].

On 02–[deleted]–96 at approximately [deleted] hours, Ms. [deleted] reported to me at the North District Ranger Station that she and her two sons ([deleted], age 9 and [deleted] age 2) had witnessed a sexual offense on the beach. Ms. [deleted] stated that she and the children were on the beach, 60 yards south of boardwalk #5, when they observed a W/M walking down the beach who then stopped 20 feet from them. He took his clothes off and sat down. Then he started masturbating in full view of them. She and the children then walked off the beach. The W/M put his clothes on fast and walked off the beach. He got in front of them and stopped on the boardwalk at the top. When Ms. [deleted] came up to him she called him a Creep and told him he shouldn't masturbate in front of her children. He told her that she was crazy. She walked to her vehicle and the W/M went into the bathroom. She had her back turned in his direction and told her son [deleted] they must have lost him. [deleted] told her the W/M was getting into a van. Ms. [deleted] then followed the van up A1A at a high rate of speed.

While visiting the Beach at Parking Lot Area 2 with my 3 sons, ages 12–15 and a female friend who is a local resident, and her two sons, ages 7 and 16; we found we needed to cut our visit short due to the arrival of a young man who, approximately 50 yards from us, began sunbathing in the nude. Several times he would stand up, or would turn and lie in different positions facing whichever direction our children ran. He did not attempt to speak to anyone, but we felt this type of behavior was inappropriate at a national site.

I was contracted by the complainant who was very upset with the confrontation she and her family had with two nude white males. While walking south from boardwalk #3, two males who had been lying in wait for the group to get close, both got up and began walking toward [deleted] family. Shocked by the nudity of the men, the family quickly turned around and departed the beach. I attempted to explain to the group the situation the Park Service and its rangers at Canaveral National Seashore are faced with.

[Deleted] stated that while she was on the beach at grid marker 29, south of boardwalk #4, on an ATV she came upon a dead sea turtle. A white male who was jogging came up to her asking questions about the turtle, and as he was talking to her he began fondling himself. [Deleted] got on the ATV and headed north. When she looked back, the male appeared to be masturbating.

Mr. [deleted] came to the North District Ranger Station on 1[deleted]93 at approximately [deleted] p.m. He wrote the following complaint against nudity.

Currently, I have alternating weekend visitation with my son. Having selected Cape Canaveral National Seashore for time to spend with my son, I eagerly awaited an enjoyable day. ''National,'' implies family oriented being these parks are visited by families; however, while walking south of parking lot 5 with my 9 year old son, an adult male walked out of the water, nude, without any consideration for the ill-effect this could have on a child. I now have to determine how to explain this to my son. I believe this activity is detremental to a family unit and should not be tolerated at a vacation location.

At about [deleted], 03/ [deleted]/93, Mr. [deleted] approached me at the Miles Avenue 7–11 store. He said that he and his wife had just been walking on the beach about 1 mile south of parking lot 5. He said that when he got some distance away from his wife he looked back and saw a nude white male, with an obvious erection,''Bird-dogging'' his wife. He said the man walked up close to his wife and clearly attempted to display his masculinity to her.

Mr. [deleted] described the subject as a white male, [deleted]. He said he saw the man drive away from parking area 5 in a 2-door Honda with Florida tag# [deleted] said he did not want to press charges. But wanted me to file a report.

[Deleted]

On 02–[deleted]93 at approximately [deleted] hours, I was contacted by [deleted]. She explained that she had been jogging on the beach, north of Lot #13, when a man jogged up to her and removed his shorts. He then started to jog next to her and was fondling himself and trying to ''masterbate''. [Deleted] repeatedly told the man to put his shorts on. She said she was going to report him and get him ''busted'. [Deleted] then went up a boardwalk to get away from the individual. A few minutes later the man drove up beside her and asked her if she wanted [deleted].

On 8/[deleted]/96 at about [deleted] hrs, I received a complaint from a male visitor who alleged that [deleted] had been fondling his genital area in fron of the complainent's female companion. The complaining party did not wish to give his name. [deleted] denied this allegation. I checked for want's and warrants on [deleted] and did not find any.

[Deleted] that made a verbal threat about the complaining party but then calmed down and returned to the beach.

Mr.[deleted] called via cell phone to report two males and one female engaged in sex acts on the beach in front of numerous passersby. I responded, but was unable to locate the suspects or reporting party. The phone connection was poor and the message misunderstood as to location.

Later, Mr. [deleted] contacted me on the road and described in detail how the three performed sex acts without regard for others on the beach.

He described each individual and I recognized Mr. [deleted] as a regular visitor. Ms. [deleted] had just been issued a citation for unsafe operation, and the third individual was observed [deleted] leaving the park.

I was stopped by a [deleted] at the boardwalk #3. She was complaining about a [deleted] male who was walking around her family. The male was nude and purposely exposing himself to her family. Suspect left the area and parking lot when he observed me arriving on the ATV. [Deleted] wrote a complaint and I seized the suspect's abandoned property, (towel, shirt, cooler, sunscreen, and umbrella).

ANTI-GOVERNMENT, ANTI-SOCIAL ATTITUDES

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. OBEY. Mr. Speaker, many of us are concerned about some of the anti-government and anti-social attitudes that are developing in some rural communities. It is important to understand that one of the contributing factors in this unhealthy development is the economic squeeze that is being placed on many hard-working farmers throughout the country. Recently an article appeared in one of my hometown newspapers, City Pages, which brings into sharp focus the psychological emotional pressures that are fed by the cruel way that farmers have been dealt with in national farm policy over the past decade or more. One does not have to agree with every point in the article to recognize that this analysis is attempting to bring to our attention some profound truths about the damage that is being done to rural America by those policies. I urge every American who cares about justice and cares about the future social stability of the country to heed the concerns brought to light so forcefully in the article.

HARVEST OF RAGE

HOW THE RURAL CRISIS FUELS ANTIGOVERNMENT MOVEMENT

(By Joel Dyer)

It's two in the morning when the telephone rings waking Oklahoma City psychologist Glen Wallace. The farmer on the other end of the line has been drinking and is holding a loaded gun to his head. The distressed man tells Wallace that his farm is to be sold at auction within a few days. He goes on to explain that he can't bear the shame he has

brought to his family and that the only way out is to kill himself.

Within hours Wallace is at the farm. This time the farmer agrees to go into counseling; this time no one dies. Unfortunately, that's not always the case. Wallace has handled hundreds of these calls through AG–LINK, a farm crisis hotline, and many times the suicide attempts are successful. According to Mona Lee Brock, another former AG–LINK counselor, therapists in Oklahoma alone make more than 150 on-site suicide interventions with farmers each year. And Oklahoma has only the third highest number of farm suicides in the nation, trailing both Montana and Wisconsin.

A study conducted in 1989 at Oklahoma State University determined suicide is by far the leading cause of death on America's family farms, and that they are the direct result of economic stress.

As heartwrenching as those statistics are, they also are related to a much broader issue. Those who have watched the previously strong family farm communities wither have seen radical, anti-government groups and militas step in all across the country, and especially in the Midwest.

As far back as 1989, Wallace—then director of Rural Mental Health for Oklahoma—was beginning to see the birth pangs of today's heartland revolt. In his testimony before a U.S. congressional committee examining rural development, Wallace warned that farm-dependent rural areas were falling under a ''community psychosis:''

''Many debt-ridden farm families will become more suspicious of government, as their self-worth, their sense of belonging, their hope for the future deteriorates. . . These families are torn by divorce, domestic violence, alcoholism. There is a loss of relationships of these communities to the state and federal government.

''We have communities that are made up now of collectively depressed individuals, and the symptoms of that community depression are similar to what you would find in someone that has a long term chronic depression.''

Wallace went on to tell the committee that if the rural economic system remained fragile, which it has, the community depression could turn into a decade's long social and cultural psychosis, which he described as ''stress syndrome.''

In 1989, Wallace could only guess how this community psychosis would eventually express itself. He believes this transition is now a reality.

''We knew the anti-government backlash was just around the corner, but we didn't know exactly what form it would take. You can't treat human beings in a society the way farmers have been treated without them organizing and fighting back. It was just a matter of time.''

THE RURAL SICKNESS

''I don't even know if I should say this,'' says Wallace regarding the explosion that destroyed the Alfred P. Murrah building killing 168 people, ''but the minute that bomb went off, I suspected it was because of the farm crisis. These people (farmers) have suffered so much.'' Wallace, who has spend much of his professional life counseling depressed farmers, could only hope he was wrong.

The United States has lost more than 700,000 small- to medium-size family farms since 1980. For the 2 percent of America that makes its living from the land, this loss is a crisis that surpasses even the Great Depression. For the other 98 percent—those who gauge the health of the farm industry by the amount of food on our supermarket shelves—the farm crisis is a vaguely remembered headline from the last decade.

But not for long. The farms are gone, yet the farmers remain. They've been transformed into a harvest of rage, fueled by the grief of their loss and blown by the winds of conspiracy and hate-filled rhetoric.

By the tens of thousands they are being recruited by the anti-government militia movement. Some are being enlisted by the Freemen and Christian Identity groups that comprise the most violent components of this revolution of the heartland.

Detractors of these violent groups such as Morris Dees of the Southern Poverty Law Center blame them for everything from the Oklahoma City bombing to the formation of militia organizations to influencing Pat Buchanan's rhetoric. They may be right.

But the real question remains unanswered. Why has a religious and political ideology that has existed in sparse numbers since the 1940s, suddenly—within the last 15 years—become the driving force in the rapidly growing anti-government movement which Dees estimates has five million participants ranging from tax protesters to armed militia members?

The main cause for the growth of these violent anti-government groups is economic, and the best example of this is the farm crisis. What was for two decades a war of economic policy has become a war of guns and bombs and arson.

At the center of this storm is the ''justice'' movement, a radical vigilante court system, a spin-off of central Wisconsin's Posse Commitatus system of the 1980s, which will likely affect all our lives on some level in the future. It may have touched us already in the form of the Oklahoma City bombing.

Freemen/Identity common-law courts are being convened in back rooms all across America, and sentences are being delivered. Trials are being held on subjects ranging from the Bureau of Alcohol, Tobacco and Firearms' handling of Waco to a person's sexual preference or race. And the sentences are all the same—death.

