

one's God was fundamental to the founding of this great country. Indeed, the Founding Fathers acknowledged God as the source of our unalienable rights of life, liberty, and the pursuit of happiness.

SENSE OF HOUSE REGARDING FINANCIAL MANAGEMENT BY FEDERAL AGENCIES

Mr. HORN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 447) expressing the sense of the House of Representatives regarding financial management by Federal agencies, as amended.

The Clerk read as follows:

H. RES. 447

Whereas financial audits are an essential tool to establish accountable, responsible, and credible use of taxpayer dollars;

Whereas Congress needs such information to accurately measure performance of Federal agencies and distribute scarce resources;

Whereas Federal agencies should meet the same audit standards with which such agencies expect State and local governments, the private sector, and Federal contractors from which such agencies purchase goods and services to comply;

Whereas sections 331 and 3515 of title 31, United States Code (as enacted in section 405 of the Government Management Reform Act of 1994 (Public Law 103-356; 108 Stat. 3415)), require that Federal agencies prepare annual financial statements and have them audited, and that the Secretary of the Treasury prepare a consolidated financial statement for Federal agencies that is audited by the Comptroller General;

Whereas the enactment of these provisions resulted in the first time ever that the financial status of the entire Federal Government was subjected to the same professional scrutiny to which many who interact with the Federal Government are subject;

Whereas section 3521 of title 31, United States Code, requires that the audit follow the Generally Accepted Government Auditing Standards, which incorporate the common, private sector guidelines of the American Institute of Certified Public Accountants Statements on Auditing Standards;

Whereas Congress intended these audit requirements to provide greater accountability in managing government finances by improving financial systems, strengthening financial personnel qualifications, and generating more reliable, timely information on the costs and financial performance of government operations;

Whereas the data found in the financial reports was not sufficiently reliable to permit the General Accounting Office to render an opinion on the Government's financial statements;

Whereas only 2 of the 24 Federal agencies required to submit reports have reliable financial information, effective internal controls, and complied with applicable laws and regulations;

Whereas the financial statements of the Department of Defense could not be relied on to provide basic information regarding the existence, location, and value of much of its \$635,000,000,000 in property, plant, and equipment;

Whereas the Department of Defense could not account for 2 utility boats valued at \$174,000 each, 2 large harbor tug boats valued at \$875,000 each, 1 floating crane valued at \$468,000, 15 aircraft engines (including 2 F-18 engines valued at \$4,000,000 each), and one Avenger Missile Launcher valued at \$1,000,000;

Whereas inaccurate or unreliable data, such as the findings that 220 more tanks, 10 fewer helicopters, 25 fewer aircraft, and 8 fewer cruise missiles existed than those reported in the system of the Department of Defense, harms deployment activities;

Whereas the Department of Housing and Urban Development spends \$18,000,000,000 each year in rent and operating subsidies, with \$1 of every \$18 being paid out unjustifiably;

Whereas financial management is so poor within Federal credit agencies that the true cost of the Federal Government's loan and guarantee programs cannot be reliably determined;

Whereas the Federal Aviation Administration's records regarding \$5,500,000,000 in equipment and property are unreliable, including \$198,000,000 in recorded assets that no longer exist, \$245,000,000 in spare parts that were omitted from the financial statements, and \$3,300,000,000 in works-in-process that could not be verified;

Whereas the Forest Service lacks a reliable system for tracking its reported 378,000 miles of roads;

Whereas the Medicare program identified an estimated \$20,300,000,000 worth of improper payments in fiscal year 1997;

Whereas the Social Security Administration has identified \$1,000,000,000 in overpayments for fiscal year 1997;

Whereas the Department of the Treasury recorded a net \$12,000,000,000 "plug" recorded as "unreconciled transactions", made up of over \$100,000,000,000 of unreconciled, unsupported transactions, to make its books balance; and

Whereas the disclaimers, mismanagement, and poor recordkeeping in the Federal Government expose taxpayers to continued waste, fraud, error, and mismanagement, and provide inadequate information to Congress for budget, appropriations, and reauthorization decisions: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the first-ever Governmentwide financial audit demonstrated serious concerns with financial management by the majority of Federal agencies;

(2) current efforts with respect to financial management by all too many Federal agencies have failed; and

(3) therefore, Congress must impose consequences on Federal agencies that fail their annual financial audits and conduct more vigorous oversight to ensure that Federal agencies do not waste the tax dollars of the people of the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker I yield myself such time as I may consume.

Mr. Speaker, on April 1, 1998, the Subcommittee on Government Management, Information, and Technology held a hearing on the first ever audit of the United States government. We were presented with the consolidated government-wide financial statements issued March 31, 1998.

