HOUSE OF REPRESENTATIVES—*Thursday, May 6, 1999*

The House met at 10 a.m.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Washington, D.C., offered the following prayer:

Together with the Psalmist, we say, ''Hear my prayer, O Lord, and give ear to my cry; . . . for I am a passing guest, a sojourner like all my fathers.''

O God, on the day of national prayer, when people of many traditions and from a variety of national origins speak to You in many languages and address You with many different holy names, we pray,

Withhold not Your kindness from us for our failure to practice mercy to our neighbor while we request and expect Your mercy for ourselves. We pray,

Deliver us from a selfish pride that would allow even our faith in You to be understood as a sign of Your individual favoritism for us. We pray,

Guide us into ways of wisdom which would teach us the value You have for each person, the gift You have given to every human and the hope You have buried deep in the heart of all people. We pray,

Give us joy in our community, satisfaction in our labor, compassion for our neighbor, and peace in our relationships.

This day, O God, we join with many to give You our thanks and to promise again to love You with our whole heart and our neighbor as ourselves.

Amen.

THE JOURNAL

The SPEAKER. 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. Will the gentleman from Pennsylvania (Mr. MURTHA) come forward and lead the House in the Pledge of Allegiance.

Mr. MURTHA 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 Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 432. An act to designate the North/South Center as the Dante B. Fascell North-South Center.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 1 minutes at the end of the business of the day.

ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

(Mrs. MYRICK asked and was given permission to address the House for 1 minute.)

Mrs. MYRICK. Mr. Speaker, I asked to address the House for the purpose of making an announcement. I rise to inform the House of the Committee on Rules' plans in regard to H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

The Committee on Rules is planning to meet during the week of May 10 to grant a rule for the consideration of H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000. The Committee on Rules may grant a rule for H.R. 1555 which would require that amendments be preprinted in the CONGRESSIONAL RECORD.

Mr. Speaker, if this type of rule is granted, amendments to be preprinted would need to be signed by the Member and submitted to the Speaker's table. Amendments would still need to be consistent with House rules and would be given no special protection by being printed. Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House. It is not necessary to submit amendments to the Committee on Rules or to testify as long as the amendments comply with the rules of the House.

PROVIDING FOR CONSIDERATION OF H.R. 1664, KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 159 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 159

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, 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 4 of rule XIII or section 306 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 of rule XXI are waived. Before consideration of any other amendment it shall be in order to consider the amendments printed in the report of the Committee on Rules accompanying this resolution. Each amendment printed in the report may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. 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 8 of rule XVIII. 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 15 minutes. During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived. 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.

The SPEAKER. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes 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. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, yesterday the Committee on Rules met and granted an open rule for H.R. 1664, the Kosovo Operations Supplemental Appropriations Act. The rule waives points of order against consideration of the bill for failure to comply with clause 4 of Rule XIII requiring a 3-day layover of the committee report and requiring 3-day availability of printed hearings on a general appropriations bill and section 306 of the Congressional Budget Act of 1974 prohibiting consideration of legislation within the Committee on the Budget's jurisdiction unless reported by the Committee on the Budget.

The rules provide for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Appropriations. The bill waives points of order against provisions in the bill for failure to comply with clause 2 of rule XXI prohibiting unauthorized or legislative appropriations in a general appropriations bill.

The rule provides that before consideration of any other amendment it shall be in order to consider the amendments printed in the report of the Committee on Rules.

The rule makes in order amendments printed in the report accompanying this resolution which may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified, shall not be subject to amendment and shall not be subject to a demand for a division of the question in the House or the Committee of the Whole.

The rule waives all points of order against amendments printed in the Committee on Rules report.

The rule waives points of order during consideration of the bill against amendments for failure to comply with clause 2(e) of Rule XXI prohibiting non-emergency designated amendments to be offered on an appropriations bill containing an emergency designation.

The rule authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce votes to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provide for 1 motion to recommit with or without instructions.

Mr. Speaker, H. Res. 159 is a fair rule. It is an open rule that permits any Member to offer any amendment to the bill as long as the amendment does not violate House rules.

The President's military campaign in Kosovo has put many of us in a tough spot. Like all Members, I support our troops, and I always support a strong national defense. I have strong reservations though about the President's decision to wage an ill-defined and possibly disastrous war in Yugoslavia because this war is draining our military resources, making it harder to meet threats in other areas of the world such as Iraq and North Korea. Our rear flank is exposed, which puts our military in harm's way.

We must replenish our military readiness and supplies. Our young men and women in the military need and deserve that from this Congress. This rule will allow amendments to express Members' concerns about giving the President the tools to continue a never-ending conflict in the Balkans.

Because this Kosovo spending bill is controversial, all Members need to support this rule so we can have an open discussion on the floor. Instead of closing down debate on this important issue, the Committee on Rules has provided for a fair and open amendment process. Members will have the opportunity to vote the Kosovo spending bill up or down, if they wish to do so, but in an hour we are not voting on Kosovo spending, we are voting on an open rule that allows the House to work its will.

That is why we are here, to express our ideas and concerns and the opinions of the people back home whom we represent.

I urge my colleagues to support this open rule which allows any Member to offer any amendment as long as it does not violate the rules of the House.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the time.

Mr. Speaker, this is a rule which will allow consideration of H.R. 1664 which is the Defense and Emergency Supplemental Appropriation Bill for Fiscal Year 1999. The bill appropriates $12.9 billion in emergency supplemental funds mostly for military personnel, equipment, pay, retirement benefits and construction. As my colleague has described, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

□ 1015

Technically, this is an open rule. However, under the Rules of the House dealing with emergency supplemental appropriations, virtually all amendments, except cutting amendments, can be ruled out of order unless the Committee on Rules grants a waiver. Despite the numerous requests from House members, the Committee on Rules granted waivers for only three amendments and one of those was by the ranking minority Member of the Committee on Appropriations.

The rule does not open the process. This rule does not give the House an opportunity to work its will. Therefore, I will oppose the rule and I urge House Members to defeat it.

The emergency supplemental appropriation bill before us today is a fat, bloated bill, with misplaced priorities. It puts buildings ahead of people. It funds long-term investments but denies money to immediate needs. This rule will not give House Members the chance to correct that.

I am particularly disturbed because the Committee on Rules denied my request to offer a bipartisan Hall-Roukema amendment to provide $150 million in much needed food assistance to the Albanian Kosovar refugees and displaced persons in the Balkans.

Mr. Speaker, last weekend I went to Albania and Macedonia with a House delegation of 20 members, led by Majority Leader DICK ARMEY. We visited Stankovac 1, which is the largest refugee camp in Macedonia, which at that time housed 30,000 who were forced to flee from their homes in Kosovo.

This is only one of many refugee camps in the Balkans housing the victims of President Milosevic genocidal campaign of ethnic cleansing. Thousands more are arriving every day.

There is a critical need to feed these people. A report released last week by the U.N. World Food Programme calculated that 1.4 million refugees and misplaced people will need to be fed in the Balkans and that report estimated the cost of feeding them over the next 17 months to be almost $300 million.

The situation is getting worse. I quote from the World Food Programme report: The situation for displaced and other people inside Kosovo is certain to worsen because the entire food distribution system has ground to a halt.

Without this money, many of the refugees face malnutrition or starvation. If the United States shifted money from other emergency feed accounts to handle this crisis, then we would have to cut our assistance to southern Sudan, North Korea and the Horn of Africa, Bangladesh and other crises.

The bill does include $566 million for general humanitarian aid but this will be used mostly for medicine, shelter, sanitation. It is no substitute for food aid. Astonishingly the administration did not request any emergency funding through PL–480, which is the principal initial food assistance program. This is a sorry oversight. The Committee on

Appropriations continued the glaring omission.

I note that PL–480 is one of the few forms of international food assistance that directly benefits hurting U.S. farmers.

Mr. Speaker, we are told that the purpose of NATO air strikes, which I support, are to protect the ethnic Albanians in Kosovo, but there is no point to an air war to save the Kosovars if we leave them to starve and to be malnourished in refugee camps.

Mr. Speaker, this emergency funding bill includes $156 million for military recruiting and advertising. It includes $1.1 billion for construction projects in Europe and Asia. We can, we must, include money to feed the very people this bill is intended to help. Food for the Kosovars is also an emergency.

Adding funding for PL–480 in this bill is supported by the Coalition for Food Aid, which includes World Vision, CARE, the Catholic Relief Service, Save the Children and other groups.

The failure of the world's biggest food producer to provide food to refugees fleeing starvation and brutality inside Kosovo is astounding. The Hall-Roukema amendment would have added about 1 percent to the cost of the bill, about $150 million.

The recent reports of food shortages in Kosovo suggests that Milosevic has added a new weapon in his campaign of ethnic cleansing: Hunger. Just as we are fighting the troops with air strikes, we should fight this new danger with food donations.

I want to thank my colleague the gentlewoman from New Jersey (Mrs. ROUKEMA) for her support of this amendment. Without money to take care of the food needs in the Balkans, the bill is seriously flawed, and by denying an opportunity to improve the bill this rule is fatally flawed. I urge a defeat of the rule.

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

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG), the honorable chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding the time.

Mr. Speaker, I merely want to rise in support of this rule. The rule does provide for us an exciting day today in the House because there are a lot of different issues that are going to be addressed.

In many meetings, group sessions and one-on-one meetings that I have had leading up to today, I promised all of my colleagues that I would ask the Committee on Rules for an open rule so that Members could offer their amendments that would be germane and otherwise in order to the bill and let the majority work its will. That is exactly what I did. I did ask for an open rule. The Committee on Rules complied with that request.

The rule today is an open rule and Members will have an opportunity to offer their amendments, and I just ask that we support this rule and get on with the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for the time.

Mr. Speaker, I am going to vote against this rule. I had not intended to. Yes, when we were in discussions with the Committee on Rules and the committee leadership, I had the feeling that with the promises that we had been given that we were going to see a new day in this House with more bipartisan cooperation in the way legislation is brought to the floor and that those promises were, in fact, going to be kept.

Then, after a series of conversations, apparently people behind the scenes decided that that rule was going to be shaped quite differently. Among the things that were done is that the committee put time limits—under what is supposedly an open rule, the committee still put time limits of 40 minutes—on the major amendment that we are going to be debating on this bill.

That amendment is very complicated; yet each side will only have 20 minutes to debate it. The amendment is complicated enough it will take 10 minutes to explain it, which will leave only 10 minutes to discuss the merits. That is not the way to debate questions of war or, for that matter, some of the other serious issues that are in this bill.

Secondly, another amendment is being offered by the majority which is paid for by hijacking items that were in our amendment to pay for the items that we have listed in our amendment. In my view, that is an effort to weaken political support for our amendment. I would simply point out that since the majority has two-thirds of the staffing available or more in this place, to put together their legislation, I do not think they have an operational need to, in effect, steal or highjack our amendments, but that is largely what has been done.

So it just seems to me that this rule is not what it was going to be yesterday and for that reason I am going to oppose it.

I also want to say something else. I think that what happened on this rule is symptomatic of what is happening on this entire bill. I did not vote for the Rambouillet endorsement when it was on the floor.

I do not believe in giving any administration a blank check, but we are now in a war and we have rampant misery which has been brought to the world, to the refugees and to a lot of others. We did not start that war; Mr. Milosevic did.

Now the question is: What will NATO and what will the United States do about it?

I believe we ought to do everything necessary to win. I do not believe the options for ground troops ought to be off the table and in that I very strongly agree with Senator MCCAIN. But to me, that issue right now is beside the point.

The issue is whether this House can come together and debate one of the most fundamental issues that will be before any legislative body, in a manner which is both bipartisan and constructive. I do not think this rule gets us off to a good start.

In my view, if we cannot play this issue straight we cannot play any issue straight, with American lives on the line and with the future credibility of NATO on the line.

What it seems to me is that we are being faced with a shifting understanding of what the rules are supposed to be for debating this legislation at the same time that we see spectacularly shifting positions on the part of the majority.

Last week, the House voted against supporting the operation that is now going on in Kosovo and yet this week we are now asked to more than double the request that the administration made to finance that operation. That makes no sense whatsoever.

I believe the reason that that has been done is that I believe last week's amendment was clearly intended to simply pin the label on the war of being Clinton's war, unfortunately politicizing the situation.

Now, this week I think there is an effort being made to in essence pour all kind of money into this bill so we can free up enough room for $3 billion worth of pork in the next defense bill. I think that is illegitimate. I do not think we ought to be treating a serious issue like this this way and I would urge a vote against the rule because it is not conducive to finding common ground on the most serious issue we face.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me this time.

Mr. Speaker, I rise in support of what I think is a very responsible and open rule that gives Members a chance to consider a very wide variety point of view on what is a critical issue, as we all know. I cannot understand why we are having opposition to an open rule.

Mr. Speaker, U.S. operations in Kosovo have exposed the reality that the fabric of our national security has indeed worn very, very thin, at a time when it is still a dangerous world. Over

the last several years, the Clinton-Gore administration has demanded more from the military but it has actually provided less resources for the military.

From Somalia to Haiti, Bosnia, Iraq, all those places, our troops are being deployed overseas, more often, for longer periods of time, even as our defense budget has been cut or has been held even.

Well, today the bill has come due. It is simply time to pay up. The supplemental appropriation under consideration under the leadership of the gentleman from Florida (Mr. YOUNG) and the gentleman from California (Mr. LEWIS) will address the immediate needs arising from the U.S. operation in the Balkans, but it will also shore up other critical readiness areas that have been sadly depleted.