We may never prove the Oklahoma City bombing was the result of a secret common-law court, but we can show it was the result of some kind of sickness, a ''madness'' in the rural parts of our nation. Unless we move quickly to address the economic problems which spawned this ''madness'' we are likely entering the most violent time on American soil since the Civil War.

Men and women who were once the backbone of our culture have declared war on the government they blame for their pain and suffering—and not without some cause.

THE ECONOMICS OF HATE

The 1989 rural study showed that farmers took their own lives five times more often than they were killed by equipment accidents which, until the study, were considered to be the leading cause of death.

''These figures are probably very conservative,'' says Pat Lewis who directed the research. ''We've been provided with information from counselors and mental health workers that suggests that many of the accidental deaths are in reality, suicides.''

* * * * *

In Oklahoma, the government is foreclosing on Josh Powers, a farmer who took out a $98,000 loan at 8 percent in 1969. That same loan today has an interest rate of 15 percent—almost twice as high as when the note was first issued. The angry farmer claims that he's paid back more than $150,000 against the loan, yet he still owes $53,000 on the note. Says Powers, ''They'll spend millions to get me, a little guy, off the land—while Neil Bush just walks away from the savings and loan scandal.''

The 1987 Farm Bill allowed for loans such as this to be ''written down,'' allowing farmers to bring their debt load back in line with the diminished value of their farm. The purpose of the bill was to keep financially strapped farmers on the land. But in a rarely equaled display of government bungling, this debt forgiveness process was left to the whims of county bureaucrats with little or no banking experience.

As Wallace points out, ''Imagine the frustration when a small farmer sees the buddy or family member of one of these county agents getting a $5 million write-down at the same time the agent is foreclosing on them (the small farmer) for a measly $20,000. It happens all the time. When these little farmers complain, they're given this telephone number in Washington. It's become a big joke in farm country, I've even tried to call it for years. You get this recording and nobody ever calls you back.

''These farmers are literally at the mercy of these county bureaucrats and some of them are just horrible people . . . We've had to intervene several times to keep farmers from killing them.''

Most Americans are unaware that the farm crisis isn't over. According to counselor Brock, things are as bad now for the family farmer as they were in the 80s. She notes that recent USDA figures that show the economic health of farms improving are, in fact, skewed by the inclusion of large farming cooperatives and corporate farms. Brock also says that ''state hotlines are busier than ever as the small family farmer is being pushed off the land.''

According to Wallace thousands of people have died as a result of the farm crisis, but not just from suicides. The psychologist says the number of men and women who have died of heart attacks and other illnesses—directly as a result of stress brought on by foreclosure—dwarfs the suicide numbers.

These deaths are often viewed as murder in farm country.

This spring, I went to western Oklahoma and met with a group fo farmers who have become involved in the Freeman/Identity movement. This meeting demonstrated not only their belief that the government is to blame for their loss, but also the politics that evolve from that belief.

''They murdered her,'' says Sam Conners (not his real name) referring to the government. The room goes silent as the gray haired 60-year-old stares out the window of his soon-to-be-foreclosed farmhouse. In his left hand he holds a photograph of his wife who died of a heart attack in 1990. ''She fought 'em as long as she could,'' he continues, ''but she finally gave out. Even when she was lying there in a coma and I was visiting her every day—bringing my nine-year-old boy to see his momma everyday—they wouldn't cut me no slack. All they cared about was getting me off my land so they could take it. But I tell you now, I'm never gonna' give up. They'll have to carry me off feet first and they probably will.''

The other men in the room all quietly as they listen to Conners' story, their eyes alternating between their dirty work boots and the angry farmer. The conversation comes to a sudden halt with a ''click'' from a nearby tape recorder. Conners looks clumsy as he tries to change the small tape in the micro-cassette recorder. His thick earth-stained fingers seem poorly designed for the delicate task. ''I apologize for recording you,'' he says to this reporter. ''We just have to be careful.''

With their low-tech safeguard back in place, one of the other men begins to speak. Tim, a California farmer who looks to be in his early 30s, describes his plight: another farm, another foreclosure, more anti-government sentiment. Only this time, the story is filled with the unmistakable religious overtones of the Christian Identity movement;

one world government, Satan's Jewish bankers, the federal reserve, a fabricated Holocaust, a coming holy war. ''This kind of injustice is going on all over the country,'' says Tim. ''It's what happened to the folks in Montana (referring to the Freemen) and it's what happened to me. That's why LeRoy (Schweltzer, the leader of the Justus Township Freeman) was arrested. He was teaching people how to keep their farms and ranches. He was showing them that the government isn't constitutional. They foreclose on us so they can control the food supply. What they want to do is control the Christians.

THE MIND OF THE FARMER

Losing a farm doesn't happen overnight. It can often take four to six years from the time a farm family first gets into financial trouble. By the end, says Wallace, these families are victims of chronic long term stress. ''Once a person is to that point,'' he explains, ''there are only a few things that can happen.''

''There are basically four escape hatches for chronic long term stress. One, a person seeks help—usually through a church or the medical community. Two, they can't take the pain and they commit suicide. They hurt themselves. Three, they become psychotic. They lose touch with reality. They basically go crazy. And last, they become psychotic and turn their anger outward. They decide that since they hurt, they're going to make others hurt. These are the people that wind up threatening or even killing their lenders or FMHA agents. They're also the ones that are most susceptible to a violent anti-government message.''

Unfortunately, psychotic personalities looking for support can find it in the wrong places. ''Any group,'' says Wallace, ''can fill the need for support. Not just good ones. Identity, militias or any anti-governmental group can come along and fill that role. Add their influence to a personality that is already violent towards others and you have an extremely dangerous individual.''

No one knows how many members of the 700,000 farm families who have already lost their land or the additional hundreds of thousands that are still holding on to their farms under extreme duress have fallen prey to this violent psychosis, but those who have watched this situation develop agree the number is growing.

Wallace says that most people don't understand the mindset of farmers. ''They ask, why don't farmers just get a new job or why does losing a farm cause someone to kill themselves or someone else?'' Another rural psychologist, Val Farmer, has written often on this subject. In an article in the Iowa Farmer Today, he explained why farm loss affects its victims so powerfully.

''To lose a farm is to lose part of one's own identity. There is probably no other occupation that has affects its victims so powerfully.

''To lose a farm is to lose part of one's own identity. There is probably no other occupation that has the potential for defining one's self so completely. Those who have gone through the loss of a family farm compare their grief to a death in the family, one of the hardest experiences in life.

''Like some deaths, the loss may have been preventable. If a farmer blames himself, the reaction is guilt. Guilt can stem from a violation of family trust. By failing to keep the farm in the family, he loses that for which others had sacrificed greatly. The loss of the farm also affects the loss of the opportunity to pass on the farm to a child. Guilt can also arise from failing to anticipate the conditions that eventually placed the farm at risk; government policy, trade policies, world economy, prices, weather.

''On the other hand, if the loss is perceived to have been caused by the actions and negligence of others, then the farmer is racked with feelings of anger, bitterness and betrayal. This feeling extends to lenders, government, the urban public or the specific actions of a particular individual or institution.''

''The stress intensifies with each new setback; failure to cash flow, inability to meet obligations, loan refusal, foreclosure notices, court appearances and farm auctions.'' Farmer concludes that ''these people start grasping at straws—anything to slave off the inevitable.''

PREYING ON THE SICK

Wallace agrees with Farmer and believes the anti-government message is one such straw. ''When you reach the point where you're willing to kill yourself, anything sounds good. When these groups come along and tell a farmer that it's not his fault, it's the government's fault or the bank's fault, they're more than ready to listen. These groups are preying on sick individuals.''

It's no wonder that groups like the Freemen, We the People and Christian Identity have found such enthusiastic support. They preach a message of hope for desperate men and women.

The Freemen offer their converts a chance to save the farm through a quagmire of constitutional loopholes and their complicated interpretations of the Uniform Commercial Code. Their legal voodoo may seem nuts to a suburban dweller, but to a desperate farmer they offer a last hope to hang on to the land their grandfather homesteaded, a trust they intended to pass on to their children.

And just how crazy their rhetoric is remains to be seen. Not all in the legal community scoff at the Freemen's claim, famed attorney Getty Spence—who represented Randy Weaver, a survivor of Ruby Ridge—has stated that at least some of their interpretations of constitutional law are accurate. It will be years before the court system manages to sort out the truth from the myth, and only then provided it desires to scrutinize itself—something it historically has shown little stomach for.

Organizers of We the People told farmers they could receive windfalls of $20 million or more from the federal government. They explained to their audiences—which sometimes reached more than 500—that they had won a Supreme Court judgment against the feds for allowing the country to go off the gold standard. They claimed that for a $300 filing fee the desperate farmers could share in the riches.

The media has repeatedly described the exploits of Freeman/We the People members: millions in hot checks, false liens, refusal to leave land that has been foreclosed by the bank and sold at auction and plans to kidnap and possibly kill judges.

Members of the press, including the alternative press, have commented on the fact that what all these people seem to have in common is that they are unwilling to pay their bills.

The *Daily Oklahoman* quoted an official describing these anti-government groups as saying: ''We are talking about people who are trying to legitimize being deadbeats and thugs by denying their responsibilities.''

But that analysis is at best partially true and at worst dead wrong.

What most of these radical anti-government people have in common—and what most government officials refuse to acknowledge—is that they were, first and foremost, *unable* to pay their bills. It was only after being unable to pay that they took up the notion of being unwilling to pay.

These farmers are the canaries in the coal mine of America's economy. They are in effect monitoring the fallout from the ever widening ''gap'' between the classes. The canaries are dying and that bodes poorly for the rest of us in the mine.

Both Farmer and Wallace agree that, as a rule, farmers have an extremely strong and perhaps unhealthy sense of morality when it comes to paying their bills. They suffer from deep humiliation and shame when they can't fulfill their financial obligations.

Wallace says, ''It's only natural that they would embrace an ideology that comes along and says they are not only not bad for failing to pay their debts but rather are morally and politically correct to not pay their debts. It's a message that provides instant relief from the guilt that's making them sick.''