The Democratic 103rd Congress, in which I was a freshman, enacted this law on a bipartisan basis in 1994. As a result of this audit, we found the Federal Government could not balance its books. That is why we gave them 5 years to do it way back in 1994. In fact,

the information in the financial statements was so poor that the auditors were not able to determine the adjustments necessary to make the information reliable.

For the first time, however, Congress was provided a concise accounting for the many financial management problems faced by the executive branch of the Federal Government. This report, by the General Accounting Office, the audit arm of the legislative branch known as the GAO, confirmed that at least tens of billions of taxpayers' dollars are being lost each year to fraud, waste, abuse and mismanagement in hundreds of programs throughout the executive branch.

Government financial management is largely in disarray in some departments. Its financial systems and practices are obsolete and ineffective, and do not provide complete, consistent, reliable, and timely information to either congressional or presidential decision-makers, let alone to agency management, which is responsible for the implementation of these various programs.

The GAO report provided a synopsis of the significant weaknesses in the financial systems: problems with fundamental recordkeeping and incomplete documentation. There were weak internal controls, including weak computer controls. These structural problems then prevent the executive branch from accurately reporting a large portion of its assets, its liabilities, and its expenses.

According to the General Accounting Office, "These deficiencies affect the reliability of the consolidated financial statements and much of the underlying financial information." More important, "These problems also," said the GAO, "affect the government's ability to accurately measure the full cost and financial performance of programs, and effectively and efficiently manage its operations."

Looking at some of the charts here, the subcommittee released the first report card measuring the effectiveness of the financial management at 24 Federal agencies, which were required over a 5-year period to prepare financial statements and have them audited. The grades were based on reports prepared by the various agency Inspectors General, independent public accountants, and the General Accounting Office.

The report card is a gauge for Congress to see where attention is needed to push agencies to get their financial affairs in order. A few agencies, most notably the Department of Energy and the National Aeronautics and Space Administration, demonstrated that they could effectively manage their finances.

However, these agencies were the exception, rather than the rule. Six other agencies earned commendable Bs. Eleven of the 24 agencies, 46 percent, were not able to meet the March 1 reporting date in the Act. That is 5 months after the close of the Federal fiscal year.

As of today, four laggard agencies, the Department of Agriculture, the Department of Education, the Federal Emergency Management Agency, the Department of State, have yet to submit audited financial statements. The Federal fiscal year ended 8 months ago.

Many other agencies could not pass muster. The Agency for International Development, the Department of Defense, the Department of Justice, the Office of Personnel Management, they all received Fs. Two more agencies that reported late, the Department of Commerce, Department of Transportation, also wound up with Fs. Another six agencies failed at the D level.

Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin (Mr. NEUMANN), the author of this resolution, one of the most fiscally conservative and fiscally articulate Members of this body, and one of the handful of us who have spoken on the unfunded liabilities facing the Federal Government. The gentleman from Wisconsin looked at a lot of these documents and drew up the resolution we have before us today.

Mr. NEUMANN. Mr. Speaker, I rise today to talk about this because I come from the private sector. In the private sector, for our business, our small business, we literally had to go through an audit every year, so I come into this looking at it with some private sector experience. I bring with me the standards and the expectations that were required of us in our business in the private sector.

I have to say, after a brief review of this, it becomes very apparent that the management here in the government is set by an entirely different set of standards than what was expected of us out in the private sector. I would like to explain exactly how an audit works, so it is clear what has happened here in this audit.

What happens in an audit is the auditors come in and look at all of the assets and the financial statements, and where the money went in a given agency. So, for example, if you are the Forest Service, you would look for a list of all the roads that were controlled and managed by the Forest Service, and where they spent their \$3.4 billion in the Forest Service management. So you would take this whole list of things and then go into it and pull a couple of the things out. You would go looking for them.

Let me give another example. In the military, for example, in the Navy, they went looking for 79 ships. 79 ships they went looking for.

□ 1500

Out of the 79 ships they went looking for, they found out that in fact they could not find 21 of them. Twenty-one out of 79 they could not find. I am in the home building business and when they did an audit in my company, I gave them the list of all the lots we were working with and all the houses we had built and all the money I spent

on a given house, all the money we took in on a given house. We had to give our auditors that and they would pull those records on a particular house out of 120 homes that we were building in a given year. They might pull out three or four or five and see if the money that we said we spent to pay for drywall, for example, we actually had a check that we could document that we spent that money.

No, in the private sector if one fails an audit, effectively the bank shuts the business down and the company goes out of business. The businessman must go find something else to do. That is what happens in the private sector.