Mr. Speaker, last week's debate on the War Powers Act showed that Congress was of many minds on the policy issue, but this debate today is not about policy. I repeat, this is not a policy debate today. It is about money. It is about resources to take care of our troops, and that is something that Congress must pursue with a single-minded intensity.

Who among us would deny our troops in harm's way the best training, the best equipment, the best odds to survive and to win with the least casualties?

I know that some of my colleagues would like to deal with the policy issue by refusing to fund military operations in Kosovo.

□ 1030

They are absolutely right, that policy missteps by the Clinton-Gore administration can have grave consequences, as we have seen vividly and tragically in Somalia when the body of a U.S. soldier was dragged through the streets of Mogadishu.

But failing to fund our troops' needs would invite the same kind of disaster by leaving our men and women on the front lines without the training and resources they need to protect themselves.

I encourage my colleagues to support this rule and vote for the supplemental appropriations bill. Taking care of our troops and our national security are among the most fundamental duties this body has.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. FROST).

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

Mr. Speaker, the Republican Party has again demonstrated its willingness to try to have things both ways. In some circles, it might be said that railing against a military action and then doubling the money to fight it should be called hypocrisy.

Mr. Speaker, I am at a loss to explain how a political party can, on one hand, demonstrate its visceral hostility towards the President, and then, on the other hand, turn around and double his request for money for what they call Clinton's war. All I can do is shake my head in disbelief.

Mr. Speaker, now is not the time for political gamesmanship. Today, right now, our military stands in harm's way. Today is the time for Congress to stand up and support them, and not play games with their lives in order to advance a political agenda.

Democrats have, in spite of the divergence of views within our Caucus, gone to great lengths to keep politics out of the debate about Kosovo. How I wish I could say the same thing about the other party.

Mr. Speaker, in all likelihood I will vote for the supplemental made in order by this rule. The rule itself is irresponsible and unfair. It allocates some of the money voted in the original supplemental for agricultural assistance, but it denies a separate vote on the disaster assistance for Central America, and it denies a vote to the gentleman from Ohio (Mr. HALL) on supplemental food assistance for the refugees in Albania.

Mr. Speaker, Republicans are fond of chanting their mantra that the President has underfunded the Armed Forces, but I would like to offer an alternative, and more accurate, perspective. Last year the President asked for $2.9 billion more for defense spending than either the Senate or the House Republican budget resolutions provided. Two years ago the President asked for $12.3 billion more. This year the President asked for $104 billion more in budget authority and $198 billion more in outlays for the next decade than did the Republican budget.

I may not have agreed with all the President's priorities, Mr. Speaker, but the fact is that his budget requests have been significantly higher than what the Republican Congress has agreed to in their budget resolutions.

Mr. Speaker, the Democratic Caucus is divided about the amount of extra military spending in this supplemental, but I would be hard-pressed to find a member of our caucus who does not think that the gentleman from Ohio (Mr. HALL) was treated unfairly last night by the Republican leadership and the Republican members of the Committee on Rules.

Mr. Speaker, no one in the House, no one, speaks with more moral authority about the issue of hunger than does my colleague, the gentleman from Ohio (Mr. HALL). Each and every Member of this House knows full well that the actions of Milosevic in Kosovo have created a humanitarian catastrophe that has sent Kosovar Albanians streaming out of their homeland seeking safety in their neighboring countries of Albania and Montenegro. Mr. Speaker, sadly, no one in the administration anticipated this level of disaster.

The Committee on Rules last night had, in the words of the gentleman from Ohio (Mr. HALL), the opportunity to do the right thing, but the Republican majority took a pass. Does the hostility of the Republican Party toward the President reach so deep that hungry children are going to be made to suffer? Pardon the pun, but that should be food for thought for all of us.

In conclusion, Mr. Speaker, passage of this defense spending supplemental is so important to the Republican majority that this rule also makes in order an amendment designed to appease the most conservative wing of their party. That amendment, sponsored by the gentleman from Oklahoma (Mr. COBURN), would in essence cut domestic non-defense discretionary spending across the board by 5 percent.

So not only will the Republican majority not allow an additional $150 million in spending for food assistance for Kosovar Albanian refugees, the Republicans are willing to cut other domestic programs to fund supplemental military spending.

All I can do, Mr. Speaker, is shake my head in disbelief.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise in support of this rule for the Kosovo emergency appropriations bill. It is an open rule. It is a fair rule. I urge my colleagues to vote for it.

The Committee on Rules was given a tough task this week, and I commend them for their hard work. In two important ways the rule provides an opportunity to add a critical component to the underlying bill: specifically, how to pay for it.

First, it protects a provision that I authored to force the President to pursue NATO reimbursements for our costs in Operation Allied Force and report back to Congress on its progress by September 30 of this year.

Second, the rule gives priority to an amendment by myself and two colleagues, the gentleman from Oklahoma and the gentleman from South Carolina. Our amendment uses a combination of NATO reimbursements and across-the-board reductions to ensure that the new, additional emergency spending in this bill will be fully offset.

We give the President to the end of this fiscal year to secure NATO reimbursements, and the remaining amount of offsets, if necessary, would come from small reductions in non-defense discretionary spending in the next fiscal year.

It is important to note that the amendment uses a sequester mechanism already in budget law and would exempt several programs from any reductions.

Again, Mr. Speaker, I thank the Committee on Rules, and I urge my colleagues to pass this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I rise in opposition to this rule. This bill, along with last week's votes on Kosovo, reveal a fundamental flaw in the majority party's vision of national security.

First, the majority of House Republicans voted against our military's effort to stop genocide in Kosovo. Now that same majority uses funding for the operation as an excuse for $6 billion in non-Kosovo military spending. The majority whip calls us chicken hawks.

The other side complains that the administration's defense policy is ''doing more with less.'' But in rejecting Kosovo while giving the Pentagon $6 billion more, these critics embrace a doctrine of doing nothing with everything. In today's world, we cannot afford to do nothing. With today's budget, we cannot afford to buy everything.

Republicans complain that our military's efforts to bring peace to the Balkans undermines readiness. Ready for what, if not Kosovo? Ready for the Soviet Union to spring to life, or Nazi Germany? Readiness is not an end in itself, it is a means to an end, our military's ability to carry out its mission, a means to ensuring our own security and prosperity.

Ethnic conflict and regional instability, as in Kosovo, threaten our security and prosperity. It makes no sense to build up fortress America and sit inside idle while the world outside falls apart. Congress' decisions on the military must reflect the world as it is and will be, rather than a world of the past.

I urge my colleagues to support this needed funding for our troops over Kosovo, and to resist playing games with it. We are better than that.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise in support of the rule. The rule is far from perfect, but it allows adequate debate, and it will certainly allow us who think that it is unwise to increase the spending to vote against the spending. It certainly allows an opportunity for those who think that we should double the spending to explain why we should spend so much money on a war that we have not declared.

Mr. Speaker, we have to realize that this war has been pursued for over a month. We have not appropriated the funds, so whether or not we act today, the war will continue, unfortunately. The war has not been declared, but if we go ahead and fund it, we become partners in this war. I do not think that is a wise policy. We should not provide the funding.

Mr. Speaker, there is a fallacy, that floats around this House that says that if we increase the funding for the military, we will have greater defense. That reminds me of the accusation from the right that always challenges the left that says, if there is a social problem, all you want ever to do is throw more money at it. The worse the problem gets, the more money they want to spend on the social problem.

It seems like the worse our defense gets and the more we get into quagmires around the world and the more we accept the policy of policing the world, all we seem to do is come back and say, well, if we just put more money in it, everything is going to be okay.

But if we are in a quagmire, if we are following a policy that is unwise, the money might just make conditions much worse. I think this is why we must defeat the spending on this program, because the problems with what is happening in Bosnia and Kosovo and Iraq will be compounded as long as the administration has the money to fund the war.

Yes, I am for a strong national defense, but if the policy is wrong, it will undermine all the spending. The money will actually be wasted. Funding encourages a policy that is in error. Funding is an endorsement of the war. We must realize that it is equivalent to it. We have not declared this war. If we fund it, we essentially become partners in this ill-advised war.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I rise in favor of this rule, despite my disappointment with several of my amendments not receiving waivers.

There will be lots of seemingly contradictory statements made during today's debate about this bill. Some will say this bill is about rebuilding our military, which it is. Some will say it is about raising the pay of our courageous men and women in service, which it is. Some will say it gives the administration the dollars which not only will escalate this war, but possibly expand it to a ground war, which it does.

This modified open rule not only restricts amendments that would have moved needed national defense funds to other appropriations categories, but also restricts a number, under House rules, of amendments that could have prohibited the buildup of the war, such as an amendment by my colleague, the gentleman from Indiana (Mr. DAN BURTON).

Overwhelmingly, the House had passed an amendment that would have restricted a ground war, but it is not allowed under this bill, where it would have had the force of law. Several amendments of mine that would have reached back were also prohibited.

So while there are a number of waivers, there are not any waivers for those of us who were trying to affect some of the ability of previous funds to be moved around.

However, by allowing a modified open rule, it still gives many of us the flexibility to offer amendments that are within the House rules that will greatly restrict this Administration's ability to escalate and expand this war, and possibly even force the needed peace settlement that is pending. Our House vote last week clearly pushed the administration towards that, along with the work of Reverend Jesse Jackson.

This rule will most likely, and it should, pass. That is quite a difference from the last few sessions of Congress. Quite frankly, in the last few sessions when we had a controversial vote like this, many of us were jammed. That resulted in us coming to the floor and taking down a rule. I learned there were more woodsheds out in this floor than I believed were possible. We were hauled in. We were told our party was collapsing. We were told the whole Congress was going to fold. We were going to lose control of Congress.

But in fact, a lot of this controversy inside our party has been alleviated by our new Speaker, who has at least given us the flexibility to offer different amendments. We as a party need to pull together and pass this rule.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, I appreciate the gentlewoman yielding time to me.

Mr. Speaker, I am going to reluctantly support this rule because it does allow some amendments that will hopefully force the President to come before this body and the Senate before he would send ground troops into Kosovo. I am not sure it will do it, but I think at least it expresses the will of the Congress that we would like for him to come before this House and the Senate before sending our troops into harm's way.

When President George Bush decided to go into the Persian Gulf, there was great planning involved. We created an army of 550,000 troops, and before we went in there was a very sound battle plan. When we went into Kosovo, the Joint Chiefs of Staff indicated to the President that they thought it was a mistake to start bombing without more planning.

Nevertheless, the President chose to do it because he thought, in his own wisdom, that he could end this thing in a short period of time. The Nazis could not do it, and we have not done it in the last 30 days. Now they are talking about sending in ground troops.

Hopefully, the discussions that are going on in Germany today will preclude that possibility by getting other

U.N. forces in there to deal with this problem. But the fact of the matter is, proper planning has not taken place.

□ 1045

And as a result, if we send ground troops in there, we are going to see a lot of young men and women come home in body bags or being maimed.

What Nazi Germany could not do in years we are talking about doing in months, and we are talking about sending 200,000 or 300,000 ground troops in there. I tell my colleagues, in my opinion, the poor planning, the ineffective leadership out of the White House, the poor foreign policy will lead to a disaster if we do not take proper precautions.

That is why this House, the people's House, and the other body needs to be involved in the decision-making process. The American people need to have all the facts before them through their elected representatives. The case needs to be made before we ever send one young man or one young lady into harm's way into Kosovo.

That is why I think it is extremely important that that point be made today, that it has to be made clear to the White House, do not do this without consulting with this body and the other body. Because if we get into a ground war without proper planning, without all the people working together, with the entire Nation behind it, it is a recipe for disaster. We saw that happen in Vietnam when the country came apart.

We need proper planning. We need the leadership of the Congress to be involved in the decision-making process as well as every Member here voting on it. So I would just urge the White House that after we appropriate this money today, and I am sure it is going to happen and the rule will pass, I urge the White House to consult with this body before ever sending one young man or one young lady into harm's way in Kosovo.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. PELOSI), who is the ranking minority member on the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time; and I also commend Mr. HALL for his tremendous leadership.

As the gentleman from Texas (Mr. FROST) said earlier, no one has greater standing in this body than the gentleman from Ohio (Mr. HALL) when it comes to meeting the needs of the hungry throughout the world. We are blessed to serve with him, and it is a privilege to call him colleague.

Mr. Speaker, we are all very blessed to have the privilege to serve in this body. We speak for the American people. They give us this privilege, and we should deal with it responsibly. We owe them that, to use our best thinking and our arts of compromise to come to agreement on issues for America's future. At no time is it more important that we put our partisanship aside, as when we put our children in harm's way, our young people in harm's way, as they are now in the Balkans.

That is why it was so disappointing to see the rule that came to the floor this morning. Last night I went home fully prepared to come in to vote for the rule. We were told that we had bipartisan cooperation and that it would be an open rule. Indeed, the distinguished chairman of the Committee on Appropriations heralded it just that way in his remarks just a few moments ago when he said this is an open rule which will allow each Member to bring his or her amendment to the floor.

But what form do those amendments take? Would others consider it their amendment if, as in the case of the gentleman from Wisconsin (Mr. OBEY), the Republican majority altered the amendment? Certainly they knew the appeal of the amendment of the gentleman from Wisconsin. It is responsible, it addresses our military needs, it recognizes the increased cost of the huge number of refugees who unexpectedly descended upon Macedonia and Albania, and it has the urgency of Hurricane Mitch contained in it. It also addresses the needs of America's farmers.

They knew that it was responsible. They knew it would appeal to their Republican Members. That is why it was so disappointing to see the illusion of an open rule with a rule that changed the amendment of the gentleman from Wisconsin, co-opting the provision on agricultural assistance and giving a piece of that amendment to one of their colleagues, hoping to deflect support from the amendment of the gentleman from Wisconsin by having a separate agricultural vote.