In much the same way, only more dangerous, Christian Identity offers a way out for stressed farm families. Identity teaches that Whites and native Americans are God's chosen people and that Jews are the seed of Satan. Identity believers see a conspiracy of ''Satan's army of Jews'' taking control of banks, governments, media and most major corporations and destroying the family farm in order to control the food supply. They believe that we are at the beginning of a holy war where identity followers must battle these international forces of evil and establish a new and ''just'' government based on the principles of the Bible's Old Testament as they interpret it. They become a soldier in a holy war under orders to not give up their land or money to the Jewish enemy.

AND JUSTICE FOR SOME

The renegade legal system known as the ''Justice'' movement is now estimated to be in more than 40 states. It seems to have as many variations as the fractional anti-government movement that created it. Some mainstream Patriots hold common-law courts at venues where the press and those accused of crimes are invited to attend. Sentences from these publicly held trials usually result in lawsuits, arrest warrants, judgments and liens being filed against public officials.

In Colorado, Attorney Gail Norton has been just one of the targets of these courts. She's had millions of dollars worth of bogus liens filed against her. Across the nation, thousands of public officials including governors, judges, county commissioners and legislatures have been the targets of this new ''paper terrorism.'' In most cases they are found guilty of cavorting with the enemy: the federal government.

Ironically, arresting those involved in this mainstream common law court revolution isn't easy. It's not because they can't be found; it's because they may not be doing anything illegal. Last month, Richard Wintory, the chief deputy of the Oklahoma attorney general's office, told the *Daily Oklahoman* that he could not say whether common-law court organizers had broken any laws.

The debate as to whether or not citizens have a constitutional right to convene grand juries and hold public trials will eventually be resolved. It's only one of the fascinating legal issues being raised by the heartland revolt. But there is a darker side to this vigilante court system, one that deals out death sentences in its quest to deliver justice and create a new and holy government.

In his book Gathering Storm, Dees describes Identity this way: ''There is nothing 'goody, goody' to 'tender' bout Identity. It is a religion, a form of Christianity, that few churchgoers would recognize as that of Jesus, son of a loving God. It is a religion on steroids. It is a religion whose god commands the death of race traitors, homosexuals, and other so-called children of Satan.''

It is for this reason that the common law courts convened by those groups influenced by the Identity belief system are by far the most dangerous. Death sentences can be doled out for almost any conceivable transgression.

In the remote western Oklahoma farmhouse, Freeman/Identity farmers discussed the Justice movement. One man who had recently lost his farm to foreclosure explained their court system. ''What you're seeing right now is just the beginning of taking back our country, the true Israel. The Bible says that we're to be a just people. Where is justice in this country? Our judges turn loose rapists and murderers and put farmers in jail. We're about justice. Why would anyone be afraid of that?

''We're holding courts right now in every part of this land. We're finding people guilty and we're keeping records so we can carry out the sentences. It's the citizen's duty and right to hold common law courts. It's the militia's job to carry out the sentences.''

The farmer goes on to explain that Identity doesn't believe in prisons. He says that nearly all serious offenses are dealt with by capital punishment and that this punishment system is based on the Bible, the first 10 amendments to the Constitution and the Magna Carta. When asked how these death sentences would be carried out, he says, ''There's a part of the militia that's getting ready to start working on that (death sentences). I think they're ready to go now. You'll start seeing it soon.''

Perhaps we already have. Was the Oklahoma City bombing only the largest and most recent example? When asked, the men in the room state emphatically that they have no first hand knowledge of the bombing—even though some of them were questioned by the FBI within days of the deadly explosion. They say the don't condone it because so many innocent people died. But they agree that it may well have been the result of a secret court sentence. The court could have found the AFT guilty for any number of actions—including Waco and Ruby Ridge—and the militia foot soldiers, in this case McVeigh and Nichols, may have simply followed orders to carry out the sentence.

Whatever the case in Oklahoma City, it seems likely that this new and radical system of vigilante justice can't help but produce similar catastrophes.

The process that gave us that bomb was likely the result of the same stress-induced illness that is tearing our country apart one pipe bomb or burned-downed church at a time. Comprehending and healing that illness is our only hope for creating a future free of more bombs, more death and destruction.

IN MEMORY OF MARJORIE MORRIS

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. BERMAN. Mr. Speaker, my colleagues, Mr. WAXMAN, Mr. SHERMAN, and I rise today to honor the memory of our dear friend, Marjorie Morris, who passed away earlier this month. Marjorie was a warm, compassionate and caring woman who spent most of her life helping children and families. She was a wonderful mother to her three children, Blond, Clifford, and Paul, and the loving wife of our close friend, Hugo. Marjorie and Hugo were married for 48 years.

Born in Kansas, Marjorie moved with her family to California when she was a young girl. She met her future husband at UCLA, where both were elected officers of the campus United Nations Association. They were married on September 1, 1949.

Marjorie touched the lives of literally thousands of children. She was a kindergarten teacher in San Fernando, and then a teacher at the Lokrantz School for children with special needs. From 1981 to 1983, she was president of the 4,000-member Southern California Association for the Education of Young Children.

From 1965 to her death Marjorie was a member of the board of directors of the Foundation for Early Childhood Education, an agency that operates 31 Head Start and other sites for 1,500 children.

Marjorie also loved music; she sang in Roger Wagner's choral group at UCLA and conducted a weekly children's folk music program on Radio Station KPFK. Marjorie's family had the good fortune to hear her sing at holiday gatherings. She was blessed with a truly beautiful voice.

We ask our colleagues to join us in honoring the memory of Marjorie Morris, a woman who brought joy and love into the lives of many. She will be missed.

MAST MOUNTED SIGHT (MMS) AND THERMAL IMAGING SENSOR SYSTEM (TISS)

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. DREIER. Mr. Speaker, I rise today to commend the over 200 McDonnell Douglas employees in Monrovia, CA, who are engaged in producing night vision/targeting systems for use by the U.S. Army and Navy. For nearly 10 years, the Army's Mast Mounted Sight [MMS] has been assembled at this facility.

During Desert Shield/Desert Storm, many Americans saw pictures and video images of Army OH–58D Kiowa Warrior helicopters with a large dome over the rotor blades. This dome, or MMS, was developed to increase survivability through its capacity to identify and target potential threats in both day and night, and during adverse weather. Through its multisensor electro-optical sighting system, our pilots were able to see through fog, and storms and thick smoke from burning oil fields, thus allowing our soldiers to own the night.

The U.S. Navy also made wide use of the MMS to protect our warships passing through narrow shipping lanes. More than 200 Mast Mounted Sights were deployed during the Gulf War to spot and destroy floating mines, detect and track antiship missiles, and to destroy enemy missile sites. Even under adverse conditions of war in a desert environment, the MMS maintained a 96 percent mission capable rate.

Using lessons learned from producing the MMS, the team at Monrovia is transitioning their facility to the next generation system known as Thermal Imaging Sensor System [TISS]. TISS is primarily designed for shipboard application and uses a combination of infrared sensor, TV camera and eyesafe laser range finder to detect, recognize and track mines, ships, small boats, low flying aircraft, cruise missiles and swimmers. TISS is fully operational at night and during bad weather, and is effective in close-in operations where radar may be ineffective. It is also useful for navigating and for search and seizure operations.

TISS can easily be adapted to helicopters, fixed wing aircraft and security installations. TISS is now in production and delivery of initial units to the fleet is scheduled for September 1997. The U.S. Navy plans to procure between 120 to 150 systems over the next 6 years.

Over the past few years, my staff and I have visited the outstanding production facility in Monrovia and found both the workers and production line to be of the highest quality. Each and every McDonnell Douglas employee at Monrovia, along with their supplier team, should be extremely proud of their efforts in providing our military forces the finest and most reliable equipment available for carrying out their difficult mission of defending the resources and interests of the United States of America.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill, H.R. 2160:

Mr. KIM. Mr. Chairman, I rise in support of the Cox-Hall compromise amendment. I applaud my two colleagues for working together on this issue to come up with this solution which continues the United States tradition of humanitarian assistance, while preventing direct shipments of food to the rogue regime in North Korea.

Yes, North Korea is ruled by one of the last remaining hardcore Communist dictatorships, and yes, some of the food aid currently flowing into North Korea may be diverted to the military. Nonetheless, I believe that we need to help feed the starving people of North Korea.

The United States has a long tradition of helping feed the world's hungry citizens. The United States has always helped out humanitarian causes. We have always fed people in need: Bangladesh, Cambodia, Congo, Somalia and Haiti, to name a few. Some have had regimes just as awful as North Korea's.

I would like to quickly point out one such country: Ethiopia.

In the 1980's, Ethiopia was suffering through a great famine. Much like North Korea, a natural disaster—combined with the bankrupt policies of the Stalinist Mengistu regime—resulted in millions of starving people.

Yet, we did not deny those people food because of their war-mongering government. We did not let children starve because Mengistu

bought tanks instead of food. Instead, we used nongovernment food relief agencies to make sure that the food reached the people who needed it most. This is exactly what this amendment would assure: that our food aid goes through responsible, international organizations, not directly to the Communist government of North Korea.

Currently, our food aid to North Korea is sent through the World Food Programme and other international food-relief organizations. The World Food Programme has monitors on the ground in North Korea who closely follow the food deliveries to make sure that the food gets to the starving people.

USAID has come up to Capitol Hill—and has testified before the International Relations Committee—that the majority of the food does get to the innocent civilians who need it most.

While some food may be diverted, cutting off all food and aid will really only hurt the starving people of North Korea. It will not hurt the ruling communists or the North Korea Army.

Finally, I fear that cutting off this aid would endanger the fragile stability on the Korean Peninsula. While we all want to put pressure on the North Korean regime, I do not want to create a situation where North Korea is blocked so much into a corner and its only response would be to come out fighting. Not with 37,000 United States troops on the Korean peninsula. With the United States troops stationed along the DMZ, are we going to get dragged into another Korean War?

Believe me, in no way do I want to ''prop up'' the North Korean regime. My family and I were victimized by he Communists in the 1950s. But it is not our food aid that is propping up Kim Jong-II. Our aid is not enough to really subsidize his regime. It is only enough to help feed the truly starving men, women and children in North Korea: those poor people the Communists have ignored.

Mr. Chairman, I applaud the compromise and call on all my colleagues to support the Cox amendment.

RACE RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 23, 1997 into the CONGRESSIONAL RECORD.