Our purpose for being here today is to, number one, disclose the results of this audit; and, number two, disclose how different the standards are that are being applied here in the government and what is happening here; and three, to make sure that we start doing something about the mess that has been created.

Mr. Speaker, I have brought a few pictures with me to help make this clearer. When the Navy went looking for these 79 ships, they found out they were missing tugboats. I think that is important. We are not talking about rubber duckies in the bathtub. We are talking about the tugboats, for heaven sakes, that the Navy has on their list that was not available when they went looking for it.

Another thing the Navy went looking for, they went looking for these two skiffs. These things are supposed to be out there. They are not there. They are on their list, they say where they are, they say they are supposed to be available. They are not there.

So when we go looking for 79 ships on the inactive list and 45 on the active list, 21 of the 79 could not be found. But think about this for a minute. On the active available military ships, 2 out of 45 were not available. That is to say if we were to go to some sort of a military conflict, assuming that these ships are available to move troops around or to do whatever they might do, 2 out of 45 could not be found.

I have some more examples here. As I go to the Air Force, and I go to this one that I think is very, very important, they went looking for missile launchers. In fact, they found out they could not find this particular missile launcher. Now, since the audit has been completed, they believe they have found the missile launcher. But the facts are when the time came for the auditors to go looking for this missile launcher that was supposed to be available, they could not find the missile launcher.

Now, in all fairness to the people in the uniform, and I want to make this very clear, this is not a reflection of our young men and women who are doing so much to defend our country. This is a reflection of mismanagement by bureaucrats in Washington, D.C. That is what we need to go after. This should not in any way reflect negatively on our military.

In fact, as we understand that these military parts and pieces of equipment that are so necessary for our military cannot be found, we should understand that it puts our young men and women in uniform in jeopardy and that is why it is so significant that we do something about correcting this problem.

Mr. Speaker, here is another one with the Air Force which is particularly disturbing. They said we had a C-130 transport plane. This is what it looks like. And again this is a huge plane. It is designed to move troops around. So if we were to have a military conflict and they went looking for this C-130, this troop transfer plane, it does not exist anymore.

It turns out when the auditors went to look for this C-130 plane, it had been destroyed 4 years ago in a test involving corrosion. So the military gave this list of available military equipment that if we were to have a military conflict of some sort they were expecting to be able to find, but when the auditors went looking for this particular plane, this C-130, and, remember, they just went looking for a small sample, when they went looking for this it turns out the thing had been destroyed several years back.

I do not want to stop at just the military. That would be very unfair. As we went through this audit, we found similar activities in virtually every agency we went into and looked at. Coming from the private sector, if we had ever been in this shape in the private sector, we would have been out of business instantaneously because there is not a bank in the world that would have loaned us money if we could not have found the houses we built or if we could not find the lots we were supposed to own to build the houses on in our company. That is just exactly how ridiculous this situation is.

I have here a picture of a computer. This thing weighs 825 pounds and is 5 feet tall. The Energy Department listed this \$141,000 computer on their asset sheet. When they went looking for the computer, it was nowhere to be found. When people say we cannot control Washington spending and we have no more room to get spending under control in Washington, we do not have to look any farther than this waste and mismanagement to understand how far it is that we still have to go to get government spending under control.

I would like to give a couple more examples.

HUD. We hear so many cries that we have homeless people in America and HUD needs more money. It turns out the auditors went into HUD. This is the housing department and provides housing for homeless and poor people in this country. They have a budget of about \$18 billion, and when they went looking for the money, approximately 1 out of the \$18 billion could not be accounted for.

Let me put this in perspective. I live in Wisconsin and part of my district is a city of 85,000 roughly, Kenosha, and

another city of 80,000 people called Racine. The amount of money that HUD was missing is enough to house all the people in the City of Kenosha and all the people in the City of Racine for an entire year. That is just the money they cannot find and cannot account for in HUD.

This one hit particularly close to home. We went over to the FAA, and in this audit they went looking for some of the assets that were listed on the FAA sheets and they said they had this building out there. Well, the auditors went to look for the building. The building had been demolished years ago. I guess we were not supposed to feel too bad about that because they went to another lot that was supposed to be vacant and they found out they had built a day care center on it, but it did not show up on the asset list.

The point again is just the total mismanagement of what is going on in these agencies and how far we have to go to get this government spending under control.

I would like to read specifically, and I had this prepared as a summary for my office on this GAO audit, I would like to read a couple of the different parts and I would like to start with Medicare. This is what it says and I quote, and this is a GAO summary prepared for my office.

Quote on Medicare: \$23 billion, or about 14 percent of the total payments, this is for Medicare, for reasons ranging from inadvertent mistakes to outright fraud and abuse; \$23 billion in Medicare is missing. And the responsibility for reasons ranging from inadvertent mistakes to outright fraud and abuse.