And what they also lost is the success of the Obey amendment, which contains, again, $175 million in humanitarian assistance. Others have said that there is disagreement about the policy and the war and the air strikes and the rest. I myself support President Clinton's action and commend him for his courageous leadership. But one thing we all agree on is that the American people want us to provide humanitarian assistance. They do not want to see the most vulnerable, the children and the elderly, starving and freezing and going without the absolute basic necessities. But unless we have the additional humanitarian assistance, that will be the case.

In addition, in the so-called open rule, the gentleman from Ohio (Mr. HALL), as was mentioned, was denied the opportunity to put in $150 million in additional food assistance for the refugees. How can this be called an open rule if the gentleman from Ohio, who is on the committee, has standing on the issue, is present at the table to make his case, is denied the opportunity to present an amendment which will give people food to eat? We are talking about the basics.

I was pleased to join our distinguished chairman, the gentleman from Florida (Mr. YOUNG), on a visit to the Balkans. We visited the refugee camps. We can speak firsthand as to the needs there and to how those needs have grown since the administration made its request to Congress.

I support the President's request, I support the President's support of the NATO action, and I urge my colleagues to vote ''no'' on this rule.

For some reason, between yesterday, when there was a spirit of cooperation for an open rule that we could all support. That rule would give the American people what they should expect of us, which is a reasoned and informed debate on the actions in the Balkans and how much we should be paying for it. Instead we are faced with the choice of voting for twice as much money as the President asked for in his bill on a policy that the Republican majority rejected last week. I guess they are saying, ''We do not agree with you, but we want you to spend twice as much money to pay for it.''

In sadness, Mr. Speaker, I urge my colleagues to vote ''no'' on the rule.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DELAY), and I would just point out that the amendment of the gentleman from Wisconsin is printed in the rule exactly as it was offered.

Mr. DELAY. Mr. Speaker, I rise today in support of this rule. The emergency defense appropriations bill is vitally important to our national security, whether we agree with NATO's involvement in Kosovo or not.

I have not been shy in stating my own opposition to the manner in which the President has handled this situation, but this bill is about supporting our troops and making sure they have the tools and the training that they need to return home safely.

This bill is about making sure that our interests are secure on a global basis, and right now I am disheartened to say they are not. In fact, the Pentagon has told us that there will be a readiness crisis if they do not get this funding by Memorial Day. If we ever had a military emergency, it is right now, and that emergency reaches much farther than the endless air raids going on in the Balkans.

Since we started talking about this bill a few weeks ago, I have heard story after story from my colleagues about the terrible situation our military is facing, about soldiers who have never trained with live rounds and pilots who are not getting flight time because there are no spare parts to repair their

planes. This kind of readiness crisis means that our national security is presently at serious risk.

Now, this rule gives us an opportunity to mitigate that risk. We have an obligation to support our troops and refurbish the military that is currently being hollowed out to fund this war effort, and we have the responsibility to do this as expeditiously as possible, which is exactly what this rule does.

Let me say to my friends that I understand they may not agree with the emergency nature of this bill. My colleagues may object to the war in Kosovo on its face, as I do, or to using this kind of vehicle to refurbish our stripped-down Armed Forces. But the process must not be undermined.

I heard a lot last week about the votes we had on the floor over Kosovo. Some folks said that we sent the wrong message to Milosevic. Well, make no mistake about it, while I object to the President's handling of this situation, I know our troops need our support now more than ever. The Congress cannot abandon our troops just because the President deploys them unwisely. We must support our troops even as we disagree with the President. This rule and this bill will convey exactly that message to Serbia and to the Americans stationed there.

Mr. Speaker, our troops are in harm's way. Our national security is at risk. We have an obligation to give our sons and daughters everything they need to protect themselves. We have an obligation not to abandon our troops in the field. I urge my colleagues to support the rule.

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I thank the gentlewoman for yielding me this time; and I rise in support of the rule today.

It is very, very important that the farm credit provisions in the amendment that we will be putting forward was made a part of the discussion today, and the amendment will be offered.

As everyone knows, agriculture is in a very difficult situation today. The USDA has not been able to get out the checks that are needed as far as the disaster that we passed last year, the $2.3 billion.

We have a credit crisis in agriculture today, and we have to use every possible means to make sure that we get credit to our farmers this spring. They are in the field today. And we appreciate very much the Committee on Rules allowing us to have this amendment be part of the debate today.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I just heard the distinguished majority whip indicate that we cannot abandon our troops in the field. I do not know of a single person in the House who has any intention of doing that. I do think that the interpretation of the vote that occurred last week might, in some people's minds, be interpreted that way, but I certainly do not know of anyone who intentionally intends to do that on either side of the aisle.

I do want to take just a moment to discuss this myth that somehow it is the Clinton administration which has created a military readiness problem. I would point out that for 4½ years the majority party has controlled this Congress. During that time it has added $27 billion to the President's military requests.

□ 1100

The Congressional Budget Office estimates that less than $4 billion of that $27 billion went into readiness items such as operation and maintenance. The rest of the items went into what are largely considered military pork projects: the consolation prize destroyer that was provided in the district of the majority leader in the other body after his contractor was not selected by the Defense Department, the decision of the Congress to fund 10 additional C–130s that the Pentagon did not ask for rather than putting that funding into readiness.

Senator MCCAIN himself has pointed out that there were more than $4½ billion worth of pork items in the military budget last year. They were in charge. If they thought there was a readiness problem, why did they not put the money there rather than where they put it?

I saw a comment in the paper which said that the President was responsible for the fact that there were not enough JDAMs. The fact is they cut those missiles by 17 percent last year in the defense budget they brought to the floor.

So let us keep the record straight.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule. It is an open rule, and I believe it is the right thing for us to do. I congratulate my friend from Charlotte, North Carolina, for the very able job that she has done under somewhat difficult circumstances.

Mr. Speaker, military policy by committee does not work. The Constitution gives the President the clear authority to lead in situations like today in the Balkans. It is now his responsibility to ensure that our national interests are protected. Many Americans, including Members of this body, have serious doubts about the President's overall policy in the Balkans, whether vital national interests were on the line at all in Kosovo. Others are deeply concerned with the military strategy to date, namely, whether the current air campaign can prevail.

Mr. Speaker, the price of failure in Kosovo is simply too great at this point. American prestige and power, two of the most positive forces for good in the world today, cannot be abandoned on the field of battle. Developing and implementing a strategy that wins is the President's first responsibility to the American people.

Congress must ensure that the resources are available to carry out that strategy, as well as to ensure that our national security infrastructure around the globe is able to protect our national interests. This bill will, in fact, make sure that that is the case.

Now, as has been said, Mr. Speaker, this is, in fact, an open rule. I do not understand how any Member of this body could conceivably vote against an open rule. What we have done is we have provided the ranking minority member, the gentleman from Wisconsin (Mr. OBEY), the opportunity to offer his amendment. It has not been changed. It is the amendment that he submitted to us, and we have made that in order.

We also are addressing a concern that was raised about offsets, and so we have made in order the amendment by the gentleman from Oklahoma (Mr. COBURN).

We also are very concerned about immediately addressing the needs of our agriculture interests across this country, and so we have made in order the amendment by the gentleman from Iowa (Mr. LATHAM) which will effectively deal with that.

Now, there are many people who also want us to deal with questions of policy on the Balkans. This open amendment process ensures that that will, in fact, happen. Under the open amendment process, we will be able to consider the Rohrabacher amendment, the Souder amendment. Other questions will come up as to exactly what our role should be and what level of funding should be there for it.

So, Mr. Speaker, I urge a strong vote in support of this rule. It has been carefully crafted. It should enjoy bipartisan support.

Mr. HALL of Ohio. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. GIBBONS). The gentleman from Ohio has 6 minutes remaining.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to the rule and in opposition to what I see as the irresponsibility of the Republican leadership in addressing domestic and international emergencies.

We want to send a strong message of support for our troops in Kosovo today, and I hope that we will. But the Republican leadership has a consistently poor

record of leadership when it comes to providing emergency assistance to those in need.

During the last 2 years, Republicans have politicized emergency appropriations bills and delayed, sometimes for months, getting needed assistance to our farmers in California and North Dakota who have experienced disasters. We all remember that in 1997, when the Republican leadership sent the House home for the Memorial Day recess while North Dakotans flooded out of their homes waited for relief.

Today, emergency assistance for our farmers and for critical Central America has waited for months while Republicans use the Kosovo supplemental appropriations bill as a vehicle for their political agenda.

Mr. Speaker, these are the faces and this is the tragedy of what is happening in Central America. But 6 months has passed since Hurricane Mitch killed more than 9,000 people in Central America in the worst disaster in 200 years. Thousands more are missing, and tens of thousands have been left homeless. $5.3 billion in damage to this region has wiped away 50 years of progress and returned the region to the level of development it had in the beginning of the century. Yet the Republicans continue to turn their backs on this tragedy in our own hemisphere.

The emergency supplemental is critical to the reconstruction of this region. If emergency aid is not received soon, it will lead to the political instability of the region and cause mass migration towards the United States. Responsible leadership means support for our troops, and it means helping our farmers in need. But responsible leadership also means that we must help those in the backyard of our own hemisphere.

I support the Obey amendment as a common-sense approach to balancing the many emergency needs that require our attention. The Republican leadership must stop playing political games while American farmers and our troops and our neighbors in Central America continue to suffer.

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

Mr. HALL of Ohio. Mr. Speaker, I have no further speakers, and I yield myself such time as I may consume. I will just make a few comments in closing.

I believe that this bill is a fat one, and I think it is bloated, and it has a lot of misplaced priorities. It technically is an open rule. But because it comes under the emergency rules, it is very restrictive because it gives tremendous power and ability to the Committee on Appropriations to pretty much decide the fate for the whole Nation here.

It is hard to get at this bill. The bill started at $6 billion, and kind of overnight it went to $12 billion. And a lot of these items, while important, are really not, in my opinion, high priority.

We have got an item in here for $156 million for advertising. Gee, that is really a high priority and exciting, that we are going to give $156 million to some companies on Madison Avenue to advertise, when in fact we do not have any food aid in this bill.

And I find the fact that we cannot amend it to be not only restrictive but very frustrating. Not only did our administration miss it, but the Committee on Appropriations missed it. And because of that and other restrictive rules, we must oppose it.

One of the things that I am reminded of and I keep in the back of my mind is, when the delegation went to Macedonia and Albania this past weekend, one of the things that we kept hearing from our own pilots was the fact that as they flew over Kosovo it was like one great big bonfire, thousands upon thousands of house fires were lit up as they would fly over. It went for miles. The whole country was lit up.

In questioning the refugees in the camps that we were at, there was not one family that I talked to that did not have their house burned down, that were not robbed. And one man has caused this. We are not there because we like being there. We are not there because we are trying to feed people. We are there because one person caused a million people to be affected in such a way that I find it unbelievable.

So when we get a chance to really fund our priorities, one of the highest priorities of being able to feed people, we do not even have that kind of food item in here.

So, for these reasons and others, the fact that it is so restrictive, we must oppose this rule and, hopefully, defeat it and come back with a much better rule and much better bill that really funds what the priority should be according to this crisis that we are in over there.

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

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) has 8 minutes remaining.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentlewoman from North Carolina very much for yielding me time.

Ladies and gentlemen of Congress, I rise in support of this rule and the supplemental. I urge my colleagues on both sides of the aisle to support it.

Let me just say, I have heard some rhetoric since I have been here the last 10 or 15 minutes that there is not enough food aid or refugee assistance in here. There is $600 million in here, as requested by the President, for food and refugee assistance, $600 million. It is in the line. It is there. And to say it is not is just purely false. It is there. It was asked by the President. We put that money in.

But this vote today is probably one of the most important votes we can take as Members of Congress. The issue is simple: Do you support our men and women in uniform as they defend America's interests and will you help us restore our Nation's defense so that our soldiers can do their jobs?

Last week, the House spoke on the President's policies concerning the engagement in Kosovo; and. Clearly, the House had some misgivings about those policies. But today, let there be no mistake, the United States Congress stands with its soldiers, sailors, and airmen as they defend America.

Since the conclusion of the Cold War, the Federal Government has steadily drawn down its defenses. In fact, this administration's budgets have severely reduced those budgets of our military over the last few years, and for good reason. The President did so under the assumption that the world was a safer place in the absence of a Soviet threat.

But, with Saddam Hussein, the instability in North Korea and with the current situation in Kosovo, we have learned a valuable lesson: The world is not a safer place. And, in fact, the threats from terrorist nations have increased, and we must be prepared to defend America's interests.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will advise the persons in the gallery to refrain from conversations. The speaker on the floor deserves to be heard. Visitors are the guests of the House, and the Chair requires your compliance.

Mr. HASTERT. Mr. Speaker, the money we spend today will start the process of giving our soldiers and sailors and airmen the resources they need to do their jobs. It will make certain that they have the training they need to keep them safe. It will give them the livable housing and reasonable wages. It will give them spare parts they need to keep their planes in the air. And it will give them the munitions to allow them to carry out their missions.

To my colleagues who disagree with the President's policy, let me say simply, you had your vote last week. To my colleagues who want to pick this supplemental apart, let me say that this, too, is important for our servicemen and servicewomen to not be subject to partisan politics.

Now is the time to rise above the partisanship and vote for the good of the country as a whole. To my colleagues who feel we should offset this emergency spending, let me say that this bill represents our best efforts to deal with the national emergency. And to my colleagues who worry about the impact of this vote on the Social Security Trust Fund, let me say, we will replenish that money to the Social Security

Trust Fund. We cannot replenish the lives of our soldiers that may be lost if we fail to provide adequate resources to them in this time of need.