A NATIONAL DIALOG ON RACE RELATIONS

A Member of Congress from southern Indiana does not very often have to deal with the problem of race. Looking back over several years it is difficult for me to remember many public discussions of the race issue in my public meetings. And that is probably because in southern Indiana blacks and Hispanics are a small percentage of the population.

Race, nonetheless, is a dominant strain in our national politics, much as it has been since the settlement of America in the 17th Century. This country has long struggled with the meaning of race and the implications of people of different racial backgrounds living and working together. We fought a Civil War over the issue. When I first came to Congress in the middle of the civil rights era in the 1960s, national debate focused on race relations between whites and blacks. Race relations today are more complex, particularly with the large influx of immigrants from Asia and Central America in the last 20 years. Half a century from now, there will be no majority race in America.

The great challenge of public policy is to lessen historic divisions among the races, to build a country where people of diverse backgrounds can coexist peacefully. Sometimes we confront the issue of race, sometimes we don't. Often it takes a crisis to make us really examine the issue. And even when we do confront it, we have difficulty achieving a national consensus on what exactly to do.

PUBLIC VIEWS ON RACE

Polls suggest that while Americans view race as a serious problem, only one in 10 believes the country faces a racial crisis. Most people, at least most white people, tend to think that there is no race problem or if there is, it is more a problem of individual moral failure than it is of race or racism. Whites also think that the biggest race problem facing the country is the continuation of racial preference policies.

Blacks are far more pessimistic about the racial climate than whites. Three in four white Americans said blacks in their community are treated the same as whites. Only 49% of the blacks agreed. Whites really see very little problem when it comes to opportunities for blacks in jobs, education, and housing. Many blacks see racial discrimination as a fact of life. Most blacks think the government should play a role in addressing the effects of past and present discrimination. Only a minority of whites think that government should make special efforts.

I find in southern Indiana a distinct lack of urgency about racial issues. Many other things are more important to people, such as balancing the budget, creating good jobs, fighting crime, reducing health care costs, and improving educational opportunities. Hoosiers believe race relations have significantly improved since the 1960s. Nonetheless, when matters of race do arise, they can be sharply polarizing.

A NATIONAL DIALOG ON RACE

The challenge is to approach any discussion of racial problems in a manner likely to produce consensus in the country. There has been a trend in recent years toward separation of the races. Blacks and whites may often share a common workplace, but social interaction between the races, whether at school or after work, is limited. The mantra of the civil rights movement used to be integration of the races. Today, there is serious discussion among black and white leaders about the merits of separation and self-help.

President Clinton recently initiated what he hopes to be a national what he hopes to be a national dialog on race by appointing a commission to study ways to improve race relations. He has said he will host public meetings throughout the country to discuss issues of race. Such a dialog may be painful, but also may ultimately be helpful and healing. How the dialogue is carried out makes all the difference. Honesty is critical. It is also important to frame the issues not in terms of conflict, but rather areas of common interest, such as good schools and safe neighborhoods.

My own experience is that the best way to improve relations among races is to have people work together at something they believe both to be worthwhile and important. If you get two adult women, for example, of different races together to talk about the future of their children, you can see the making of harmony and consensus. People who may not believe they have very much in common learn that they really do. A dialogue that simply leaves people feeling that we remain far apart doesn't get us very far.

ROLE OF GOVERNMENT

Some will argue that any national effort to improve race relations must include a strong commitment of federal resources to break the cycle of poverty, improve schools, and provide jobs. But in today's budget and political climate, that's just not possible. Public policy is focused on cutting the budget and cutting taxes, not on financing massive new government programs. There is no possibility that Congress would approve a massive new social program.

Government can nonetheless play an important role. Expanding opportunities, particularly educational opportunities, must be a top priority. The more Americans who have a full opportunity to participate in a growing community, the stronger the community becomes. Obeying and enforcing the law are also fundamental to improving racial relations. We have a long list of civil rights laws on the books today, but also a backlog of discrimination claims. It is also important to recruit and encourage people of all races for political, civic, and business leadership so we can develop common solutions to our problems.

CONCLUSION

We still have a long way to go before we feel really comfortable working with each other, living with each other, and helping each other solve problems. We have torn down many of the legal barriers in the country. We have not been as successful breaking down the barriers in our hearts and minds.

I do find that Hoosiers, like most Americans, really would like to talk about the racial problems in their communities, in the state, and in the nation. A national dialogue on race which helps reduce the gaps in knowledge and perception will have merit. The right kind of dialogue can help us move forward in dealing with the challenges of race. The wrong kind of dialogue can hold us back.

ON THE INTRODUCTION OF THE TEACHING EXCELLENCE FOR ALL CHILDREN (TEACH) ACT OF 1997

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. MILLER of California. Mr. Speaker, I rise today to offer The Teaching Excellence for All Children (TEACH) Act of 1997.

This legislation addresses a long-standing concern that many of our Nation's school children are being taught by teachers who are not qualified to teach in their subject areas. This is a disservice to students, to parents, to the teachers themselves, and to taxpayers.

The problem, documented in several studies, will only get worse as the student population continues to rise along with the demand for ever more new teachers.

Parents have a right to know whether their children are being instructed by qualified teachers. And taxpayers have a right to expect Congress to do all it can to ensure that federal education dollars are being spent in a responsible manner. I believe this legislation addresses both of those important demands.

Under this legislation, states receiving Federal education funds would set clear standards for teacher quality. The bill also will ensure accountability for federally supported teacher education, provide financial rewards to teachers who choose to teach in high-need schools

and who pursue advanced teaching credentials, and establish local community partnerships to help to schools to recruit and retain qualified teachers.

TWO MILLION TEACHERS NEEDED OVER NEXT NINE YEARS

The number of elementary and secondary school students is expected to increase each successive year between now and the year 2006, from the current level of 51.7 million to an all time high of 54.6 million.

The need for qualified teachers will increase accordingly. Between now and 2006, enrollment and teacher retirement together will create demand for an additional 2 million teachers.

The shortage right now of qualified teachers to fill this demand is a significant barrier to students receiving an appropriate education.

TOO MANY TEACHERS ARE NOT FULLY QUALIFIED TO TEACH IN THEIR SUBJECT AREAS

Last September, the National Commission on Teaching and America's Future found that one-quarter of classroom teachers were already not fully qualified to teach in their subject areas. An even newer report—forthcoming from the Department of Education—indicates that 36% of teachers have neither a major nor minor in their main teaching field. Both reports show that the problem is even more serious in academic subjects such as math and science and in schools with high numbers of low-income and minority children.

Research evidence suggests that teacher quality is probably the single most important factor influencing student achievement. Now is the time to redouble efforts to ensure that all teachers in our Nation's public schools are properly prepared and qualified and that they also receive the ongoing support and professional development they need to be effective educators.

A FAIR DEAL FOR TEACHERS

Teachers are among the hardest working people in our country and they certainly have one of the most important jobs in our country. The vast majority of teachers deserve our wholehearted admiration, respect, and gratitude.

Unfortunately, our public polices have not always reflected this attitude. As the Association for Supervision and Curriculum Development recently pointed out, ''teacher education, which encompasses preservice preparation as well as ongoing professional development, has suffered a chronic lack of funding resources, and status in the United States, particularly as compared to education in other professional fields.''

In addition, the Teaching for America's Future report pointed out that: ''Not only do U.S. teachers teach more hours per day but they also take more work home to complete at night, on the weekends and holidays.'' At the same time, the report goes on to say that ''Other industrialized countries fund their schools equally and make sure there are qualified teachers for all of them by underwriting teacher preparation and salaries. However, teachers in the United States must go into substantial debt to become prepared for a field that in most states pays less than any other occupation requiring a college degree.''

I think the public is willing to address these issues. Education tops the list of concerns in most public opinion polls. But at the same time, parents and taxpayers want greater accountability to ensure that any additional resources directed at improving teacher quality have a maximal impact on student achievement.

By coupling support for teachers with enhanced accountability, this bill is a win-win for all those involved-educators, parents, taxpayers and, above all, our Nation's schoolchildren.

125TH ANNIVERSARY CELEBRATION OF PEARL RIVER, NEW YORK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. GILMAN. Mr. Speaker, I rise today in recognition of the 125th anniversary of Pearl River, NY, this year. This is indeed a great moment for the people of this Rockland County, NY community, and I invite my colleagues to join with me in extending our congratulations to the Pearl River community on this momentous occasion.

It was on the 11th day of January, 1872, that a post office was founded in Pearl River, signaling the emergence of a community in that area. Since then it has steadily grown to become the second largest hamlet in the State of New York. Pearl River might well have remained a small, sleepy back-woods locality, had it not been for the coming of the railroad, which literally opened Pearl River to the outside world, allowing the place, and with it the people, to grow and diversify. However, although many things have changed in Pearl River over the last 125 years, one thing still remains the same: Pearl River's pride in its merchants and community. In 1997, a person can walk down the streets of Pearl River and still feel the sense of self-respect and security that was felt all those years ago. Indeed, Mr. Speaker, every year I look forward to the parade held in Pearl River on St. Patrick's day, which according to ''The Almanac of American Politics'' is the third largest St. Patrick's day parade in the world.

A committee has been set up to oversee Pearl River's anniversary celebrations, in what promises to be an action-packed, fun-filled week of excitement and jubilation. Festivities will begin on Sunday, July 27, 1997, with events for all age groups and interests. The calendar of events is filled with such diverse activities as a bicycle race, musical performances, slide shows, and the cutting of the 125th birthday cake. Celebrations will end with a parade, to be held on Sunday, August 3.

Mr. Speaker, in joining the celebration on this auspicious occasion, I once again invite our colleagues to join with me in extending our greetings and congratulations, and wishing the people of Pearl River continued progress, growth and happiness for the next 125 years.

STAMP OUT BREAST CANCER ACT

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 22, 1997

Mr. UNDERWOOD. Mr. Speaker, I rise today to express my strong support for H.R. 1585, the Stamp Out Breast Cancer Act. The bill would authorize the Postal Service to establish a special postage stamp, priced one cent above the price of ordinary first class postage, the revenues from which would go toward the research of breast cancer. Seventy percent of the profits would go to the breast cancer research at the National Institutes of Health, and the remaining 30 percent would go to the Defense Department where breast cancer research is also conducted.