Here is a scary one. This is regarding the Air Force Logistics Systems and I want to read this word for word, what the auditors found: These databases included in the Air Force's Central Logistics System contained discrepancies on equipment, on the number of assets on hand, including ground-launched and air-launched cruise missiles, aircraft, and helicopters.

Let me say that once more. This is where there were discrepancies in this Air Force Logistics System, including ground-launched and air-launched cruise missiles. They are unaccounted for. The numbers that are actually existing out in the field versus the number that we are reporting that we have at the Pentagon are two different numbers. They are not accounted for.

Mr. Speaker, that is serious. That puts our Nation in jeopardy. We need to get this system under control.

Let me read just one more. Whenever anybody says to me, "Mark, you cannot do anything more with government spending, we need to spend more in the government, spending has to increase faster than the rate of inflation, we cannot get spending under control," I come back to this. And quote, word for word from the summary that was prepared for my office:

The Forest Service could not determine for what purposes it spend \$215 million of its \$3.4 billion in operating and program funds.

They could not account for \$215 million. We are not talking about a buck or two here out of our wallet; \$215 million that they could not account for out of a \$3.4 billion budget.

When we looked at overall Treasury, that is the cash flow of going from one agency to another agency and the billing back and forth, the Treasury was off by over \$100 billion, some plus and some minus, and in the end a net of \$12 billion.

Mr. Speaker, we need to pass this resolution, we need to move forward over the course of the summer and get this mess straightened out.

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

Mr. Speaker, I think that every American agrees that we want fiscal responsibility and accountability. I think both sides of the aisle can agree on that. And I think what is important, as we set higher standards of accountability for our government is that we take an accounting of the measure of progress which has occurred under the Clinton administration, because the people of this country ought to know that before the Clinton administration took office there had never been a comprehensive review of how the government handles our tax dollars. As a matter of fact, after hearing a similar recitation to that just offered by the gentleman from Wisconsin (Mr. NEUMANN) in our Government Management, Information, and Technology Subcommittee, I questioned officials of the Department of Defense and found out that in fact for decades, for centuries, the Department of Defense has had its problems keeping track of their materiel. It does not excuse it for one year or one minute, but I think we have to establish a context of this discussion this afternoon.

When the Clinton administration began their efforts, there were no accounting standards for the Federal Government. Most Federal agencies had never issued a financial statement and there had been no governmentwide financial statement.

Furthermore, there had been no independent verification of the agencies's estimates of their financial positions. Now, thanks to the changes that have been put in place through the administration and, I might say with the help and the constant vigilance of people like the gentleman from California (Mr. HORN), we have more agencies than ever issuing financial statements and having them audited.

As Members of Congress are aware, the Subcommittee on Government Management, Information, and Technology headlined a series of hearings recently on the financial audits of the Federal Government. We conducted those hearings in a bipartisan manner because the issue of good financial management is not a partisan issue. And we need to continue to work in this manner. The sponsors of this particular resolution have accommodated our concerns, and while I may not com-

pletely agree with their positions, the need for increased attention to financial management and strong efforts leads me to support this resolution.

Without question, there is a need for intensified financial management by Federal agencies. The governmentwide audit and many of the agency audits shows that the Federal Government has a long way to go. House Resolution 447 is based on the results of the first governmentwide financial audit conducted in 1997. I want everyone to listen very carefully. In 1997, we had the results of the first governmentwide financial audit conducted that year. The law mandating this audit was passed by a Democratic Congress, with the active support of the Clinton administration. The Clinton administration is addressing financial problems at Federal agencies that date back decades. And I feel it should get credit for serious attention to this longstanding problem, just as we must place on their shoulders, because they are there now, the responsibility for making increased progress.

But real progress has been made by this administration. The key to a financial audit is whether the financial information presented in the balance sheets is reliable. When the financial information is reliable, auditors issue what is called an unqualified opinion or a clean audit.

As we can see on this chart right here, Mr. Speaker, in 1990, only two agencies had an unqualified opinion. But by 1997 under President Clinton, nine CFO agencies had unqualified opinions. Clearly, additional improvement is needed. Getting an unqualified opinion is not sufficient. Adequate internal financial controls and compliance with laws and regulations are two other areas where agencies must improve.

However, it is clear that the Clinton administration has come a long way. And by 1998, the goal, as can be seen from this chart, is to come further and to keep reaching what I think is the next plateau of 16 clean and unqualified opinions.