Let me state again: Every penny of Social Security receipts will be credited to the Social Security Trust Fund.

Mr. Speaker, the American people expect the Congress to act responsibly when it comes to providing for our Nation's security. Let us not fail them. Vote for this rule, vote for this defense supplemental, and vote for our soldiers and sailors and airmen as they defend America.

Mr. HILL of Indiana. Mr. Speaker, we have committed our armed forces to the conflict in Kosovo and now we must pay for it. This unanticipated expense is a classic example of what constitutes emergency spending. I have voted to support our troops and the NATO operation in Yugoslavia. We need to provide emergency funding for our troops in the field.

But the emergency appropriations bill that we will be asked to support, today, spends more than twice the 6 billion dollars requested by our military commanders for Kosovo. It will add billions of dollars in spending for nonemergency items that should be considered during our normal budget process.

As a member of the House Armed Services Committee, I clearly understand that the military has pressing needs, including improved pay and benefits for the troops, military infrastructure, equipment and spare parts. I support a pay raise for the military, pay scale reform, and retirement benefits reform. Our troops have earned a raise and it is the right thing to do.

But I don't believe that an emergency supplemental should be loaded up with spending that is more appropriately considered during the regular budget process. I don't think that today's bill shows a commitment to honest budgeting and spending controls.

□ 1115

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

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

Mr. HALL of Ohio. 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 253, nays 171, not voting 10, as follows:

[Roll No. 116]

YEAS—253

Abercrombie
Ackerman
Aderholt
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kelly
King (NY)
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meek (FL)
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pascrell
Paul
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Toomey
Traficant
Upton
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—171

Allen
Andrews
Baird
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berry
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Gutierrez
Gutknecht
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Jones (OH)
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Waters
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu

NOT VOTING—10

Berman
Brown (CA)
Chenoweth
Cox
Kuykendall
McNulty
Slaughter
Tiahrt
Wilson
Wynn

□ 1134

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

Mrs. MEEK of Florida, Mr. HOEFFEL, Mr. KANJORSKI, Ms. EDDIE BERNICE JOHNSON of Texas and Ms. HOOLEY of Oregon changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1664, making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, and that I may include tabular and extraneous material.

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

There was no objection.

KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 159 and rule XVIII, 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. 1664.

□ 1138

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. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes with Mr. THORNBERRY 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 Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman I yield myself such time as I may consume.

Mr. Chairman, the bill we bring to the floor today was approved by the Committee on Appropriations just last week. The bill is designed to meet the emergency requirements of the War in Kosovo and to provide for other readiness-related items that are being exacerbated by the War in Kosovo. Mr. Chairman, this war has stretched our military resources terribly thin.

Mr. Chairman, the President sent his request to the Congress, the committee reacted to that request quite expeditiously, and we made some changes. We provided the items that were identified by the President, but the committee, working in a nonpartisan way with our relative subcommittees, and I want to compliment the chairmen and ranking members of the subcommittees who were involved here in this particular bill, the gentleman from California (Mr. LEWIS) from the Subcommittee on Defense, the gentleman from Alabama (Mr. CALLAHAN) from the Subcommittee on Foreign Operations, Export Financing and Related Programs, the gentleman from Ohio (Mr. HOBSON) from the Subcommittee on Military Construction, and also the gentleman from Kentucky (Mr. ROGERS) who had an important part of this bill relative to embassy security; and these chairmen, plus their ranking members, did really an outstanding job.

I want to call special attention to the gentleman from Pennsylvania (Mr. MURTHA) who played such an important role in helping us put this bill together. It was a good bipartisan effort, and I hope that the vote today will reflect the bipartisanship with which we bring this bill.

As we provide for the replacement of the air-launched cruise missiles, or the JDAMs munitions or the various other weapons that have been fired, bombs that have been dropped, aircraft that have been lost, we have a very clean bill that is related strictly to these issues of national defense and specifically relative to the Kosovo war, and, Mr. Chairman, it is a war. At this point it is basically an air war, it is a war, and the sorties are numerous, the targets being hit are numerous, and it is important that we move this bill quickly.

Now, Mr. Chairman, one of the things that we added to this bill that has made some controversy has to do with pay, pay for those serving in our uniform who are risking their lives today in the Kosovo region and who are prepared to risk their lives in other regions of the world where they have been deployed for whatever their mission might be should something erupt, for example, in Korea with the North Koreans in southwest Asia, with Saddam Hussein and the Iraqis, and the money we put in for this pay raise is subject to authorization by the authorizing committee. It was a commitment that we made to our authorizers that they could write the rules, but we wanted to make the money available today.

Mr. Chairman, I was happy to see the President on TV last night from an air base in Germany telling the American military folks there that we were going to do some good things in this bill including a pay raise, so I suspect what little controversy there might have been about that issue hopefully would have gone away overnight.

□ 1145

Also, we addressed the problem of the redux having to do with retirement. We are having a real problem with retention of forces. We are having a real problem with recruiting. We think it is important to do something for the men and women who wear the uniform and who go to war, many of whom are at war today.

I am going to leave the details of the bill to the subcommittee chairman. After the gentleman from Wisconsin (Mr. OBEY) takes his time, I am going to call on our subcommittee chairman to present the details of the bill.

The bill before the House includes $12.9 billion for military operations relating to Kosovo and Operation Desert Fox and for refugee assistance. In developing this bill we consulted with the authorizing committees, the minority, the Pentagon, and our military commanders in the field.

The bill has four parts—the largest of which is with the Defense Subcommittee's jurisdiction. For these activities the bill includes $11.24 billion, $5.8 billion above the President's request. The increases are all in areas of identified shortages (weapons procurement, spare parts, depot maintenance, recruitment, training, and base operations).

In addition, the bill includes funding for increased military pay and retirement benefits at $1.8 billion subject to authorization and a presidential emergency declaration.

The bill includes $1 billion above the President for military construction; $830 million is for mission-related items, $240 million for the NATO security investment program. This funding is directly related to troop readiness. It goes to our European bases. It is executable in 1 year, and it is mission directed. It is not pork.

Third, the bill fully funds the President's request for refugee assistance. These funds are redirected away from reconstruction to refugees only. There is not reconstruction money in this bill for Serbia. There is $105 million in assistance to the front line states: Albania, Bosnia, Macedonia, Bulgaria, Romania, and Montenegro. There is a burden-sharing requirement.

Finally, the bill includes a relatively small amount of money ($70 million) for security at U.S. Balkan missions and for repairs at damaged embassies.

Mr. Chairman, this is a very good bill. Some will say it's too much. Some will say it's too little. But we have developed a bill that does what I believe we should be doing:

(1) We have expeditiously moved to support our troops and fund the administration's request to prosecute the war.

(2) We have addressed critical shortfalls in our defense preparedness: shortfalls that hinder our security and embarrass us for not adequately supporting our military.

(3) We have sent a powerful, morale-boosting signal that we want to increase pay—while giving the authorizers a major role in that decision.

(4) We have met the needs of helpless women and children whose tragedy is our tragedy.

(5) We have provided funds to help meet the security needs of our people in the Balkans.

(6) We have sent a message of support to the front line states whose help we must have it we are to succeed.

(7) Because the funds over the President's request are designated as contingent emergencies—it is the President who must make the decisions about whether or when to spend. But we have given him the tools to succeed.

Mr. Chairman, this is the right bill for this situation. I urge all members to support it and send a strong signal to our troops and to Milosevic.

Mr. Chairman, at this point in the RECORD I would like to insert a table reflecting the details of the reported bill.

FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL (H.R. 1664)
(Amounts in thousands)

Doc No.		Budget Request	Recommended in the bill	Bill compared with request
	FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS			
	CHAPTER 1			
	DEPARTMENT OF STATE			
	Administration of Foreign Affairs			
106-50	Diplomatic and consular programs (emergency appropriations)	17,071	17,071	.....
106-50	Security and maintenance of United States missions (emergency appropriations)	5,000	5,000	.....
.....	Contingent emergency appropriations	.....	45,500	+45,500
106-50	Emergencies in the diplomatic and consular service (emergency appropriations)	2,929	2,929	.....
	Total, Department of State	25,000	70,500	+45,500
	INDEPENDENT AGENCY			
	United States Information Agency			
106-50	International information programs (by transfer) (emergency appropriations)	(450)	(450)	.....
	Total, Chapter 1:			
	New budget (obligational) authority	25,000	70,500	+45,500
	Emergency appropriations	(25,000)	(25,000)	.....
	Contingent emergency appropriations	.....	(45,500)	(+45,500)
	(By transfer) (emergency appropriations)	(450)	(450)	.....
	CHAPTER 2			
	DEPARTMENT OF DEFENSE - MILITARY			
	Military Personnel			
106-50	Military personnel, Army (emergency appropriations)	2,920	2,920	.....
106-50	Military personnel, Navy (emergency appropriations)	7,660	7,660	.....
106-50	Military personnel, Marine Corps (emergency appropriations)	1,586	1,586	.....
106-50	Military personnel, Air Force (emergency appropriations)	4,303	4,303	.....
	Total, Military personnel	16,469	16,469	.....
	Operation and Maintenance			
106-50	Overseas contingency operations transfer fund (emergency appropriations)	4,591,600	3,907,300	-684,300
106-50	Contingent emergency appropriations	850,000	1,311,800	+461,800
	Total, Operation and maintenance	5,441,600	5,219,100	-222,500
	Procurement			
.....	Weapons procurement, Navy (emergency appropriations)	.....	431,100	+431,100
.....	Aircraft procurement, Air Force (emergency appropriations)	.....	40,000	+40,000
.....	Missile procurement, Air Force (emergency appropriations)	.....	178,200	+178,200
.....	Procurement of ammunition, Air Force (emergency appropriations)	.....	35,000	+35,000
.....	Operational rapid response transfer fund (contingent emergency appropriations)	.....	400,000	+400,000
	Total, Procurement	.....	1,084,300	+1,084,300
	General Provisions			
106-50	Sec. 8005 additional transfer authority (sec. 201)	(800,000)	(800,000)	.....
.....	Spare parts (sec. 207) (contingent emergency appropriations)	.....	1,339,200	+1,339,200
.....	Depot maintenance (sec. 208) (contingent emergency appropriations)	.....	927,300	+927,300
.....	Recruiting (sec. 209) (contingent emergency appropriations)	.....	156,400	+156,400
.....	Readiness training (sec. 210) (contingent emergency appropriations)	.....	307,300	+307,300
.....	Base operations (sec. 211) (contingent emergency appropriations)	.....	351,500	+351,500
.....	Pay and retirement (sec. 212) (contingent emergency appropriations) (advance appropriations)	.....	1,838,426	+1,838,426
	Total, General provisions	.....	4,920,126	+4,920,126
	Total, Chapter 2:			
	New budget (obligational) authority	5,458,069	11,239,995	+5,781,926
	Emergency appropriations	(4,608,069)	(4,608,069)	.....
	Contingent emergency appropriations	(850,000)	(4,793,500)	(+3,943,500)
	Advance appropriations	.....	(1,838,426)	(+1,838,426)
	(Transfer authority)	(800,000)	(800,000)	.....
	CHAPTER 3			
	BILATERAL ECONOMIC ASSISTANCE			
	Agency for International Development			
106-50	International disaster assistance (emergency appropriations)	71,000	.....	-71,000
.....	Contingent emergency appropriations	.....	96,000	+96,000

FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL (H.R. 1664)— Continued
(Amounts in thousands)

Doc No.		Budget Request	Recommended in the bill	Bill compared with request
	Other Bilateral Economic Assistance			
106-50	Economic support fund (emergency appropriations)	105,000	105,000	.....
106-50	Assistance for Eastern Europe and the Baltic States (emergency appropriations)	170,000	75,000	-95,000
	Total, Other bilateral economic assistance	275,000	180,000	-95,000
	INDEPENDENT AGENCIES			
	Peace Corps			
106-50	(By transfer) (emergency appropriation)	(500)	(500)	.....
	Department of State			
106-50	Migration and refugee assistance (emergency appropriations)	125,000	.....	-125,000
.....	Contingent emergency appropriations	.....	195,000	+195,000
106-50	United States emergency refugee and migration assistance fund (emergency appropriations)	95,000	95,000	.....
	Total, Department of State	220,000	290,000	+70,000
	Total, Chapter 3:			
	New budget (obligational) authority	566,000	566,000	.....
	Emergency appropriations	(566,000)	(275,000)	(-291,000)
	Contingent emergency appropriations	.....	(291,000)	(+291,000)
	(By transfer) (emergency appropriations)	(500)	(500)	.....
	CHAPTER 4			
	DEPARTMENT OF DEFENSE - MILITARY			
.....	NATO Security Investment Program (contingent emergency appropriations)	.....	240,000	+240,000
	General Provisions			
.....	Military construction, Army (contingent emergency appropriations) (sec. 401)	.....	295,800	+295,800
.....	Military construction, Navy (contingent emergency appropriations) (sec. 401)	.....	166,270	+166,270
.....	Military construction, Air Force (contingent emergency appropriations) (sec. 401)	.....	333,430	+333,430
.....	Military construction, Defense-wide (contingent emergency appropriations) (sec. 401)	.....	35,500	+35,500
	Total, General provisions	.....	831,000	+831,000
	Total, Chapter 4:			
	New budget (obligational) authority	.....	1,071,000	+1,071,000
	Grand total, all titles:			
	New budget (obligational) authority	6,049,069	12,947,495	+6,898,426
	Emergency appropriations	(5,199,069)	(4,908,069)	(-291,000)
	Contingent emergency appropriations	(850,000)	(6,201,000)	(+5,351,000)
	Advance appropriations	.....	(1,838,426)	(+1,838,426)
	(Transfer authority)	(800,000)	(800,000)	.....
	(By transfer) (emergency appropriations)	(950)	(950)	.....