The importance of breast cancer research cannot be over-emphasized. More than 1.8 million women in America have been diagnosed with cancer. Each year, nearly 50,000 die. Although medical research and greater public awareness have gone a long way toward improving these statistics, through early detection and more effective treatment, the challenge still remains. As you may know, I have long been a strong supporter of legislation that helped promote breast cancer research and treatment. In the 104th Congress I cosponsored a bill that provided Medicare coverage for annual screening of cancer for women over the age of 65. I also supported H.R. 418, the Breast Cancer Early Detection Act, which required Medicare to cover annual mammograms for women over the age of 65.

Now, in the 105th Congress, I rise in support of the Stamp Out Breast Cancer Act, an innovative and effective weapon in the battle against breast cancer. The act deserves special praise in two particular aspects. First, the act insures that Federal support for breast cancer research is not decreased, offsetting the increased funds raised through the special postage rate. Second, the act helps increase public awareness and involvement in this worthy cause by allowing them to make voluntary contributions to breast cancer research through their purchase of the stamp. Once again, I state my unwavering support of the Stamp Out Breast Cancer Act and urge my fellow Members of Congress to do likewise.

DENYING LEGAL IMMIGRANTS VALUABLE PRENATAL CARE SERVICES ISN'T EVEN PENNY WISE—IT'S JUST POUND FOOLISH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 23, 1997

Mr. STARK. Mr. Speaker, today I rise to defend the rights of legal immigrants in our country. In particular, I would like to address the potential health care crisis that is threatening the well-being of our legal immigrants and our health care system.

In the quest to shrink the Federal budget deficit, many government programs have been threatened. Many of my Republican colleagues would lead you to believe that eliminating funding for legal immigrant health care is a fiscally and morally responsible way of attacking the deficit. In the new welfare law, my colleagues have done just that, by leaving many health care funding decisions to state governors. As a result, health insurance programs that currently benefit legal immigrants, such as California's Medi-Cal Program, stand to lose funding when money-strapped states refuse to appropriate sufficient funds. Legal immigrant prenatal care is an example of an

essential government funded health care program that stands to suffer. Cutting spending by ignoring the health care of those folks is a perverse approach to reforming our Government.

While the benefits of regular prenatal care are widely known, I would like to refresh the memories of some of my colleagues. Regular prenatal care helps to prevent birth outcomes that can be both physically and financially disastrous and distressing. Reductions in infant mortality, long-term disability, and infant and maternal illnesses have been demonstrated in numerous studies documenting the importance of prenatal care. Healthier mothers and babies lead happier lives, resulting in smaller health care costs in the long run.

Legal immigrants deserve the same access to these essential prenatal care services as full citizens. We owe much of our country's development and success to legal immigrants. My ancestors and most of the ancestors of my colleagues and fellow citizens entered the country as immigrants. We need to acknowledge not only the contributions of past immigrants, but of current legal immigrants. Many legal immigrants today serve in our military and are hard-working taxpayers. They deserve basic health services in return for their contribution to society.

If legal immigrants are denied access to such effective prenatal care, both the government and these immigrants rely on Medi-Cal for their medical coverage, many of which receive prenatal care. If California gains more independent leverage in funding Medi-Cal, as is proposed in the welfare law, innocent mothers and babies stand to be denied preventive care. Instead, they will crowd our hospitals and emergency rooms for avoidable crisis care as well as routine matters. The costs that our state will have to absorb will well offset any savings incurred through the welfare law. This process will be repeated throughout the country, leaving millions of legal immigrants and their states, in dire financial, not to mention public health, straits.

I am baffled by why my Republican colleagues would want to encourage the demise of prenatal care programs for legal immigrants just as programs such as Medi-Cal have proven to work so well. According to the California Policy Seminar, Medi-Cal expansions during the 1990's have increased the percentage of pregnant women who received adequate care once they began prenatal care from 72 percent in 1990 to 85 percent in 1995. Willfully halting the progress that has been made in prenatal care availability is irresponsible, immoral, and illogical. Instead of dismantling prenatal care programs for legal immigrants we should be focusing on improving the timeliness of care received by legal immigrant mothers. I appeal to my colleagues to consider these realities as we continue to debate budget expenditures.

The attached summary of a California Policy Seminar study on prenatal care documents the need to maintain coverage for legal immigrant prenatal care services. An investment in important preventive health programs secures a healthy future for our country and the legal immigrants who will continue to be integral to our progress as a nation.

[California Policy Seminar Brief Vol. 9 No. 2 June 1997]

ACCESS TO MATERNITY CARE IN CALIFORNIA

(By Paula Braveman, Kristen Marchi, Susan Egerter, Michelle Pearl, Lisa Nelson, Michelle McDermid)

IMPLICATIONS FOR FUTURE POLICY

This report presents findings from a study of 10,132 women who gave birth in California during 1994–95, based on previously unavailable data concerning characteristics of the women delivering in the state, their income and insurance status, their use of prenatal care, and barriers to care remaining after Medi-Cal eligibility expansions. These findings suggest several important considerations for policy making and for the design of health care services to improve birth outcomes in California.

- The majority of women who deliver in California are low-income—a finding that needs to be reflected in the design of perinatal health care delivery.
- The expanded prenatal coverage needs to be maintained, not reduced. The expansions of Medi-Cal income eligibility for pregnant women have been successful in ensuring that virtually all (98%) pregnant women in California during 1994–95 had health insurance coverage at some time during their pregnancies. This represents considerable progress since 1990, when only 89% of pregnant women in California had prenatal insurance.[2] Because uninsured women are currently almost all income-eligible for Medi-Cal, there does not appear to be a need to expand income eligibility beyond 200% of the poverty level. However, legislative efforts to eliminate Medi-Cal eligibility for immigrants threaten to increase the number of low-income women without coverage for prenatal care. While this study did not obtain information on immigration status, it did find that 28% of women with Medi-Cal coverage during pregnancy had lived in the United States for five years or less. Thus, the number of women who could remain uninsured during pregnancy, either because they no longer qualify for Medi-Cal or because they fear deportation if they enroll, is potentially high.
- The success of Medi-Cal income eligibility expansions has been demonstrated by improvements both in the provision of coverage to low-income women at some time during their pregnancies, and in the proportion of women who receive an adequate number of visits once they begin care. The greatest remaining challenges are ensuring that low-income women receive timely coverage and timely prenatal care.
- Timing of prenatal care initiation was related to whether the pregnancy was planned or wanted. Continued support for programs such as the State-only Medi-Cal family planning program may help reduce unplanned or unwanted pregnancies as well as contribute to timely prenatal care for women who choose to become pregnant.
- The importance of pre-pregnancy care for improved birth outcomes has been described by others.[6] In current study nearly half (49%) of women with Medi-Cal coverage reported having no regular source of care before pregnancy, and these women were 40% more likely to have had untimely care than were women with a regular source of care, controlling for other risk factors. Improvement in the number of women with a pre-pregnancy source of health care could be expected by providing all women with continuous insurance coverage.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 24, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 25

9:30 a.m.

Foreign Relations

To hold hearings on the nominations of Maura Harty, of Florida, to be Ambassador to the Republic of Paraguay, and James F. Mack, of Virginia, to be Ambassador to the Co-operative Republic of Guyana.

SD–419

10:00 a.m.

Governmental Affairs

To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

Veterans' Affairs

To hold hearings on pending legislation.

SR–418

JULY 28

1:00 p.m.

Special on Aging

To hold hearings to examine the amount of fraud in the home health care system and ways to identify and deter fraud, waste and abuse in health care.

SD–562

2:00 p.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

To hold hearings on S. 474, to prohibit gambling on the Internet.

SD–226

JULY 29

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine the effect of the Federal Agriculture Improvement and Reform Act (P.L. 104–127) on price and income volatility, and the proper role of the Federal government to manage volatility and protect the integrity of agricultural markets.

SR–332

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 967, to amend the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act to benefit Alaska natives and rural residents, and S. 1015, to provide for the exchange of lands within Admiralty Island National Monument.

SD–366

Labor and Human Resources

To hold hearings to examine the status of educational opportunities for low-income children.

SD–430

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Richard Dale Kauzlarich, of Virginia, to be Ambassador to the Republic of Bosnia and Herzegovina, James W. Pardew, Jr., of Virginia, for the rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans, Anne Marie Sigmund, of the District of Columbia, to be Ambassador to the Kyrgyz Republic, Keith C. Smith, of California, to be Ambassador to the Republic of Lithuania, and Daniel V. Speckhard, of Wisconsin, to be Ambassador to the Republic of Belarus.

SD–419

Governmental Affairs

To resume hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

Judiciary

To hold hearings to examine the copyright infringement liability of on-line and Internet service providers.

SD–226

2:00 p.m.

Judiciary

Constitution, Federalism, and Property Rights Subcommittee

To resume hearings to examine issues with regard to the constitutional role of federal judges to decide cases and controversies, focusing on the problem and impact of judicial activism, whereby federal judges' decisions are based on policy preferences.

SD–226

2:30 p.m.

Commerce, Science, and Transportation

To hold hearings on S. 268, to regulate flights over national parks.

SR–253

JULY 30

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

Environment and Public Works

To hold hearings on S. 1059, to amend the National Wildlife Refuge System Administration Act of 1066 to improve the management of the National Wildlife Refuge System.

SD–406

Indian Affairs

Business meeting, to mark up S. 569, to amend the Indian Child Welfare Act of 1978 to provide for retention by an Indian tribe of exclusive jurisdiction over child custody proceedings involving Indian children and other related requirements; to be followed by an oversight hearing on the Bureau of Indian Affairs Special Trustee's strategic plan to reform the management of Indian trust funds.

SD–106

10:00 a.m.

Governmental Affairs

To resume hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

Judiciary

To resume hearings to examine the terms and parameters of the proposed Global Tobacco Settlement which will mandate a total reformation and restructuring of how tobacco products are manufactured, marketed and distributed in America.

SD–G50

2:00 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings to review the management and operations of concession programs within the National Park System.

SD–366

JULY 31

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine how trade opportunities and international agricultural research can stimulate economic growth in Africa, thereby enhancing African food security and increasing U.S. exports.

SR–332

10:00 a.m.

Governmental Affairs

To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.

SH–216

2:00 p.m.

Judiciary

Immigration Subcommittee

To hold hearings to review annual refugee admissions.