□ 1515

The current administration is committed to these additional improvements and to achieving a clean governmentwide audit for fiscal year 1999. To that end, the President issued a memorandum to agency heads requiring that specific agencies prepare action plans to ensure that the government receives an unqualified opinion on its fiscal year 1999 audit. Federal chief financial officers now predict that at least 15 of the 24 Federal departments will receive clean opinions of their fiscal year 1998 financial statements.

Good financial management of taxpayers' money is too important for it to become bogged down in partisan warfare. There is simply too much to be done. For that reason, I am glad we have been able to address this issue in a bipartisan way.

Again, look at this, Mr. Speaker, 1997, how far we have come from 1990, and, again, when the administration began, there were no accounting standards for the Federal Government. Most Federal agencies never issued a financial statement. There had been no governmentwide financial statement, no independent verification of the agencies' estimates of their financial positions. So we have come a distance. We have a great distance to go.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I will not take a great deal of time on this debate, but I want to take this opportunity to commend the authors of this legislation, the gentleman from California (Mr. HORN) and the gentleman from Wisconsin (Mr. NEUMANN).

As amended, the resolution underscores the importance of sound financial management. The effort to promote sound financial management should be and is bipartisan. As amended, this resolution deserves bipartisan support.

The recent governmentwide audit shows that many Federal Government agencies do not have adequate financial management. This resolution sends an important message that we need to do more.

It is also important to recognize the progress that has been made by this administration, and by Vice President GORE's reinvention efforts. In 1992, only one Federal agency had a clean audit. Due to the administration's efforts, nine agencies now have clean audits. Next year 15 agencies are expected to have clean audits. So it is clear that while we have a long way to go, we are making progress.

This resolution says that we want to build bipartisan support to push for more progress. In that effort I join my colleagues in urging all of the Members to vote for this resolution.

Mr. KUCINICH. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

First of all, I would like to thank the ranking member, the gentleman from Ohio (Mr. KUCINICH), for his hard work on this, and also the Chair on the subcommittee on which I had the honor to serve for many years, the gentleman from California (Mr. HORN), for working hard on this and for accepting some changes in the language from the Democrats to Resolution 447, which we are now supporting.

The bad news contained in this resolution is that the Federal Government, the world's largest financial entity, has financial problems. These problems are not new; they have existed for decades. We knew this when we decided to initiate reforms. When we began reforms, there were no accounting standards for the Federal Government. Most Federal

agencies had never issued a financial statement, and there had been no independent verification of the agencies' estimates of their financial position. So in a bipartisan effort, a Democratic Congress crafted and passed the Government Management Reform Act along with the Republicans in 1994, and a Democratic President signed it into law.

The administration has worked hard to implement this law. Next year 15 of the 24 major agencies are expected to receive clean financial opinions. This year the administration met the bill's statutory deadline by completing the first governmentwide audit ever, the first in more than 200 years. We should congratulate them for this effort.

I commend the ranking member and all who have worked on this. As we have worked in the past for increased procurement reform, for increased debt management and position systems, I join my colleagues in supporting this.

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

I think it is important for the American people to have a progress report at this moment as to Federal financial management, because that is what this resolution lends itself to. We have stated earlier that prior to the administration taking office, that there were no general standards, but now a structure has been put in place to assure fiscal accountability for the American people.

Qualified chief financial officers and deputy chief financial officers have been appointed so there is accountability and there is a system of command. Accounting standards have been issued. We have had a foundation for agency financial statements, the accounting standards that have been developed by the Treasury, the Office of Management and Budget and GAO, working together through the Federal Accounting Standards Advisory Board, and that was initially created in 1990 to fill a void. But so far, through the help of OMB, we have seen some real strength put into that process, and accounting standards have been issued. And that information has been transmitted down through the departments.

The OMB has issued financial system requirements, and the agencies are now issuing audited financial statements.

I would also like to point out that it was on March 31, 1998, that the Department of the Treasury issued the first ever audited, consolidated financial statement for the Federal Government.

The President's budget states the objective of having an unqualified audit opinion, a clean audit on the government's 1999 financial statements, so the President has firmly stated the administration's goal of receiving a clean opinion on the 1999 governmentwide financial statements, and also the administration has been very interested in identifying weaknesses in the audit as far as the first ever governmentwide statement for fiscal year 1999.

As I am sure many Members know, the President has directed agency

heads to submit action plans to address impediments to an unqualified audit opinion on the government's 1999 financial statements.

Mr. Speaker, we could ask, as we are thinking of our financial status and whether or not the American people are getting a good accounting, we could look at a glass and say, is it half full or is it half empty. We can point today to deficiencies which do exist, and we could say the glass is half empty. But we could also say that with all the water that has gone under the bridge, we have a lot of progress that has been made towards rebuilding the financial accountability of the country.