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

Mr. OBEY. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman, as I said on debate on the rule, this is one of the most serious votes that we will be casting this year. If we cannot play it straight on this amendment, we cannot play it straight on anything.

This amendment should not be politicized. What we should be doing with this amendment is to provide every single dollar that we need to conduct the operations now going on in Kosovo. We should not provide one dime less and neither should we try to use this to play games on the budget.

I am baffled by the fact that last week this House declined to support the operation that is now going on in Kosovo and yet this week the same people largely who opposed that motion last week are now suggesting that we should double the amount of spending for the operation which last week they said we should not be conducting at all. That gives confusion and inconsistency a bad name, in my view.

I did not vote for the administration's original request on Rambouillet. I did not feel that we knew enough about what the results of that discussion would be in order to cast a vote at that time, and I did not believe in giving any administration a blank check.

I know that there are a lot of people in this House who do not like President Clinton, and I think a number of Members have gone overboard in trying to politicize this war because they have such intense dislike for the President.

I have seen quote after quote in the newspapers saying, ''This is Clinton's war; we do not want our fingerprints on it.'' I think those kind of comments are irresponsible.

This is the West's war. This is NATO's war, and in my view the President is doing the best that anybody can under very difficult circumstances. That does not mean I agree with everything the administration is doing. I agree with Senator MCCAIN. I believe that this war needs to be prosecuted in the most aggressive way possible, and I believe that the best way to assure the success of the air war is to threaten use of a ground war.

So I do not necessarily agree with the administration on the fine points, but he is our commander in chief. He is the elected leader of this country. We are also elected leaders of this country, and we ought to be behaving ourselves in a manner consistent with the honor that has been afforded to each and every one of us by our constituents.

I do not think we do that when we in one week decide that this House is not going to support that operation and again then in the next week decide but, oh, by the way, we are going to use this war as an excuse to move billions of dollars from next year's appropriation into this year's appropriation, put an emergency label on it which will enable the Congress next year to spend $3 billion more on military pork that has nothing whatsoever to do with Kosovo. In my view, that is what is happening today.

So I want to explain the amendment that I will be offering later in debate. The administration has asked about $6 billion to cover the cost of this war, plus they have asked for humanitarian assistance. The amount that they have requested will pay for an 800-plane war, 24 hours a day bombing of virtually every target in Yugoslavia that one could imagine anywhere. That will be sustained on a daily basis through the end of the fiscal year.

In addition, the administration has asked for enough money to fund not just the 24 Apaches which are on the ground now but a contingent of 50 Apaches, over $700 million just to finance that.

The administration has taken the full estimate of what it will cost to run that war for the remainder of the fiscal year and then, on top of that, just to be safe, they have tossed in an extra $850 million in a contingency fund. That is such a large operation that we will run out of targets before we run out of ammunition. We will, in the words of Winston Churchill, be ''bouncing the rubble'' if this continues that long.

Now, the committee has done some other things. The committee has decided that they would raise the spending for that bill by 125 percent. They have asked for $460 million more in munitions. My amendment says, all right, we are not going to argue about that. We will accept it. They have asked for $400 million for procurement; and again we say, okay, we are not going to argue about it. We will accept it.

They have asked for a billion dollars more than the President in order to avoid having to reprogram from low-priority items to high-priority items. We say, okay, I doubt that that is fully necessary, but we will accept that, too.

What we do not accept are two other items in the bill. The budget rules under which we are supposed to operate say that if we want to designate something as an emergency so that it is exempted from the spending caps in our budget, it must meet two tests. It must, first of all, be an unanticipated expense; and, secondly, it has to be an expense which will be incurred immediately for an immediate purpose. There is $3 billion in the committee bill that does not meet those tests.

Example: They have $2 billion in this bill for operation and maintenance, which is nothing but moving forward from next year's budget $2 billion into this emergency supplemental.

There is also $1 billion added for 77 military construction projects in Europe. Thirty-seven of those items are not even on the Pentagon's 5-year plan. We do not have physical plans for them. We do not really know what they are, but the money is thrown at them.

Why? The reason is very simple. There is an agenda on the part of some Members of this House which says let us throw in as much as we can, call it an emergency Kosovo supplemental, even though it is not at all related to Kosovo, and that will enable us to spend $3 billion that we would not have otherwise been able to spend on the regular bill for pork. That is what is going on, in my view.

So my amendment does not accept that $3 billion. The only military construction items that we fund are those directly related to Kosovo, three key items that are fully justified, including one operation at Aviano, and the rest we simply say deal with next year in the regular course of business because they do not relate to Kosovo.

In addition, we do two other things. The committee has $1.8 billion in the bill which they suggest should go for a pay raise and a retirement enrichment package for the troops. I support that. The problem with the committee amendment is that it is subject to authorization, and that means that even though the money is in the bill it cannot actually be delivered to the troops until further legislation is passed. So we remove that impediment.

We remove the language that makes that subject to authorization so that this is not just a potentially empty promise. We actually deliver the money that we say we want to provide. So, in other words, we make that pay raise real.

The second thing we do is to take the supplemental, which the House passed previously, which is languishing in the Senate, which the President asked for it to deal with the largest natural disaster in this hemisphere in this century, Hurricane Mitch, and to deal with the emergency facing many farmers because of weather and because of the collapse of prices, and we include that in this package as well so that we take care of the home front as well as Kosovo.

If we do not deal with that, we face the prospect of 100,000 refugees trying to make their way from Central American countries through Texas, through New Mexico, and it would cost us far more than dealing with it in this bill.

So what I will simply say is, this amendment is an honest effort to reach a compromise position between the administration's original request and the committee's overblown efforts to throw in everything but the kitchen sink in this bill so that they can make more room for military pork in the regular military bill.

I would urge that my colleagues do the responsible thing, adopt the Obey amendment when it is offered. That will send a signal that we are, indeed, going to play this straight. We are not

going to abuse the emergency power that we have in the Budget Act but we will make every dime that is necessary to the Kosovo operation available and then some.

We are exceeding what the administration thinks is necessary by almost a billion dollars, just in their own request, plus the additional items that we are accepting in this package. I would urge support for the amendment when the time comes.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to respond to the gentleman as I did in the meeting during the Committee on Appropriations. There is no military pork in this bill. I do not know where he comes up with that argument. There is no pork in this bill. This is as clean a national defense bill as this House has ever seen. There are no Member requests added to this bill, either when we wrote the bill or when we went to the full committee. It is just not the case.

The gentleman says that the way we are spending money we are going to run out of targets before we run out of ammunition. The gentleman is not paying attention to what is happening in Kosovo.

The gentleman should look closely at what General Hawley said just a few days ago when he pointed out that we were running short of not only air launch cruise missiles, we were running short of JDAMs, we were running short of all kinds of ammunition; and if they were called on to do another MRC somewhere in the world they could not do it. This is the general who has the responsibility to get there if we have to get there.

Mr. Chairman, today's message is a real message. The gentleman from Wisconsin (Mr. OBEY) talks about the votes last week. Those were votes that gave Members an opportunity to voice their opinion in resolutions that were not truly binding. This is the real message. This is a message to Milosevic that we are serious. This is a message to our troops that we are serious in providing them with what they need to accomplish their mission and to give themselves a little protection while they are at it.

This is a good bill. The amendment that the gentleman is talking about is not even before the House yet. It will be later.

□ 1200

It is a good bill. It is a clean bill.

Just one last point, Mr. Chairman. If the President decides that the items that we have recommended in this bill are not truly emergencies, do Members know what he has to do to stop them from being spent? Nothing. Because, Mr. Chairman, unless the President determines that these items are emergencies, they do not get spent. The investment is not made.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman is putting up a red herring. I did not say that there was pork in this bill. What I said was they are jamming $3 billion of nonemergency items into this bill to make room for $3 billion worth of pork in the defense bill which will follow this. The gentleman knows that is what I said. He ought to keep it straight.

Secondly, with respect to the JDAMS, the gentleman says there is a shortage of JDAM missiles. I would point out that the gentleman is the chairman of the subcommittee that cut that last year by 17 percent. The gentleman cut the President's request for that item by 13 percent in dollar terms and 17 percent in missile numbers. The President's request provides full funding for the restoration of every missile they need for JDAMS.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. LEWIS), the chairman on the Subcommittee on Defense of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I would first like to thank the gentleman for yielding me the time, and to express my deep appreciation to my chairman for the job he has done in this bill. I must say, in spite of the protest of the gentleman from Wisconsin (Mr. OBEY), I would like to express my appreciation to him as well for a very cooperative effort on this bill.

The fact is that in terms of dollar amounts both sides are relatively very close to each other, largely because we all recognize that there is urgency in moving this bill forward; that the dollars that are involved are a reflection of the President's views.

Mr. Chairman, the two sides are really not that far apart on the dollar amounts that we are discussing here today. There are differences in the policy.

But before going further, let me express my deep appreciation for my colleague, the gentleman from Pennsylvania (Mr. JACK MURTHA), the ranking member of my subcommittee, who from the very beginning has cooperated with us in developing the defense portion of this $12.9 billion package. There is not a Member of the House who is more concerned about the men and women who are potentially in harm's way that we are attempting to respond to by way of this supplemental.

In developing this bill, we have consulted and worked very closely with not just the members of our subcommittee, but the members of the authorizing committee, as well as the military commanders in the field. My colleagues, this is a clean bill. It contains no special projects.

As I would react to the comments of the gentleman from Wisconsin (Mr. OBEY) regarding the pay provision of this bill, the $1.84 billion that are involved, we did not provide authorizing language because we were working very closely with the authorizers, who feel that is a centerpart of their own legislation.

Indeed, their willingness to continue to work cooperatively with us in the months ahead are very important to both the committees, the authorizers as well as the appropriators, who are concerned about this matter.

I would like to be very specific about one fact: That is, the vote today will send a very, very clear message to Slobodan Milosevic, who is watching our actions on the floor today. Our saying clearly that we intend to support our troops as long as they have to serve in this region and are faced with this challenge is very, very important, and Milosevic is watching the Members today.

Beyond that, I would like to say to my colleagues, it is very important that while we may disagree on policy, that we come together in the final analysis on this vote. Nothing could be worse than to see sizeable numbers walk away from this very, very important bill. In the final analysis, I am convinced that there will be solid support for the $11.24 billion of this bill that is reflected in the defense portions of the bill.

Like a number of my colleagues, I have had the opportunity to spend many hours at the White House in recent weeks in briefings with the Commander in Chief and his national security team. If there was one message I heard from the President last week, it was this: "Provide the additional funds if you must, but—and this is very important—do not slow this package down." My colleagues, we must act and act now.

Allow me to take just a minute to outline a few of the details of this $12.9 billion emergency spending package.

The bill has four parts—the largest of which is within the Defense Subcommittee's jurisdiction. For these activities, we have included $11.24 billion which is $5.8 billion above the President's request. The increases are all in areas of identified shortages (spare parts, depot maintenance, training and op tempo funding shortfalls, and base operation costs).

I could go on . . . and on about this package and our effort in Kosovo. In the interest of time and moving this bill forward, I want to simply urge my colleagues to support our military, send a strong signal to our troops in the field, and support this supplemental.

In closing, I would like to thank the following people on the Defense Appropriations Subcommittee staff, Chairman YOUNG's staff, as well as my own personal staff, for their valuable assistance with this bill: Kevin Roper, Greg Dahlberg, Doug Gregory, Tina Jonas, Alicia Jones, Paul Juola, David Kilian, Jenny Mummert, Steve Nixon, David Norquist, Betsy Phillips, Trish Ryan, Greg Walters, Sherry Young, Harry Glenn, Brian Mabry, Arlene Willis, Leitia White, Grady Bourn, Julie Hooks, and Dave LesStrang.

Mr. Chairman, as we go forward with amendments later, there will be plenty of time

for discussions regarding the detail. But between now and then, it is very important that the Members recognize that the entire public is watching our response and our expression of support or lack of support for our troops as they work in harm's way.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I thank the gentleman from Wisconsin for yielding time to me.

First let me say that I agree very much, this is an American, this is a NATO conflict. We in this House should speak with one voice and not be putting it on political terms. I feel very, very deeply about this. I support this bill. At the end of the day, I support this bill. It is a major step toward my goal of making this the year of the troops, the year in which we recognize the needs of those who serve in uniform.

I also support it because it ensures that our military has more than adequate resources to carry out the Kosovo air campaign. It bolsters the military readiness of our forces in the Balkan theater and the Armed Forces as a whole. It provides the resources to help address the tragic humanitarian situation in Kosovo.

The basis of this bill was a $6 billion administration request in emergency funding. The request was based on four categories, military operations in and around Kosovo, Kosovar refugee relief, munitions and readiness munitions, and Desert Thunder and Desert Fox military operations.

In addition to the administration's original request, our colleagues on the Committee on Appropriations have seen fit to add to the President's request, both to the humanitarian request and the matter request. There are some problems that our colleagues had on the Committee on Appropriations, and they have tried to address them. They have added certain categories.

Mr. Chairman, allow me to comment on two major additions to the original request. First, this bill sends the right signal to our men and women in uniform by providing $1.8 billion to fund the administration's military pay and retirement package, of course, conditioned upon the enactment of authorizing legislation through our Committee on Armed Services.

Second, this bill provides for $1.1 billion in unrequested funds for overseas military construction in Europe and Southeast Asia. The inclusion of these projects is similar to the inclusion of the administration's pay and retirement package.