SD–226

Wednesday, July 23, 1997

Daily Digest

HIGHLIGHTS

House passed H.R. 2169, Department of Transportation and Related Agencies Appropriations Act for FY 1998.

House committees ordered reported 27 sundry measures.

Senate

Chamber Action

Routine Proceedings, pages S7879–S7985

Measures Introduced: Seven bills and one resolution were introduced, as follows: S. 1054–1060 and S. Res. 109. **Page S7950**

Measures Passed:

Condemning Canadian Fishermen's Blockade: By 81 yeas to 19 nays (Vote No. 195), Senate agreed to S. Res. 109, to express the sense of the Senate in condemning the Government of Canada for its failure to accept responsibility for the illegal blockade of a U.S. vessel in Canada, and calling on the President to take appropriate action.

Pages S7911–12, S7919–20

National Geologic Mapping Act: Committee on Energy and Natural Resources was discharged from further consideration of H.R. 709, to reauthorize and amend the National Geologic Mapping Act of 1992, and the bill was then passed, clearing the measure for the President. **Page S7983**

Taxpayer Browsing Protection Act: Senate passed H.R. 1226, to amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information, clearing the measure for the President. **Pages S7983–84**

OAS-CIAV Mission in Nicaragua: Senate agreed to S. Res. 40, expressing the sense of Congress regarding the OAS-CIAV Mission in Nicaragua.

Page S7984

Cyprus Situation: Senate agreed to S. Res. 41, calling for a United States initiative seeking a just and peaceful resolution of the situation in Cyprus.

Pages S7984–85

Agriculture Appropriations: Senate began consideration of S. 1033, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, taking action on amendments proposed thereto, as follows:

Pages S7893–96, S7898–S7946

Adopted:

Cochran/Bumpers Amendment No. 962, to make technical corrections. **Page S7898**

Cochran (for D'Amato/Sarbanes) Amendment No. 963, to allow rural rental housing programs to continue providing multi-family housing developers with direct loans and loan guarantees to build or rehabilitate affordable rental housing. **Pages S7898–99**

Subsequently, the amendment was modified.

Page S7912

Roberts Amendment No. 961, to withhold certain funds from the Risk Management Agency until the Administrator of the Agency issues and begins to implement a plan to reduce administrative and operating costs of approved insurance providers.

Pages S7899–S7901

Cochran/Bumpers Amendment No. 964, to modify the conditions for issuance of cotton user marketing certificates. **Page S7901**

Grams Amendment No. 971, to require the Director of the Office of Management and Budget to conduct, complete, and transmit to Congress a comprehensive economic evaluation of the direct and indirect effects of the Northeast Interstate Dairy Compact. **Pages S7935–36, S7941–42**

Cochran (for Daschle) Amendment No. 973, to allow the use of proceeds from the sale of grain in the disaster reserve to implement the livestock indemnity program. **Pages S7945–46**

Cochran (for Grams/Wellstone) Amendment No. 974, to prohibit the use of appropriated funds to administer the provision of contract payments to a producer for contract acreage on which wild rice is

planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

Pages S7945–46

Cochran (for Craig) Amendment No. 975, to prohibit the use of appropriated funds to inspect or certify agricultural products unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products.

Pages S7945–46

Cochran (for DeWine) Amendment No. 976, to require the United States Agency for International Development to use at least the same amount of funds made available under title II of Public Law 480 to carry out the orphan feeding program in Haiti during fiscal year 1998 as was used by the Agency to carry out the program during fiscal year 1997. **Pages S7945–46**

Rejected:

Durbin Amendment No. 965, to prohibit the use of funds to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 or later crop years. (By 53 yeas to 47 nays (Vote No. 196), Senate tabled the amendment.) **Pages S7902–10, S7920**

Ford Amendment No. 966 (to Amendment No. 965), to limit Federal crop insurance to family farmers. (The amendment fell when Amendment No. 965, listed above, was tabled.) **Pages S7908–10, S7920**

Harkin Amendment No. 968, to provide funding for tobacco and nicotine enforcement activities of the Food and Drug Administration. (By 52 yeas to 48 nays (Vote No. 198), Senate tabled the amendment.)

Pages S7912–25, S7929–30

Helms Modified Amendment No. 969 (to Amendment No. 968), to impose an assessment on ethanol manufacturers. (By 76 to 24 nays (Vote No. 197), Senate tabled the amendment.) **Pages S7916–24**

Bryan Amendment No. 970, to limit funding for the market access program. (By 59 yeas to 40 nays (Vote No. 199), Senate tabled the amendment.)

Pages S7925–30

Pending:

Wellstone Amendment No. 972, to provide funds for outreach and startup of the school breakfast program. **Pages S7937–41**

A unanimous-consent agreement was reached providing for further consideration of the bill and certain amendments to be proposed thereto, with final passage of the bill to occur on Thursday, July 24, 1998. **Page S7934**

International Dolphin Conservation Program Act—Cloture Motion Filed: A motion was entered to close further debate on the motion to proceed to consideration of S. 39, to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Friday, July 25, 1997. **Page S7934**

Subsequently, the motion to proceed to consideration of the bill was withdrawn. **Page S7934**

Nominations Received: Senate received the following nominations:

William F. Weld, of Massachusetts, to be Ambassador to Mexico.

Rita D. Hayes, of South Carolina, to be Deputy United States Trade Representative, with the rank of Ambassador. **Page S7985**

Messages From the House: **Page S7948**

Measures Referred: **Page S7948**

Measures Placed on Calendar: **Page S7948**

Petitions: **Pages S7948–50**

Executive Reports of Committees: **Page S7950**

Statements on Introduced Bills: **Pages S7950–65**

Additional Cosponsors: **Page S7965**

Amendments Submitted: **Pages S7966–69**

Authority for Committees: **Page S7969**

Additional Statements: **Pages S7969–72**

Text of H.R. 2158 as Previously Passed:

Pages S7972–83

Record Votes: Five record votes were taken today. (Total–199) **Pages S7919–20, S7924, S7930**

Adjournment: Senate convened at 9 a.m., and adjourned at 8:26 p.m., until 9:45 a.m., on Thursday, July 24, 1997. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S7985.)

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings on the nominations of Catherine E. Woteki, of the District of Columbia, to be Under Secretary for Food Safety, Shirley Robinson Watkins, of Arkansas, to be Under Secretary for Food, Nutrition, and Consumer Services, I. Miley Gonzalez, of New Mexico, to be Under Secretary for Research, Education, and Economics, and August Schumacher, Jr., of Massachusetts, to be Under Secretary for Farm and Foreign Agricultural Services, and to be a Member of the Board of Directors of the

Commodity Credit Corporation, all of the Department of Agriculture, after the nominees testified and answered questions in their own behalf. Ms. Woteki was introduced by Senator Harkin, Ms. Watkins was introduced by Representative Clayton, Mr. Gonzalez was introduced by Senators Domenici and Bingaman, and Mr. Schumacher was introduced by Senator Kerry.

APPROPRIATIONS—DISTRICT OF COLUMBIA

Committee on Appropriations: Subcommittee on the District of Columbia resumed hearings on proposed budget estimates for fiscal year 1998 for the government of the District of Columbia, receiving testimony from Wayne D. Casey, Interim Director, Department of Human Services, Marlene N. Kelley, Acting Director, Department of Health, and Cellerino C. Bernardino, Acting Director, Department of Public Works, all of the District of Columbia.

Subcommittee recessed subject to call.

NOMINATIONS

Committee on Armed Services: Committee ordered favorably reported 2,496 nominations in the Army, Navy, Marine Corps, and Air Force.

MONETARY POLICY

Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings on the Federal Reserve's report on the economic situation and monetary policy, after receiving testimony from Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System.

NOMINATION

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the nomination of Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration, Department of Transportation.

NOMINATIONS

Committee on Energy and Natural Resources: Committee ordered favorably reported the nominations of Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management, Robert G. Stanton, of Virginia, to be Director of the National Park Service, and Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement, all of the Department of the Interior, and Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation.

NATURAL GAS

Committee on Energy and Natural Resources: Committee concluded oversight hearings to examine certain aspects of natural gas issues into the next century, focusing on world energy supply and demand to the year 2015, the role of government in large scale gas projects in foreign countries, and emerging technologies in gas field development that are making natural gas more economical to market, after receiving testimony from Jay E. Hakes, Administrator, Energy Information Administration, David J. Jhirad, Deputy Assistant Secretary for International Energy Policy, Trade and Investment, and Robert S. Kripowicz, Principal Deputy Assistant Secretary for Fossil Energy, all of the Department of Energy; Julie D. Belaga, Director and Chief Operating Officer, Export-Import Bank of the United States; John Horn, Worldwide Natural Gas and LNG, Bartlesville, Oklahoma; James T. Jensen, Jensen Associates, Inc., Washington, D.C.; A. Pedro H. van Meurs, van Meurs & Associates, Ltd., and Robert L. Pierce, Foothills Pipe Lines Ltd., both of Calgary, Alberta, Canada; and John Galt, Vessy, Geneva, Switzerland.

CAMPAIGN FINANCING INVESTIGATION

Committee on Governmental Affairs: Committee resumed hearings to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from Benton L. Becker, Coral Gables, Florida; and Michael E. Baroody, Washington, D.C.

Hearings continue tomorrow.

BUSINESS MEETING

Committee on the Judiciary: Committee resumed markup of S. 10, to reduce violent juvenile crime, promote accountability by juvenile criminals, and punish and deter violent gang crime, but did not complete action thereon, and will meet again tomorrow.

AUTHORIZATION—NATIONAL DRUG CONTROL

Committee on the Judiciary: Committee concluded hearings on S. 1053, authorizing funds for the Office of National Drug Control Policy, after receiving testimony from Barry R. McCaffrey, Director, Office of National Drug Control Policy; and John P. Walters, Philanthropy Roundtable, Washington, D.C., former Acting Director and Deputy Director for Supply Reduction, Office of National Drug Control Policy.