I know with some testimony I heard in committee, it would seem as though the glass is neither half empty nor half full, it is missing. Wherever that is the case, we certainly want to make sure that our audits work to identify wherever there is waste and inefficiencies in the Federal Government, and we need to work to rid it out.

Again, Mr. Speaker, we have come a distance. We have a great distance to go to have the kind of accountability which the American people have a right to expect, but I think at this time a progress report has been in order.

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

Mr. HORN. Mr. Speaker, I first thank both the former ranking member and the current ranking member. We have worked on a bipartisan basis. We have got a lot accomplished. I appreciate their kind words.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. ARMEY), distinguished majority leader, PhD in economics, who also knows how to read a balance sheet.

The SPEAKER pro tempore (Mr. UPTON). The gentleman from Texas (Mr. ARMEY) is recognized for 5 minutes.

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

Mr. Speaker, I want to thank the gentleman from California (Mr. HORN) and the gentleman from Wisconsin (Mr. NEUMANN) for their persistence on this matter.

I listened with some interest to the remarks that were being made as I came in. It is always interesting to try to debate whether the glass is half full or half empty, but I think we would all agree that in any enterprise in America, other than the government, whether it be our family, whether it be our business, whether it be even a State or local government enterprise, everybody would understand that they have to have an audit to determine how much water is in the glass. Then we can debate whether it is half full or half empty, as long as we know that half of the capacity for the glass is taken up. And our problem with our government, Mr. Speaker, it does not know what it has. It does not know what it does. It loses things, sometimes

things that would be fairly difficult to lose.

A missile launcher was identified as lost for 6 months, and it is not clear to us that they realized that it was lost until Congress encouraged them to have an audit, find out what they had and where it was.

They did finally find the missile launcher. I am not so sure that without the work of this committee they would have suffered enough embarrassment and awareness of their loss to have found the missile launcher. But the job is not done. We still are missing a tugboat, a crane and other large equipment.

Nobody here is seeking to be angry or nasty about this. We are not even particularly interested in criticizing or blaming. But the fact of the matter is that every organization in the world must know what it is doing with its money, and certainly the Federal Government of the United States, a government that is given the trust and confidence of the American citizens to spend literally \$1.5 trillion of our money, should be willing to subject itself to the same auditing principles, the same accountability as any small enterprise that may, in fact, find itself subject to the audits of some of those very same government agencies that are not doing so well in these audits.

Jerry Jeff Walker has a wonderful song. The song is "The Pot Can't Call the Kettle Black." If the government will not accept the rigors of auditing, the rigors of accountability, how can the government have any moral basis by which they would themselves hold you and I accountable for these same rigors as they seek to regulate and invest in our lives?

The IRS might even come in and lock your doors, throw the business owners in jail for negligence, embezzlement or worse.

Now, I, as the gentleman from California said, I am an economist. I deal with all these things in theory. I am proud to tell colleagues that in theory my world is, as they like to say, tractable, all the pieces fit. That is very comforting to me.

My daughter, on the other hand, pity her, is an auditor. She understands that when she shows up, she is not going to be welcomed with open arms. As I said earlier before the committee, pity the poor auditor. They are always the skunk at the garden party.

□ 1530

But the auditor in any business will tell you, the audit department is absolutely imperative. I have made the homely observation before many times that ARMEY's axiom is, "Nobody spends somebody else's money as wisely as they spend their own." The auditor does that. The auditor comes in and says to the agency of the Federal Government that is not doing well, not showing up well on the books, "You and I are doing the same thing here. We're really quite the same. I spend

that money like it's my money, and you spend that money like it's my money."

Everybody in every agency should be encouraged to take the rigor, face the hard recordkeeping, the disciplined process of knowing exactly what they are doing with the taxpayer's dollar, having a clear idea what their responsibilities are, how they intend to fulfill those responsibilities, and what and how they spend of the taxpayers dollars in the fulfillment of those responsibilities, and then just having the fundamental decency to be accountable in the expenditure of those dollars.

Where does the Congress come in in this process? The Congress of the United States is as if we were the board of directors. It is our job to see to it that the rigors and the disciplines, the protocols, the techniques and the methods are as rigorously adhered to in each and every agency of this Government as this Government in fact would require them to be adhered to by each and every business enterprise, each and every charitable enterprise that exists in our districts.

There is another old saying that maybe comes into play here: "What's good for the goose is good for the gander." The Federal Government of the United States in fulfilling its obligations and its duties to police the integrity of business practice and enterprise in America so that markets can work smoothly cannot possibly have a moral authority by which that is done unless they first accept that responsibility and fulfill that responsibility in full accountability in the manner in which they do their own job. That is really what this is all about. Will this Congress accept its responsibility, and by so doing so, can we assure our constituents that, in response, every agency of this Government fulfills its responsibility so that we can measure and we can judge and we can improve the extent to which the taxpayer gets something that is known in the private sector as value for your dollar.