Mr. YOUNG of Florida. Mr. Chairman, I am happy to yield 3 minutes to the distinguished gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, I rise today to state that our Armed Forces have been neglected for too long. It is time we give our troops the supplies and the support that they need.

Without any coherent international blueprint, the White House has bombed its way around the globe, while dropping troops far and wide for ill-defined peacemaking duties. This policy has gutted the American military, which now must be rebuilt.

Last week a bipartisan Congress voted against President Clinton's undeclared war in Yugoslavia. Both Republican and Democrat members are reluctant to commit U.S. forces to a mission that has no strategic plan, no timetable, no definition of victory, and no clear national interests to defend.

While there are many reasons for that vote, lack of support for our troops was not one of them. To the contrary, the leadership in this Congress supports our troops, but does not support President Clinton's frivolous deployment of them and haphazard waste of military resources.

The last 6 years of focusless military use, combined with defense spending cuts, have stretched our forces to the point where serious gaps in our national security are developing. Not only have we left the Pacific without a single carrier to defend our allies and troops stationed in the region, but the carriers we are sending to combat in Yugoslavia and Iraq are drastically undermanned.

For example, the Teddy Roosevelt is 418 sailors short, and the Enterprise is lacking an alarming 495 sailors. In total, the U.S. Navy is 18,000 sailors short, and those that are there are at risk because of it.

Such shortfalls in recruits and equipment have reached crises level. This Congress wants to rebuild our depleted defense and make sure that our troops have the supplies they need while they are deployed wherever they are deployed.

President Clinton has only proposed to cover the basic costs of his war in Yugoslavia. This Congress wants to take this opportunity to bolster our hollowed out military. This emergency spending will provide much needed munitions, spare parts, construction, training, recruiting, and pay increases for our military.

Amid reports that the United States is running out of cruise missiles and cannibalizing some planes for parts, America must not forget that military weaknesses only challenge our enemies to take costly and dangerous risks.

Mr. Chairman, the time is now to deter our enemies by bolstering our military. We have to send a very clear message that while we may not support the President's ill-advised war, we do support our troops wholeheartedly.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Alabama (Mr. CALLAHAN), chair of the Subcommittee on Foreign Operations, Export Financing, and Related Programs of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Chairman, as chairman of the Subcommittee on Foreign Operations, Export Financing, and Related Programs, I have the responsibility to recommend to the gentleman from Florida (Chairman YOUNG) the funding level for the programs that come under the jurisdiction of our subcommittee. We have one overwhelming priority, and that is assistance to the refugees who have been driven from their homes and separated from their loved ones.

The President requested a total of $566 million from our subcommittee as part of his supplemental request. We have approved the entire amount of this funding level, but we made some modifications. The funding would be allocated as follows:

—$96 million for international disaster assistance;

—$105 million for support of frontline States, including $5 million to document war crimes;

—$75 million for Eastern Europe assistance to assist refugees within the borders of the frontline States; and

—a total of $290 million for the refugee assistance accounts.

Part of the original request was $170 million for an account normally used for long-term development projects.

We have tried to discover how the funds would be used. We were told that $95 million of this amount would be made available for refugee assistance, but we already have separate accounts for the refugee and humanitarian services. When the administration officials were asked about that, we were told these funds could be used for such things as, and I quote, ''NGO development and microcredit activities.''

I have nothing against either of these programs, but they are part of an ongoing program in Eastern Europe. They are emphatically not part of emergency refugee and humanitarian assistance.

The President and Secretary of State have also discussed plans for a Southeastern Europe initiative. I fear they could use these fund to begin such an initiative, and I do not think they should, without adequate consultation and further approval by the Congress. Therefore we moved $95 million from these vaguely defined activities and made that additional amount available for direct support for refugees and humanitarian assistance.

Indeed, this money, the $566 million, may not be sufficient. The administration is constantly changing its policies. It is difficult to know when enough is enough. One day the President announces that we are going to send 20,000 refugees to Guantanamo Bay. A few days later, the Secretary of State says, no, we are not going to do that, we are going to keep the refugees there

because we then would be ethnically cleansing the region.

The next day the Vice President of the United States, Mr. GORE, announces that 20,000 refugees are coming to the United States. At the drop of a hat, the Vice President committed $40 million for the transport and relocation of refugees to our country. I was not consulted about this. Neither was anyone else in Congress. I'm not sure the Secretary knew. Now we're left with a $40 million bill, and we must in good conscience pay for it. It leaves a hole in the request. I strongly encourage Members to vote in favor of this bill. It does not give the Administration a pot of money to begin the reconstruction of Southeastern Europe. If they want to begin a massive new spending program in the region, they need to come back to Congress. They and we also need to win the war.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, there are only 147 days left in this fiscal year. This ought to be a time when we come together with bipartisan resolve to deal with three urgent crises that we could not have anticipated last September: the agricultural collapse in rural America, the devastation of Central America by Hurricanes Mitch and Georges, and the need to support our troops and the allied cause in Kosovo.

The Republican majority, unfortunately, has sought to politicize the NATO operation in the Balkans, withholding support for it last week, amid well-publicized arm-twisting, and now this week voting to double the funding for it! In so doing, the majority hopes to use the NATO campaign to leverage funding for unrelated military purposes.

We should reject partisan gamesmanship that toys with the lives of our troops and the refugees, that trivializes the dignity of our rural citizens, and that belittles the suffering of the people in Central America.

□ 1215

We should, instead, adopt the Obey substitute.

The Obey amendment is well-crafted. It is responsible. It addresses the military and humanitarian needs in the Balkans, fully funding the Department of Defense's request. It includes the most justifiable of the defense add-ons, particularly those involving military pay and readiness. It addresses the disaster in Honduras and Guatemala, a situation we ignore at our Nation's peril; for if we ignore it, we will surely face a new flood of immigration northward and greater vulnerability to drug trafficking. And the Obey amendment provides desperately needed funding to meet the collapse in the price of agricultural commodities.

Mr. Chairman, the House today has an opportunity to reverse its recent history of politicizing issues that should not be politicized and defaulting on the responsibility of a great power. Support the Obey substitute.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 1 minute.

It is really interesting to me. This bill is not about any political gamesmanship, and it has not been politicized. This bill is a true, clean national defense bill that provides what the national defense establishment needs to protect our Nation and to protect our troops.

The only partisanship that I have heard in this debate today has come from that side, accusing this side of being partisan or of politicizing or of political gamesmanship. I want to assure the gentleman that there is no politics in this at all.

For speakers on the other side to try to create the atmosphere that this is somehow political is just not right. We have gone overboard to make sure over the years that national defense issues were not political and there were no political games being played on them.

I want to call attention just one more time to the fact that the only issue of politicization or political gamesmanship is coming from over there. And the fact that they say it does not make it true, and I insist that it is not true. This is a clean national defense appropriations bill.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. HOBSON), chairman of the Subcommittee on Military Construction of the Committee on Appropriations.

Mr. HOBSON. Mr. Chairman, I thank the gentleman for yielding me this time; and I rise today to speak in strong support of the bill before us.

Voting ''yes'' today is a vote for our troops. It says definitively that their daily sacrifices will not be downsized or neglected any more. It shows that we can transcend our differences and unite for their well-being. Our troops are in harm's way, so it is our duty and responsibility to muster the resolve to keep them safe.

I worked closely with military commanders in the field to make this bill a reality. It is responsible and tightly honed to our most immediate and unanticipated needs in the Balkans and Southwest Asia. Remember that our European infrastructure is a critical staging area. It supports our mission in the Balkans and our training and passthrough for operations in the Gulf and Africa.

The time for leadership is now. There simply has been a failure to support our troops living and working overseas under very dangerous conditions. Let us pass this bill and show our troops that the sacrifices they make are worthy of the support of Congress and the American people.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time; and I want to again commend him for his leadership in bringing the Obey amendment to the floor because, indeed, it is the responsible approach to the challenge that we have before us.

Let me just first say that it is hard to believe that nearly 7 months ago there was the greatest natural disaster, the worst natural disaster in the history of our hemisphere since they recorded these things in Central America. I do not think the American people know that we have still not passed out of this Congress legislation for the disaster assistance that the American people in their compassion wanted us to do. The assistance is still hung up on budgetary gimmickry and offsets and the rest.

The gentleman from Wisconsin (Mr. OBEY) corrects the situation in his amendment. Mr. OBEY also recognizes the large number of refugees who have come out of Kosovo and puts $175 million more in for humanitarian assistance. Again, whatever we may think of the war effort and the air strikes, the American people, God bless them, want the refugees to have humanitarian assistance. It also addresses the needs of America's farmers here at home, and it is responsible in meeting the needs of our military.

And how proud we are of our people in the military, both for putting themselves in harm's way and their courage, but also for the military's role in humanitarian assistance. They assisted most recently in the Balkans, and they were indeed largely responsible for our initial emergency assistance in Central America, even though we still have not paid the bill on that.

So I ask my colleagues, when the time comes for amendments, to vote and support the Obey amendment and to do so with the knowledge that it is the responsible approach to meeting the needs of our military, to addressing the pay raise issue for the military, to honoring the commitment of the American people for humanitarian assistance and to do it in a fiscally sound way.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SPENCE), the very distinguished chairman of the Committee on Armed Services.

Mr. SPENCE. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to congratulate the chairman of the Committee on Appropriations, the gentleman from Florida (Mr. YOUNG); the chairman of the Subcommittee on Defense, the gentleman

from California (Mr. LEWIS); the gentleman from Pennsylvania (Mr. MURTHA); and other members of the Committee on Appropriations for ''leaning forward'' and doing the right thing by addressing some of the most serious readiness and quality-of-life shortfalls facing our military today.

Our Nation's military leaders publicly testified last fall that the President's 6-year defense plan fell about $150 billion short of meeting basic military requirements. Knowing how politics work in this town, we should assume that the Joint Chiefs' estimate of the military shortfalls is understated.

The budget resolution added about $8 billion to the President's underfunded defense request. It is a small but necessary first step. This supplemental adds approximately $6 billion in additional funding to address some of the military's most critical shortfalls.

Our military has the responsibility of being able to fight two multiple theatre wars and conduct multiple concurrent smaller-scale contingency operations throughout the world. We have been cutting back on our military since 1989, to the extent that we could not conduct one at the time.

The Army and the Air Force has been cut back 45 percent, the Navy 36 percent, the Marines 12 percent. At the same time, our operational requirements have increased 300 percent. The problem is past being an emergency, it is critical.

These additional funds will only begin to help our military to properly defend this country with a minimum loss of American lives among our service people.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

Mr. BONIOR. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, it has been more than a month since Milosevic launched his campaign of genocide. His atrocities continue to fill us with horror and revulsion: more than a million people, driven from their homes at gunpoint; entire towns burned to the ground; men and boys forced to kneel by the side of the road and shot dead before their families; grandparents burned alive because they were too feeble to flee.

In the face of such brutal and systematic slaughter, we need to send him a message, an unmistakable message of American resolve, that his campaign of genocide will not stand.

We have to set partisan politics aside. We have to stand united behind our troops. Even as we speak today, our pilots are hurtling off the decks of our carriers, risking their lives to save the Kosovars and see justice done. We have to give them the support that they need in order to win.

Milosevic cannot be allowed to prevail. The scale and the details of his inhumanity ignite our moral indignation. Accounts coming out of Kosovo are shocking: Serbian soldiers knock on the windows of a refugee's car as he and his family wait to cross the border, and they were bearing AK–47s. They demanded $6,000 from the driver or his two daughters in the back seat. The father empties his wallet, but it is not enough. So the soldiers pull the young women from the car, drag them to a nearby garage, where several other soldiers, also wearing masks, were waiting. The gang rape lasted hours.

Last Friday, in the village of Pristina, Serbian troops murdered 44 Kosovars, shooting some and burning others alive. When relatives of the victims went to bury their loved ones, the soldiers told them that they would be shot, too, if they uttered a single prayer for the dead. And as one of the Kosovars said later, perhaps our silence helps them to deal with their shame.

Well, Mr. Chairman, America cannot and we will not be silent as long as Milosevic continues his campaign of terror. As a superpower at the peak of our prosperity and our strength, America cannot look the other way and we cannot be diverted by our partisan differences.

I have been troubled by the procedures that the House adopted today, and we have seen people trying to play politics with the President's funding request for these troops. I would urge my colleagues to unite behind the Obey substitute. It is clean, it is straightforward, it is a strong response to the present emergency, and by all prognostications it will be what we end up with next week on this floor.

In the end, we have to move this process forward; and we have to do it today. Now is the time to accept the responsibilities of leadership. Now is the time to support our troops in the field, who are risking their lives so that this century might end better than it began. Now is the time to send Milosevic an unmistakable message: At the end of the 20th century, the world will not stand for genocide.

Mr. OBEY. Mr. Chairman, may I ask the Chair how much time the gentleman yielded back?

The CHAIRMAN pro tempore (Mr. LAHOOD). The gentleman from Wisconsin has 8½ minutes remaining.

Mr. OBEY. No, I asked how much time did the gentleman yield back?

The CHAIRMAN pro tempore. The gentleman yielded back 30 seconds, and the gentleman from Wisconsin has 8½ minutes remaining.

Mr. OBEY. I thank the Chairman.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. BUYER), the distinguished chairman of the Subcommittee on Military Personnel of the Committee on Armed Services.

Mr. BUYER. Mr. Chairman, I think I probably just wasted 20 seconds of my time. I was not prepared for this. Let me be very brief now that my time has been stressed.

Mr. Chairman, I would ask Members to permit the eyes of their minds to see a greater vision here and to not be so narrow to think of this as Kosovo and Kosovo only.