BUSINESS MEETING

Committee on Labor and Human Resources: Committee ordered favorably reported the following business items:

S. 1020, to improve and authorize funds for programs of the National Foundation on the Arts and

Humanities Act and the Art and Artifacts Indemnity Act, with amendments;

S. 1046, authorizing funds for fiscal years 1998 and 1999 for the National Science Foundation; and

The nominations of John T. Broderick Jr., of New Hampshire, and Ernestine P. Watlington, of Pennsylvania, each to be a Member of the Board of Directors of the Legal Services Corporation, Louis Caldera, of California, to be a Managing Director of the Corporation for National and Community Service, Paul Simon, of Illinois, to be a Member of the National Institute for Literacy Advisory Board, and Gina McDonald, of Kansas, and Bonnie O'Day, of Minnesota, each to be a Member of the National Council on Disability.

Also, committee began consideration of the proposed Workforce Improvement Partnership Act, but did not complete action thereon, and recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H.R. 2222–2234; and 3 resolutions, H. Con. Res. 119 and H. Res. 195–196, were introduced. **Page H5664**

Reports Filed: One report was filed today as follows:

H. Res. 194, providing for consideration of H.R. 2203, making appropriations for energy and water development for the fiscal year ending September 30, 1998 (H. Rept. 105–198). **Page H5664**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative LaTourette to act as Speaker pro tempore for today. **Page H5579**

Budget Enforcement Act of 1997: By a recorded vote of 81 ayes to 347 noes, Roll No. 301, the House failed to pass H.R. 2003, to reform the budget process and enforce the bipartisan balanced budget agreement of 1997. **Pages H5595–H5622**

By a yea and nay vote of 148 yeas to 279 nays with 1 voting ''present'', Roll No. 300, rejected the motion to recommit the bill to the Committee on the Budget with instructions to report it back forthwith with amendments that use budget surpluses to take the Social Security trust fund off-budget; limit Medicare premium increases; establish Ways and Means Committee and Senate Finance Committee jurisdiction to consider legislation responding to revenue shortfalls; provide flexibility in response to excess spending; clarify spending sequestration triggering procedures; limit size of spending sequestration; and provide for a partial suspension of the phase-in of tax cuts. **Pages H5613–21**

Earlier, agreed to H. Res. 192, the rule that provided for consideration of the bill by a voice vote. **Pages H5584–95**

Transportation and Related Agencies Appropriations: By a yea and nay vote of 424 yeas to 5 nays, Roll No. 302, the House passed H.R. 2169, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998. **Pages H5624–49**

Agreed To:

The Wolf amendment that provides that funding of $1.8 billion for Federal Aviation Administration operations shall be derived from the Airport and Airway Trust Fund; **Page H5639**

Point of Order Sustained:

A point of order was sustained against language that rescinded contract authorization for Small Community Air Service; **Page H5638**

A point of order was sustained against language that provided that notwithstanding 49 U.S.C. 48104(c), $3.4 billion for Federal Aviation Administration operations shall be derived from the Airport and Airway Trust Fund; **Page H5639**

A point of order was sustained against Section 331 that restricted air service to communities that are located fewer than seventy miles from the nearest hub airport or that require a subsidy per passenger in excess of $200; and **Page H5646**

A point of order was sustained against Title IV that established the Amtrak Route Closure and Realignment Act of 1997 and created a Total Realignment of Amtrak Commission. **Page H5646**

Withdrawn:

The Filner amendment was offered but subsequently withdrawn that sought to provide loan guarantees of less than $490,000 for railroad rehabilitation programs. **Pages H5646–49**

Earlier, the House agreed to H. Res. 189, the rule that provided for consideration of the bill by a voice vote. Pursuant to the rule, the specified amendments were considered as adopted. **Pages H5622–24**

Motion to Adjourn: Rejected the DeLauro motion to adjourn by a yea and nay vote of 122 yeas to 279 nays, Roll No. 303. **Pages H5649–50**

Motion to Adjourn: Rejected the Jackson-Lee motion to adjourn by a recorded vote of 105 ayes to 311 noes, Roll No. 304. **Pages H5650–51**

Agriculture Appropriations: By a recorded vote of 226 ayes to 202 noes, Roll No. 306, the House agreed to H. Res. 193, as amended, the rule to provide for consideration of H.R. 2160, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998. The House completed debate and considered amendments to the bill on July 16, July 17, and July 22. **Pages H5650–62**

Earlier, agreed to the Hastings amendment to the rule that makes in order an amendment by Representative Cox of California regarding assistance to the Democratic People's Republic of Korea; and agreed by unanimous consent, that the amendment be modified by making in order the amendment numbered 35 as printed in the Congressional Record. Earlier, agreed to order the previous question on the amendment by a yea and nay vote of 269 yeas to 160 nays, Roll No. 305. **Pages H5660–62**

Committee Election: Agreed to H. Res. 196 electing Representative Redmond to the following Committees: Banking and Financial Services, National Security, and Veterans' Affairs; and electing Representative Pitts to the Committee on Small Business. **Page H5663**

Senate Messages: Messages received from the Senate today appear on page H5579.

Amendments: Amendments ordered printed pursuant to the rule appear on page H5665.

Quorum Calls—Votes: Four yea-and-nay votes and three recorded votes developed during the proceedings of the House today and appear on pages H5621, H5621–22, H5649, H5649–50, H5650–51, H5661–62, and H5662. There were no quorum calls.

Adjournment: Met at 10:00 a.m. and adjourned at 7:40 p.m.

Committee Meetings

AGRICULTURAL TRADE OPTIONS

Committee on Agriculture: Subcommittee on Risk Management and Specialty Crops held a hearing on the Commodity Futures Trading Commission's proposal to lift the prohibition on agricultural trade options. Testimony was heard from Brooksley Born, Chairperson, Commodity Futures Trading Commission; and public witnesses.

CONDUCT OF MONETARY POLICY

Committee on Banking and Financial Services: Held a hearing on the Conduct of Monetary Policy. Testimony was heard from the following officials of the Federal Reserve System: Alice M. Rivlin, Vice Chairman and Laurence H. Meyer, both members, Board of Governors; and William J. McDonough, President, Federal Reserve Bank of New York; and public witnesses.

SEC AUTHORIZATION ACT; NATIONAL SALVAGE MOTOR VEHICLE CONSUMER PROTECTION ACT

Committee on Commerce: Ordered reported the following bills: H.R. 1262, Securities and Exchange Commission Authorization Act of 1997; and H.R. 1839, amended, National Salvage Motor Vehicle Consumer Protection Act of 1997.

Committee recessed subject to call.

OSHA'S REINVENTION PROJECT

Committee on Education and the Workforce: Subcommittee on Workforce Protections held a hearing to examine the Occupational Safety and Health Administration's reinvention project. Testimony was heard from public witnesses.

IRAN LIBYA SANCTIONS ACT—ONE YEAR LATER

Committee on International Relations: Held a hearing on Iran Libya Sanctions Act—One Year Later. Testimony was heard from the following officials of the Department of State: Alan Larsen, Assistant Secretary, Bureau of Economic and Business Affairs; and David Welch, Acting Assistant Secretary, Bureau of Near East Affairs; and public witnesses.

MICROCREDIT AND MICROENTERPRISE: THE ROAD TO SELF-RELIANCE

Committee on International Relations: Subcommittee on International Economic Policy and Trade held a hearing on Microcredit and Microenterprise: The Road to Self-Reliance. Testimony was heard from Representatives Houghton and Hall of Ohio; Mark L. Schneider, Assistant Administrator, Latin America, AID, U.S. International Development Cooperation Agency; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Ordered reported the following measures: H.R. 1109, to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States; H.R. 1348, Expanded War Crimes Act of 1997; H.R. 2027, to

provide for the revision of the requirements for a Canadian border boat landing permit pursuant to section 235 of the Immigration and Nationality Act, and to require the Attorney General to report to the Congress on the impact of such revision; H.R. 2181, Witness Protection and Interstate Relocation Act of 1997; and two private bills.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS

Committee on Rules: Granted, by voice vote, an open rule providing 1 hour of debate on H.R. 2203, making appropriations for energy and water development for the fiscal year ending September 30, 1998. The rule waives clause 2 (prohibiting unauthorized appropriations and legislative provisions in an appropriations bill) and clause 6 (prohibiting reappropriations in an appropriations bill) of rule XXI against the bill. The rule permits the Chair to accord priority in recognition to Members who have preprinted their amendment in the Congressional Record. The rule allows the Chair to postpone recorded votes and reduce to five minutes the minimum time for electronic voting on any postponed votes, provided voting time on the first in any series of questions shall be not less than 15 minutes. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Representatives McDade, Fazio and Rothman.

SCIENCE, MATH ENGINEERING AND TECHNOLOGY EDUCATION

Committee on Science: Held a hearing on Science, Math Engineering and Technology Education. Testimony was heard from Richard W. Riley, Secretary of Education; and Neal F. Lane, Director, NSF.

MISCELLANEOUS MEASURES

Committee on Transportation and Infrastructure: Ordered reported the following measures: H.R. 2036, Aviation Insurance Reauthorization Act of 1997; H.R. 2005, amended, to amend title 49, United States Code, to clarify the application of the Act popularly known as the "Death on the High Seas Act" to aviation incidents; H.R. 2204, amended, Coast Guard Authorization Act of 1997; H.R. 2207, amended, Coastal Pollution Reduction Act of 1997; H.R. 29, to designate the Federal building located at 290 Broadway in New York, NY, as the "Ronald H. Brown Federal Building"; H.R. 81, to designate the U.S. courthouse located at 401 South Michigan Street in South Bend, IN, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse"; H.R. 548, to designate the U.S. courthouse located at 500 Pearl Street in New York City, NY, as the "Ted Weiss United States Courthouse"; H.R. 595, to designate the Federal building and U.S. courthouse located at 475 Mulberry Street in Macon, GA, as the "William Augustus Bootle Federal Building and United States Courthouse"; H.R. 613, amended, to designate the Federal building located at 100 Alabama Street NW, in Atlanta, GA, as the "Sam Nunn Federal Center;" H.R. 643, to designate the U.S. courthouse to be constructed at the corner of Superior and Huron Roads, in Cleveland, OH, as the "Carl B. Stokes United States Courthouse"; H.R. 824, to redesignate the Federal building located at 717 Madison Place, NW., in the District of Columbia, as the "Howard T. Markey National Courts Building"; H.R. 892, amended, to redesignate the Federal building located at 223 Sharkey Street in Clarksdale, MS, as the "Aaron Henry United States Post Office"; H.R. 962, to redesignate a Federal building in Suitland, MD, as the "W. Edwards Deming Federal Building"; H.R. 994, to designate the U.S. border station located in Pharr, TX as the "Kika de la Garza United States Border Station"; H.R. 1479, amended, to designate the Federal building and U.S. courthouse located at 300 Northeast First Avenue in Miami, FL, as the "David W. Dyer Federal Courthouse"; H.R. 1484, amended, to redesignate the Dublin Federal courthouse building located in Dublin, GA, as the "J. Roy Rowland Federal Courthouse"; H.R. 1502, to designate the U.S. courthouse located at 301 West Main Street in Benton, IL, as the "James L. Foreman United States Courthouse"; H.R. 1851, to designate the U.S. courthouse located at 200 South Washington Street in Alexandria, VA, as the "Martin V.B. Bostetter, Jr., U.S. Courthouse"; H. Con. Res. 98, authorizing the use of the Capitol grounds for the Safe Kids Buckle Up Car Seat Safety Check.