Once again, I want to thank the committee for their hard work.

The SPEAKER pro tempore (Mr. UPTON). The time of the gentleman from California (Mr. HORN) has expired. The gentleman from Ohio (Mr. KUCINICH) has 5½ minutes remaining.

Mr. KUCINICH. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I am sure the gentleman from Ohio who supports this resolution, I appreciate that, and the ranking member on the committee, I have appreciated his support.

Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. NEUMANN) who did the craftsmanship of this particular resolution.

Mr. NEUMANN. Mr. Speaker, I would just say it is very important to me that we keep this from becoming a partisan issue. This is not about Republicans or Democrats, or even about the Clinton administration. This is about

where we are right now today. In my opinion after reviewing this audit, we have a long way to go in this Government.

It is incomprehensible to me, coming from the private sector, to look at this situation and say it is okay. It is not okay. Before we go out and spend \$1.7 trillion more of the taxpayers' money next year, I think we should put some things into place that force these agencies to at least know what it is they have, where it is located, and how they are spending their money. I would hope we proceed with that over the course of the next 6 months here yet this year.

Mr. HORN. Mr. Speaker, I think as the gentleman from Ohio knows and certainly as the gentlewoman from New York (Mrs. MALONEY) knows, the ranking member, the aim of our committee over time is to assure that the Federal Government not only has audits but also that the Federal Government can measure the effectiveness of its programs which has to be basic when the President has to make a determination between do I keep this program or do I reduce or do I add to it, and the same decision has to be made by the Congress. There is only one State in the union that has a system like that, that is the State of Oregon with its benchmarking of programs. There are only two countries in the world that have a fiscal system such as that, and that is Australia and New Zealand. We have a lot to learn from both of them.

Over the last 3 years, we have been holding various hearings on how this could be done so that the program analysis becomes part of the monetary cost of the particular unit of program. That is what is important if we really want to make sure that the taxpayer dollars are not wasted.

I do not think there is a person in this Chamber that wants to waste taxpayer dollars. I think sometimes by either our failure to be very specific in a law or the executive branch's failure to interpret the law, regardless of party, regardless of ideology, but you have got a culture there that when you get to the end of the fiscal year that says, "Well, let's spend it, and if we don't spend it, the Congress won't give it to us." I have seen that in universities, I have seen that in city government, I have seen that even in business, in large corporations. It is something that we have got to fight if we are going to be conscious of where the money comes from. It comes from the pockets, the hard-earned pockets of the American taxpayer.

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

Mr. Speaker, I first want to say how much I appreciate a chance to work with the gentleman from California (Mr. HORN) on issues of this import in the Subcommittee on Government Management, Information, and Technology. I congratulate him for his tireless dedication to the American taxpayer. I also want to congratulate the

gentleman from Wisconsin (Mr. NEUMANN) for bringing this resolution forward and for working with us in crafting the language which would enable it to have bipartisan support.

I think it is important that we proceed in a bipartisan manner here, because the American people expect us to, and they know the only way we can make Government accountable is if we insist from both sides that Government be accountable. Certainly it needs to be said again that the Clinton administration has taken the lead in highlighting and addressing the problems that have been discussed here today.

In 1993, Vice President GORE recommended annual consolidated financial reports and comprehensive Governmentwide accounting standards as part of his Reinventing Government Initiative. The Federal Accounting Standards Advisory Board completed basic Federal Government accounting standards in record time. And as has been previously stated, the administration submitted the first Governmentwide financial audit by the statutory deadline of March 31, 1998. President Clinton has sent a memorandum to each agency head requiring that specific agencies prepare action plans to ensure that the government receives an unqualified opinion on its fiscal year 1999 audit.

Mr. Speaker, the administration needs both of us, needs all of us, to work with it to make Government work better. I remain dedicated to that cause. I know that is a dedication that I share with my colleagues, with the gentleman from California (Mr. HORN), with the gentleman from Wisconsin (Mr. NEUMANN) and with everyone else.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and agree to the resolution, House Resolution 447, as amended.

The question was taken.

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

The yeas and nays were ordered.

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

LAKE CHELAN-WENATCHEE NATIONAL FOREST BOUNDARY ADJUSTMENT

Mrs. CHENOWETH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3520) to adjust the boundaries of the Lake Chelan National Recreation Area and the adjacent Wenatchee National Forest in the State of Washington.