What concerns me most is that this is about funding a national military strategy. Sure, there are discussions of politics. Frankly, I do not mind that, because it is policy that drives all of this. The President's singular responsibility is to lay out the vital national security interests, then we come up with a military strategy as the means to enforce those.

The President has one that is different, and I would not go along with it, but it is for us to transition out of a posture of global engagement in over 135 countries around the world and then fight and win nearly two simultaneous major regional conflicts. The open secret is we do not have the force structure today to do that.

Let me share some facts with my colleagues about the size of the military today. In the Gulf War, we had 18 Army divisions, we had 24 Air Force tactical wings, and in the Navy ships and submarines we had 546 in 1990. Today, we are down to 10 divisions in the Army, 13 tactical wings in the Air Force, and a 315 ship Navy. That is a reduction in the Army by 250,000, in the Air Force 150,000, and in the Navy 200,000.

So what have we done by taking a foreign policy of global engagement? We have taken our military and we have stretched this great military of ours very thin all over the world. Now we find ourselves with depleted munitions. Depleted munitions. And not only in our ammo.

When I hear individuals say, well, we are going to have to cut back or we are only going to have to replace bullet for bullet, do my colleagues realize the risks we are being placed in in other scenarios around the world?

□ 1230

Do not take it from me. Take it from General Shelton. General Shelton, the chairman of the Joint Chiefs of Staff, said, ''Suffice it to say that what we have going on right now in Kosovo is a major theater of war with air assets. The fighting in Yugoslavia now means a much higher risk of a second regional conflict, protracted, with significant casualties.''

My colleagues, vote for this.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, I thank my ranking member for yielding me the time, a new member on the committee, for this most important discussion.

It is not whether we support our troops or not. We all do. We support them because they are risking their lives for us as the greatest country in the world. What we do not support at this time is the doubling of appropriations that our President gave us.

We are 2 months away from doing the 2000 budget. We ought to be using this time and the extra $6 billion to put during that time in the appropriations process.

It is important that we take care of education for our children, health care for our seniors, housing for those who need it. It is unfortunate we will not be able to get to that during this budget time because of the caps, the political caps that were set.

Let us not say we do not support the troops, because we do. Let us support the President, our troops, and the Obey amendment.

Mr. Chairman, I rise in vehement opposition to H.R. 1664, the Kosovo Supplemental Appropriations for FY 1999. More than half of this bill's $13 billion appropriation is being used for funds that will eventually come from the budget surplus, and only illustrates the collective cowardice of the majority in refusing to consider these military construction projects under normal budgetary procedures. In essence, this bill gives to the military and takes from Social Security and Medicare. What is worse is that the doubling of the increase of this bill, from President Clinton's original request for $6 billion to $13 billion, has not seen a resulting increase in aid to the refugees or in humanitarian aid, ostensibly a key part of this bill's original purpose. As one of the newest members on the House Appropriations Committee, I know that Appropriations are about three things: what you need, what you want, and what you'd like to have. This bill was half of what we need, some of what members want, and no increase in what the refugees would like to have.

In order to accurately discuss this vote, we must first place these issues into context. After the breakdown of peace talks between Serbian and Kosovar representatives in Rambouillet, France in mid-March, Serb forces entered the Yugoslav province of Kosovo en masse. An estimated one million Kosovar Albanians have since been driven from their homes, most into Albania and Macedonia, thousands of Kosovar Albanian men remain missing, and reports of rape and murder continue to trickle out of the embattled region.

In response, on March 24, 1999, NATO began a massive bombing campaign against Yugoslav forces and installations in Serbia and Kosovo. Close to 1,000 NATO warplanes are now involved in the airwar (with over 80% from the United States). President Clinton recently called up an additional 33,000 reservists to aid in the fight, and asked Congress for $6.0 billion in supplemental funds to pay for current operations. This $6 billion request more than adequately addresses the commitment of the United States to this unified effort.

The Republicans on the House Appropriation Committee drafted a $12.9 billion emergency FY99 supplemental spending bill. On top of the White House's $6.05 billion spending request for the Kosovo mission, Republican appropriators included $1.8 billion to fund a pay raise and retirement package through the remainder of FY99, and the bill includes an additional $74 million in unspecified worldwide "minor" construction projects, provides additional funding for munitions purchases and operational readiness needs, such as recruitment, replacement of spare parts, equipment maintenance and military base operations, primarily with additional funds for operational readiness and for a military pay raise and retirement package. The bonus of this additional $6 billion in funding is that it does not have to be offset by similar reductions in spending in other programs.

This is nothing but fiscal legerdemain, a sorry billion-dollar version of the old New York City street con of the three shells and the pea. Unfortunately, the elderly and the poor are the hapless victims of this con job. The majority of the Democratic members on this Committee see this for what it is: nothing but an attempt to fund defense projects that will not fit within the tight spending caps for FY00. I must reiterate one key point: there is not one thin dime of an increase in refugee assistance funding in this bill.

There are certainly many items within this legislation that are probably worthy of the support of scarce taxpayer dollars. Let me make this clear: I do not oppose the hard working and brave persons in our nation's Armed Forces from getting a well deserved pay increase, better housing, a much improved retirement program, or other such items as needed. I object that my Republican colleagues do not have the collective courage to make the hard decisions and difficult choices inherent in being a member of the august House Appropriations Committee. What is becoming abundantly clear is one thing: the budgetary caps on spending will have to be increased. Only then will Congress be able to address our urgent domestic needs, preserve our vital fiscal surplus, and protect our nation's seniors who have already paid the price for the freedom that most of us enjoy but all of us take for granted.

Our colleague, Congressman DAVID OBEY, will offer a sensible amendment that provides a total of $11 billion in funding. Of this sum, funds that do not have to be authorized will go toward an immediate pay increase for the military; an increase in the operations and maintenance in Kosovo, and more importantly, $175 million more for the refugees of Kosovo. If Congressman OBEY's amendment is reasonable, sensible, and deserves the support of the majority of our colleagues.

I would like to paraphrase a recent article in the New York Times, in closing, on this issue: This is nothing but Republican cowardice triumphing over principle; don't vote for the war, don't take responsibility for the war, don't vote to stop the war, but vote to pump more money into a policy we don't like. American taxpayers pay us a good sum of money to make difficult decisions, and it is time that we stepped up to the plate and made them.

It is my hope that the wisdom of Congress will prevail in supporting the amendment of Congressman OBEY. Without the adoption of the Obey amendment, this bill must be rejected by the House of Representatives. Congress must preserve the surplus for Social Security, Medicare and Medicaid. We must increase the caps on domestic and defense spending, and do so while maintaining the integrity of our balanced budget. These issues are not mutually exclusive, but Congress must have the courage to make these tough decisions.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. REGULA), the chairman of the Subcommittee on the Interior.

Mr. REGULA. Mr. Chairman, today I rise to pay tribute to the two brave servicemen who lost their lives this week during a training exercise in Albania, Chief Warrant Officer Kevin Reichert of Wisconsin and Chief Warrant Officer David Gibbs from my district.

David Gibbs grew up in Massillon, Ohio, graduating from Washington High School in 1980. I wish to express my sympathy to David's family, his mother Dorothy, his wife and three children. Their pain can only be eased by the knowledge that his country salutes his heroic service.

These two men chose to serve their country in one the noblest traditions and they made the ultimate sacrifice in protecting the principles and freedoms which the United States represents. All our men and women in uniform are to be commended for their service. We must support our troops so they can do the job they so valiantly volunteered to do when they joined the armed services.

And we in Congress have a responsibility to ensure that our troops have the resources they need for the best equipment, the most reliable and advanced technology, and the needed training to make them the most respected military in the world.

I will support this bill, because while we do not yet know the cause of this latest tragedy, the American people need to know that we are adequately supporting our men and women in uniform.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, the reason we are here today is that the President submitted a request for $6 billion for the Kosovo operation, which would bring us to the end of fiscal year 1999; and that was clearly an unforeseen and unforeseeable circumstance that came up because of the actions of Slobodan Milosevic. Those situations ought to be few and far between, outside the caps, without any offsets, a true emergency.

The underlying bill that has come from committee more than doubles the amount from the President's request on a set of premises which are entirely different. It is operating on a premise

that goes far beyond, entirely beyond the definition of ''emergency,'' which had been part of the President's request, and much of it is only partly related to Kosovo.

On the other hand, we have before us an amendment that has been offered by the minority ranking member, the gentleman from Wisconsin (Mr. OBEY), which responsibly but narrowly deals with the Kosovo situation and other emergencies along the way.

Who can deny that we look rather foolish in this Congress, and I really am embarrassed by it, that 7 months after what had happened in Central America and 7 months after we truly knew way back in the fall that the problems on our farms were very serious, yet we passed that legislation 3 months ago. It has not moved to a final conclusion, the emergencies relating to Central America and related to the farms, and we have not done anything about it.

The Obey amendment deals with both of those issues and also makes certain that the pay increase for our military personnel is funded now, not uncertain as to when and if it will be authorized, but funded now. So it deals with the emergencies in Kosovo, on the farms, in Central America, and our military personnel.

I urge support for the amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1½ minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, we have a world crisis and an acute national emergency. I support this $12.9 billion spending package.

I have opposed past defense spending bills because we have failed, in my judgment, to take four difficult but necessary steps to realize savings and modernize our military. We failed to: cancel procurement of expensive, unnecessary weapon systems; close unnecessary military bases and depots at home and abroad; and require our allies, particularly Europeans, to pay their fair share of stationing U.S. troops in their countries.

And we are still funding a military designed to fight the Cold War, but the Cold War has ended. The world today is different, and it is a more dangerous place.

The war in Kosovo costs money, and lots of money. As a fiscal conservative during my 11 years in Congress with consistently high marks from the National Taxpayers Union, Citizens Against Government Waste, and other fiscal watch dog organizations, I am on the floor to say we need to appropriate this money. The fact is that we have already spent it.

Over the past 40 years, the United States has deployed troops around the world 41 times, but 33 of these 41 missions have come in just the past 8 years.

We need to realize the tremendous costs we accrue when we deploy our military to troubled spots all over the world. These missions cost money and resources which we have taken from other parts of the defense budget.

Today, our military has a number of acute needs that must be addressed. We need to do a better job attracting new enlistees and maintaining the necessary level of reenlistment. Our soldiers, sailors, pilots and Marines are overworked and underpaid. Our training has suffered. We do not have the necessary munitions for potential new encounters. And we are cannibalizing existing planes, tanks, and other equipment for their parts in order to make other equipment operational.

Mr. Chairman, many of us have not supported the President's decision to use military force in Yugoslavia and did not vote for last week's resolution endorsing air strikes. But the fact is, there is a war in Kosovo and we need to pay for it.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I rise in strong support of the effort being undertaken by NATO in Kosovo and Serbia. I rise in agreement that we must fund our armed services at increased levels to ensure that our security and our ability to join our allies in maintaining international security and stability is maintained.

Mr. Chairman, I believe the President has requested the correct sum for the war until September 30th of this year, $5.9 billion. I believe that war against Serbian genocide and ethnic cleansing is absolutely essential for us to participate in.

But, Mr. Chairman, I also believe we must assist our farmers who find themselves in real crises, and the almost 1 million victims of this hemisphere's worst natural disaster in this century. I therefore, Mr. Chairman, will support the Obey amendment.

I will also, I tell my good friend and the chairman, be supporting increasing the fiscal year 2000 appropriations for our military to ensure the objectives of which I have spoken and of which the gentleman from Florida (Mr. YOUNG) has so eloquently spoken.

Our national interest, our commitment to humanitarian and moral principles, will be served by the passage of the Obey amendment and it will do so in a way more consistent, I believe, with fiscal responsibility and our responsibility to our men and women in the Armed Forces and to our allies in this just war in which we are now involved.

Mr. Chairman, if the Obey amendment fails, I fully intend to support the Young alternative. There is no question but that we must support this effort which is undertaken by NATO and ourselves to defend the principles for which NATO was created, for which this country stands, and which are critically important if the world is to be the place in which we want our children to live and in their future succeed.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. FRELINGHUYSEN), a member of the Subcommittee on Defense Appropriations.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I suspect that history will record our action today on this supplemental as an especially important act of this Congress. As we basically fight two undeclared wars simultaneously, one through humanitarian purposes in the Balkans and the other over Iraq, our actions today help pay for one and indirectly for the other.

This is a replenishment but it is also an investment to keep our young people in uniform, and wars are fought by the young, safe and well-equipped in battle. This bill supports our troops. This bill will make an immediate difference in their lives.

This bill acknowledges what the White House will not, that all of our military and humanitarian missions in the Balkans will cost billions more than the President will admit. This bill will boost morale by providing military pay raises and retirement benefits. It will do things for refugees.

And finally, this bill gives the President control over the use of these emergency dollars that we provide. In other words, the Commander in Chief could use it to meet any crisis.

The CHAIRMAN (Mr. THORNBERRY). The gentleman from Florida (Mr. YOUNG) has 6 minutes remaining. The gentleman from Wisconsin (Mr. OBEY) has 3½ minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan (Mr. KNOLLENBERG), a member of the Committee on Appropriations.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of this emergency supplemental bill for our troops in Yugoslavia under the leadership of the chairman, the gentleman from Florida (Mr. BILL YOUNG). I think it is a great bill.

President Clinton has created a national security emergency by cutting the defense budget while spreading our troops around the world. In the last 8 years, our military has been reduced by some 40 percent. Look at Yugoslavia. Already the President has had to call up 25,000 reserves and divert planes from the Iraqi ''no fly'' zone to Yugoslavia.