The Committee also approved the following: 6 Water Resources Survey Resolutions; 5 Courthouse Design Resolutions; 2 Amendments to Public Buildings Resolutions; 3 Public Buildings Construction Resolutions; and 2 Public Buildings 11(b) Resolutions.

SOCIAL SECURITY DISABILITY RECIPIENTS—BARRIERS PREVENTING RETURNING TO WORK

Committee on Ways and Means: Subcommittee on Social Security held a hearing on Barriers Preventing Social Security Disability Recipients from Returning to Work. Testimony was heard from Representative Ramstad; John J. Callahan, Acting Commissioner, SSA; Judith Heumann, Assistant Secretary, Special Education and Rehabilitative Services, Department of Education; Jane L. Ross, Director, Income Security Issues, Health, Education, and Human Services Division, GAO; and public witnesses.

Hearings continue tomorrow.

NEW TRANSATLANTIC AGENDA

Committee on Ways and Means: Subcommittee on Trade held a hearing on the New Transatlantic Agenda. Testimony was heard from Jeffrey Lang, Deputy U.S. Trade Representative; Timothy J. Hauser, Acting Under Secretary, International Trade Administration, Department of Commerce; and public witnesses.

BRIEFING—FOREIGN COUNTERINTELLIGENCE THREAT AGAINST CONGRESS

Permanent Select Committee on Intelligence: Subcommittee on Human Intelligence, Analysis, and Counterintelligence met in executive session to receive a briefing on Foreign Counterintelligence Threat Against Congress. The Subcommittee was briefed by departmental witnesses.

COMMITTEE MEETINGS FOR THURSDAY, JULY 24, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, business meeting, to mark up proposed legislation making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, 9:30 a.m., SD–106.

Committee on Armed Services, to hold hearings on the nomination of John J. Hamre, of South Dakota, to be Deputy Secretary of Defense, 9:30 a.m., SR–222.

Committee on Banking, Housing, and Urban Affairs, Subcommittee on Securities, to hold hearings to examine securities litigation abuses, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation, to hold hearings to review a General Accounting Office report relating to program efficiencies at the National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF), 9:30 a.m., SR–253.

Committee on Energy and Natural Resources, Subcommittee on Forests and Public Land Management, to hold hearings on S. 1028 and H.R. 858, bills to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management plans for these national forests to consider the incorporation of these resource management activities, 10 a.m., SD–366.

Subcommittee on National Parks, Historic Preservation, and Recreation, to hold hearings to review the process by which the National Park Service determines the suitability and feasibility of new areas to be added to the National Park System, and to examine the criteria used to determine national significance, 2 p.m., SD–366.

Committee on Environment and Public Works, business meeting, to consider the nomination of Jamie Rappaport Clark, of Maryland, to be Director of the United States Fish and Wildlife Service, 9:30 a.m., SD–406.

Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety, to hold hearings to examine ozone and particulate matter standards promulgated by the Environmental Protection Agency, 9:45 a.m., SD–406.

Committee on Foreign Relations, to hold hearings on the nominations of David Andrews, of California, to be Legal Adviser, Bonnie R. Cohen, of the District of Columbia, to be Under Secretary for Management, Edward William Gnehm, Jr., of Georgia, to be Director General of the Foreign Service, James P. Rubin, of New York, to be Assistant Secretary for Public Affairs, and Wendy Ruth Sherman, of Maryland, to be Counselor, with the rank of Ambassador during her tenure of service, all of the Department of State, 9:30 a.m., SD–419.

Full Committee, to hold hearings on the nomination of George Munoz, of Illinois, to be President of the Overseas Private Investment Corporation, United States International Development Cooperation Agency, 11:30 a.m., SD–419.

Committee on Governmental Affairs, to continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing, 10 a.m., SH–216.

Committee on the Judiciary, business meeting, to resume markup of S. 10, to reduce violent juvenile crime, promote accountability by juvenile criminals, and punish and deter violent gang crime, and to mark up S. 53, to require the general application of the antitrust laws to major league baseball, 9 a.m., SD–226.

Subcommittee on Antitrust, Business Rights, and Competition, to hold hearings to examine proposals on defense consolidation, focusing on antitrust and competitions issues, 2:00 p.m., SD–124.

Committee on Labor and Human Resources, to hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act, focusing on title IV, 10 a.m., SD–430.

Subcommittee on Public Health and Safety, to hold hearings on proposed legislation authorizing funds for the National Institutes of Health, Department of Health and Human Services, 2 p.m., SD–430.

Select Committee on Intelligence, to hold closed hearings on intelligence matters, 2:30 p.m., SH–219.

NOTICE

For a listing of Senate committee meetings scheduled ahead, see page E1503 in today's Record.

House

Committee on Appropriations, Subcommittee on the District of Columbia, on D.C. Public Safety, 10 a.m., H–144 Capitol.

Committee on Banking and Financial Services, Subcommittee on Capital Markets, hearing on the GAO Report on

the Merger of Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board, 10 a.m., 2128 Rayburn.

Committee on Education and the Workforce, Subcommittee on Early Childhood, Youth and Families, hearing on Focus on Fatherhood, 9:30 a.m., 2175 Rayburn.

Subcommittee on Oversight and Investigations, hearing on the Accounting and Management Practices of the Corporation for National Service, 9:30 a.m., 2261 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Human Resources, oversight hearing on the National Labor Relations Board, 11 a.m., 2247 Rayburn.

Subcommittee on National Security, International Affairs, and Criminal Justice, hearing on Reforming Inventory Management Through Innovative Business Practices, 12 p.m., 2154 Rayburn.

Committee on International Relations, hearing on Global Climate Negotiations: Obligations of Developed and Developing Countries, 10 a.m., 2172 Rayburn.

Subcommittee on Asia and the Pacific, to markup the following measures: a resolution concerning the Crisis in Cambodia; H. Con. Res. 74, concerning the situation between the Democratic People's Republic of Korea and the Republic of Korea; and H. Res. 157, congratulating the people of India and Pakistan on the occasion of the 50th anniversary of their nations' independence, 3 p.m., 2255 Rayburn.

Committee on the Judiciary, Subcommittee on Commercial and Administrative Law, to markup H.R. 872, Biomaterials Access Assurance Act of 1997, 10 a.m., 2237 Rayburn.

Subcommittee on Crime, hearing on the nature and extent of domestic and international money laundering, its role in the international drug trade, and methods of combating the problem, 9:30 a.m., 2141 Rayburn.

Subcommittee on Immigration and Claims, hearing on the following bills: H.R. 967, to prohibit the use of United States funds to provide for the participation of certain Chinese officials in international conferences, programs, and activities and to provide that certain Chinese officials shall be ineligible to receive visas and be excluded from admission to the United States; H.R. 1543, to amend the Immigration and Nationality Act to permit certain nonimmigrant aliens to study in publicly funded adult education programs if the alien provides reimbursement for such study; H.R. 2172, to amend the Immigration and Nationality Act to make the restrictions on foreign student study at a public elementary or secondary school inapplicable in cases where the school evidences a desire for such result, and to prohibit the use of Federal funds to pay the cost of such study; followed by a markup of H.R. 1493, to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, 9:30 a.m., 2226 Rayburn.

Committee on Resources, Subcommittee on Fisheries Conservation, Wildlife & Oceans oversight hearing on review of the authority and decision making processes of the National Marine Fisheries Service Northwest Region, 10 a.m., 1334 Longworth.

Committee on Rules, to consider H.R. 2209, making appropriations for the Legislative Branch for the fiscal year ending September 30, l998, 11 a.m., H–313 Capitol.

Committee on Small Business, Subcommittee on Empowerment, hearing on the impact proposed tax changes will have on minority owned businesses, 10:00 a.m., 2359 Rayburn.

Committee on Veterans' Affairs, Subcommittee on Health, to markup H.R. 2206, Veterans Health Programs Improvement Act of 1997, 9:15 a.m., 334 Cannon.

Subcommittee on Health and the Subcommittee on Oversight and Investigations, joint hearing to review the process by which VA is consolidating VA medical facility managements and their clinical and support services, and the results of such initiatives, 9:30 a.m., 334 Cannon.

Committee on Ways and Means, Subcommittee on Oversight, hearing on the Report of the National Commission on Restructuring the Internal Revenue Service, 10:00 a.m., 1100 Longworth.

Subcommittee on Social Security, to continue hearings on Barriers Preventing Social Security Disability Recipients from Returning to Work, 1 p.m., B–318 Rayburn.

Joint Meetings

Conferees, on H.R. 1757, to consolidate international affairs agencies and to authorize appropriations for the Department of State and related agencies for the fiscal years 1998 and 1999, 2 p.m., room to be announced.

Next Meeting of the SENATE

9:45 a.m., Thursday, July 24

Senate Chamber

Program for Thursday: Senate will continue consideration of S. 1033, Agriculture Appropriations, 1998, with a vote on final passage to occur thereon, following which Senate expects to begin consideration of S. 1048, Transportation Appropriations, 1998.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, July 24

House Chamber

Program for Thursday: Complete consideration of H.R. 2160, Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act for FY 1998 (modified closed rule);

Consideration of H.R. 2203, Energy and Water Appropriations Act for FY 1998 (open rule, 1 hour of debate); and

Consideration of H.R. 2159, Foreign Operations Appropriations Act for FY 1998 (modified open rule, 1 hour of debate).

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