The Clerk read as follows:

H.R. 3520

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

SECTION 1. BOUNDARY ADJUSTMENTS, LAKE CHELAN NATIONAL RECREATION AREA AND WENATCHEE NATIONAL FOREST, WASHINGTON.

(a) BOUNDARY ADJUSTMENTS.—

(1) LAKE CHELAN NATIONAL RECREATION AREA.—The boundary of the Lake Chelan National Recreation Area, established by section 202 of Public Law 90-544 (16 U.S.C. 90a-1), is hereby adjusted to exclude a parcel of land and waters consisting of approximately 88 acres, as depicted on the map entitled "Proposed Management Units, North Cascades, Washington", numbered NP-CAS-7002A, originally dated October 1967, and revised July 13, 1994.

(2) WENATCHEE NATIONAL FOREST.—The boundary of the Wenatchee National Forest is hereby adjusted to include the parcel of land and waters described in paragraph (1).

(3) AVAILABILITY OF MAP.—The map referred to in paragraph (1) shall be on file and available for public inspection in the offices of the superintendent of the Lake Chelan National Recreation Area and the Director of the National Park Service, Department of the Interior, and in the office of the Chief of the Forest Service, Department of Agriculture.

(b) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over Federal land and waters in the parcel covered by the boundary adjustments in subsection (a) is transferred from the Secretary of the Interior to the Secretary of Agriculture, and the transferred land and waters shall be managed by the Secretary of Agriculture in accordance with the laws and regulations pertaining to the National Forest System.

(c) LAND AND WATER CONSERVATION FUND.—For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of the Wenatchee National Forest, as adjusted by subsection (a), shall be considered to be the boundaries of the Wenatchee National Forest as of January 1, 1965.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Idaho (Mrs. CHENOWETH) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentlewoman from Idaho (Mrs. CHENOWETH).

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

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

Mrs. CHENOWETH. Mr. Speaker, first I would like to recognize the gentleman from Washington (Mr. HASTINGS) for all of his excellent work on this bill. The gentleman from Washington has spent numerous hours, working with the Departments of Agriculture and the Interior, finding a solution that all parties agree to. That is a monumental task, and he did it.

H.R. 3520 is a rather simple but very important piece of legislation. With this bill, 88 acres of land is placed under one jurisdiction, that of the U.S. Forest Service. Additionally and more importantly, this bill fulfills a long-standing commitment made by the National Park Service to Mr. George C. Wall, the private landowner whose acreage is within the Lake Chelan National Recreation Area. This legislation eliminates the confusion that was

once caused when both the U.S. Forest Service and the National Park Service shared jurisdiction over this land. Finally, H.R. 3520 removes one of the many in-holding conflicts we currently have on our Federal lands.

This is a good bill, and it is the right thing to do. It has the support of the administration. It will help end the jurisdictional gridlock by consolidating the management authority under the U.S. Forest Service and let us keep the National Park Service's commitment to Mr. Wall. I urge my colleagues to support H.R. 3520.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. HASTINGS), the author of the legislation.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentlewoman from Idaho for yielding me this time.

Mr. Speaker, I rise today to speak in favor of my bill, H.R. 3520, which would adjust the boundary line between the Lake Chelan National Recreation Area and the Wenatchee National Forest. This is a relatively simple, non-controversial measure which is supported by both the U.S. Forest Service and the National Park Service.

This boundary line adjustment is meant to consolidate the property of Mr. George Wall under the jurisdiction of the U.S. Forest Service. Unfortunately, due to an original drafting error, a portion of Mr. Wall's property is included in the Lake Chelan National Recreation Area and a portion in the Wenatchee National Forest. This condition creates some confusion regarding the coordination of Federal land policy in this area.

First of all, let me make this point, that this is a very remote area of central Washington. It is several hours away by boat from the nearest city. It is primarily national forest and national wilderness lands with very little privately held land in this area. This bill is targeted to help not only one landowner but also the American people as a whole and will have no impact on any other private land.

In 1968 when the Lake Chelan National Recreation Area was created, Mr. Wall was assured that his property would remain within the Wenatchee National Forest. H.R. 3520 would uphold this original commitment to Mr. Wall by placing all of his property under the U.S. Forest Service jurisdiction.

This legislation is personally important to Mr. Wall and it is administratively important to the agencies involved. With the enactment of H.R. 3520, Mr. Wall's property would be entirely within the jurisdiction of the Forest Service, thereby alleviating Mr. Wall's continued need to respond to both Park Service and Forest Service management. Mr. Speaker, I would like to quote from a May 1995 letter from the Park Service to Senator SLADE GORTON of Washington regarding the need for this boundary adjustment. According to the National Park Service,