While I have, and many others do as well, strong reservations about the decisions that have led us to this point, I feel that the United States is now confronted by a series of bad options in Yugoslavia. I believe it is important, however, that NATO continue its operation. The credibility of NATO and the United States depends on it.

The $12.9 billion in this bill will ensure that our troops receive the resources they need to carry out their mission and begin to rebuild our national defenses, which have been substantially weakened by Mr. Clinton's neglect.

Mr. Chairman, I urge my colleagues to do the right thing and support our troops by voting ''yes'' on this important bill.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. FOWLER) a member of the Committee on Armed Services.

Mrs. FOWLER. Mr. Chairman, I rise in strong support of H.R. 1664. This is not a referendum today on the air campaign against Yugoslavia. It is a first step in restoring the dollars that have been taken out of critical readiness accounts of the Department of Defense and to replenish stockpiles of our critical weapons and munitions.

We have a crisis today in the readiness of our Armed Forces. Two weeks ago, I was out at my Jacksonville Naval Air Station. Twenty-one P–3's sitting on the tarmac. Only four could fly because of a lack of spare parts. I met with the S–3 pilots. They are supposed to be flying 20 to 25 hours a month to keep up their skills. They had only flown 5 hours last month because there were no planes that they could fly.

This Congress needs to send a message to the young men and women serving in uniform in our military that we support them and that we are going to provide them with the resources that they need to do the fine job that they always do for this country. I urge my colleagues to support H.R. 1664.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Chairman, just when we were starting to see evidence of the positive change in the old international mind-set of having the rest of the world identify a problem at some distant point on the globe and collectively point to the U.S. and say they solve the problem with their troops and their treasury, it appears we are in danger of reverting to the old way.

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Several weeks ago we gave conditional approval to the U.S. being part of a NATO international peacekeeping force in Kosovo. Four thousand troops out of the 28,000, 15 percent of the total. Now that we have undertaken the air campaign, instead of a 15 percent contribution, it appears we are shouldering from 60 to 80 percent of that contribution.

The President should seek financial reimbursement from our allies as this bill requires. Moreover, the military campaign will not be the end of the story in Kosovo. Refugee assistance and resettlement will be expensive undertakings. So, too, will rebuilding. There must be equitable burdensharing. Our Nation has not, cannot and will not walk away from our responsibilities. But the burden is not ours exclusively, and our allies must recognize this.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. CHAMBLISS).

Mr. CHAMBLISS. Mr. Chairman, I rise in strong support of this resolution.

While our military operations in Kosovo continue with no end in sight, America faces a crisis in military readiness. Our troops are overextended and underfunded. The military is 40 percent smaller now than the successful force of Operation Desert Storm, and operational commitments around the world have increased by 300 percent. More troops are being sent around the world to perform more missions with fewer resources. While Congress has restored some funding to the defense budget, the Joint Chiefs of Staff still estimate that there is a significant shortfall.

The Navy is decommissioning ships faster than they are being replaced. We are literally flying the wings off aircraft that are almost 40 years of age. The Air Force and the Army are running short on missiles. The list goes on and on. An effective military force cannot fight and win in a world where critical weapons systems must be cannibalized to keep other equipment operational.

Task Force Smith paid a high price in Korea in 1950 because the Army was stretched too thin, underequipped and overutilized. We must not allow that to happen again. I urge my colleagues to support this resolution.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the supplemental. Not only is readiness important and the funding we are putting in here will bring the morale of our troops up where it should be and provide them the resources they need, but we are also showing strong support at the same time for our operations in Kosovo. I think that that is particularly important, that we stress that we are fully supportive of what our military is doing at the present time in Kosovo and that we are fully behind the work of our courageous and brave men and women who are out there fighting this battle for all of us.

These humanitarian concerns that we have in this Congress are particularly important. We want to make certain that our military today and tomorrow is going to have the sufficient resources and assets that are so important.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, objection has been heard from the other side of the aisle because I have stated, as have others, that this war is being politicized. Let me tell my colleagues why I say that. A spokesman for your leadership last week, in explaining to the press how they justified voting to double spending for a war which last week they opposed conducting at all, said: ''it is easier for us to support the Pentagon than it is to support this President.''

The distinguished majority whip took the floor just a few minutes ago and said ''This President is bombing his way around the globe.'' That is the same gentleman who was reported in a Washington Post article last week to have called in a series of lobbyists to ask them to lobby for this bill.

One member is quoted in the article, '''We've added a lot in defense money to this,' said one lawmaker who asked not to be identified. 'That helps those lobbyists.'''' That is not my quote. That is a member of the other side.

Another member of the leadership is quoted as saying, ''We want to make clear that this is Clinton's war.''

The majority is suggesting that we ought to, instead of supporting the request that the President has made of almost $7 billion, instead they are pouring billions of dollars, totally unrelated to the war, into this budget bill which is supposed to be an emergency appropriation for Kosovo. And what effect does that have? That gives the public the impression that the war costs a whole lot more than it is actually costing. Then they wonder why I raise objections about the politicization which has gone on.

Then we have heard that Clinton has almost single-handedly weakened the military. I would point out that the other side of the aisle has controlled this House for the last 4½ years. They have spent more than $1 trillion on military spending during that time. They have added $27 billion to the President's request. Yet all but $3.5 billion of that has gone for items other than readiness. If they are so concerned about readiness, why did they not put the money there, instead of spreading it and larding it for pork items all throughout the budget? Pork items which have been amply reported in the press.

I heard one speaker say that it was terrible that we did not have enough JDAM missiles. I would point out, it was the majority party that pushed a bill through this House last year which cut the appropriation for JDAMs from $53 million to $46 million and cut the number of available missiles by 17 percent. If they really believed we needed additional money for readiness, why

did they not put the money there in the 4½ years that they have led this institution?

And then, lastly, we hear a speaker say that we have got to have better burdensharing between other NATO countries and the United States. Yet their version of this bill gratuitously pays, 1 year ahead of time, our full military construction dues to NATO. That makes us the only country in the world that provides them money ahead of time. How are we going to get better burdensharing when we are acting like Uncle Sucker doing that?

I would urge Members to vote for my amendment when the time comes. That is the responsible action to take.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

One of our speakers said that history will record our activities today. I am not so much concerned about history as I am the young Americans who are serving in uniform, those in the Army and the Navy and the Air Force and the Marine Corps and the Coast Guard who go to war when America goes to war. Those are the ones that I am trying to look after today and that this bill tries to look after.

The gentleman from Wisconsin has just raised the issue of JDAMs again. Over the 4 years that I had the privilege of chairing the Subcommittee on Defense, the biggest battle I had on this floor in developing a bill that could be signed was because I added more money than the President asked for.

Mr. OBEY. Not for JDAMs.

Mr. YOUNG of Florida. For JDAMs. To show Members how conservative this committee is, JDAMs last year was not ready to go into full production because JDAMs had some technical problems. And so there was a program slip, and we did reduce the amount of money because of the program slip. We are not going to pay for a program that is slipping. JDAMs are being used today, and we are running out of them.

Mr. DEGETTE. Mr. Chairman, I rise today to express my support for adequate funding for the North Atlantic Treaty Organization's (NATO) military actions in Kosovo. I support the Clinton Administration's request for $6 billion to stop Yugoslavian President Slobodan Milosevic's campaign of terror, but I cannot support the $12 billion funing package proposed in H.R. 1664.

The U.S. role in NATO must be unflinching. The Administration's $6 billion spending request is too important to be bogged down in political maneuvers of non-urgent defense spending. Let us pass the $6 billion our military needs to continue operating the NATO effort and then debate the merits of additional, non-emergency military funding in another, less urgent forum.

Mr. PACKARD. Mr. Chairman, I firmly support H.R. 1664, The Emergency Defense Supplemental Appropriations Bill for FY 1999.

Mr. Chairman, our armed forces are stretched farther around the world today than at any time in our history. Deployments in both the Middle East and the Balkans have revealed a true national defense emergency. Our armed forces are suffering from dangerously low personnel, equipment and muntions.

Our military is under considerable strain and the measures being taken to continue operations cause me great concern. We are converting portions of our critical nuclear arsenal for conventional warheads to address severe cruise missile shortages. We are pulling aircraft carriers out of the Pacific to patrol the Mediterranean, despite potentially dangerous tensions with China and North Korea. We are transferring aircraft and support crews from missions over Iraq to fly sorties over Yugoslavia. Finally, the President has called up 30,000 reservists and enacted orders that prohibit many members of the Air Force from leaving the service until the Kosovo air war is over.

Mr. Chairman, the shell game our military commanders are being forced to play must be stopped. We cannot continue to put our service men and women in harm's way without the support necessary to complete the resources without delay. To do anything less is both irresponsible and morally wrong.

I firmly oppose this Administration's policy in the Balkans. I have repeatedly voted against legislation affirming our participation in Operation Allied Force and continue to believe that American military intervention in the region is not the answer. My vote in support of this emergency supplemental legislation is not an approval of this Administration's foreign policy in Yugoslavia, Iraq, Haiti or any other region of the world.

Mr. Chairman, I support H.R. 1664 because this legislation supports our troops. No matter where our troops are deployed, Congress must never neglect their needs. We have a responsibility to provide our military personnel with the necessary tools and training to complete their missions wherever they are. Congress cannot abandon our troops just because the President deploys them unwisely. I urge my colleagues to support our service men and women by approving this important legislation.

Ms. HOOLEY of Oregon. Mr. Chairman, watching this debate I couldn't help but ask myself a question. Where are the 302B allocations? For those watching at home, 302B allocations set the spending levels that the 13 Appropriations Committees must work with to move forward the federal—nonemergency—spending.

The 302B allocations are nowhere to be found. The federal budget is so tight that the Majority Budget Committee Members can't figure out how they are going to fund the government next year without busting the spending caps. The Majority is having a heck of a time figuring out how to increase military spending without cutting important social initiatives or busting the budget caps.

Then, along comes the Kosovo Emergency Spending bill—which Congress can now use to slide billions of dollars under the budget caps into military spending with little complaint from the Administration. Well, I protest, Mr. Chairman.

The other body has done the right thing with the Kosovo Emergency Spending bill. I support the Obey substitute because it, as well as the bill moving through the other chamber, gets the job done in Kosovo, but is not a giveaway to the special interests here in Washington.

This bill is not an excuse to push through billions of dollars of spending and take the pressure off the federal spending caps. That should be done in front of the American public in the normal Appropriations process.

Support the Obey substitute.

Mr. ROEMER. Mr. Chairman, I rise in strong support of H.R. 1664, making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo. I urge my colleagues to support this important legislation to respond to current defense shortfalls. However, I would also like to take this opportunity to highlight a few of my concerns about the bill.

U.S. forces are in harm's way. This is the case no matter what your position was on the debate regarding the Kosovo policy resolutions last week, Therefore, it is imperative for the Congress to stand united in support of this important bill. While I continue to strongly oppose the deployment of U.S. ground troops to the region, it is nevertheless critical that our military commanders and our troops have the necessary military equipment to carry out their current mission and finish the job.

Passing this bill sends a clear message to Slobodan Milosevic that we stand united behind our Armed Forces. A strong, bipartisan vote shows that we will continue to fight Milosevic and his brutal campaign of ethnic cleansing, and that we support NATO's mission to force him to withdraw from Kosovo and return to peace negotiations.

This bill is designed to replenish the current shortages in munitions, equipment and spare parts in the Services. While this bill goes further than the President's initial request, it is still an appropriate response to accelerate funding to meet the critical shortfalls identified by the Joint Chiefs of Staff. Clearly, the conflict in Kosovo has exposed the fact that our Armed Forces can be overextended. We are involved militarily in Iraq and Bosnia at the same time we pursue our objectives in Kosovo. Our immediate ability to respond to crises in other strategically important areas, such as the Persian Gulf and the Pacific theater, has been eroded considerably. Moreover, if we are going to reverse the alarming rate of decline in recruitment and retention of experienced military personnel, we must also provide adequate pay, quality-of-life and retirement benefits.

I have some concerns that this bill includes more than $1 billion for additional military construction spending. Only a small percentage of these funds have any relevance to the current military activity in Yugoslavia. The 77 projects which are funded in the bill are scattered in locations ranging from Southwest Asia to Northern Europe. It is highly arguable whether they represent the most pressing military construction needs. I question whether they need to be part of this emergency supplemental appropriations bill. I would hope that the House could more appropriately address these military construction add-ons when it is time to

consider the regular fiscal year 2000 Military Construction Appropriation bill, which is usually among the first spending bills considered by the House.

However, I strongly support the main thrust and intent of this legislation as an important response to the current defense shortfalls. We must begin the necessary process of correcting that situation now, or it will get worse. I will vote for this bill and strongly encourage my colleagues to support the legislation as well.

Mr. HULSHOF. Mr. Chairman, I rise in reluctant opposition to H.R. 1664, the supplemental Emergency Appropriations for Kosovo and Southwest Asia, and I urge the Committee on Appropriations to return to this body with a more fiscally prudent bill to cover the true costs of U.S. military operations against Yugoslavia.

Let me say at the outset that my opposition to this measure does not in any way reflect upon my belief that the President has seriously miscalculated the merits of Operation Allied Force. Last week, as this body debated a series of resolutions dealing with the crises in Kosovo, I expressed my lack of confidence in the military policies pursued by the President and his political advisors.

Today, however, from my humble vantage point, the issue is dramatically different. The men and women of the United States Armed Forces who find themselves in the thick of the Balkan conflict are not allowed to question the merits of the orders given by their commanding officers. By choosing to enlist in the military, they allow themselves to be placed in harm's way in order to defend America's interests even when those ''national interests'' as defined by their Commander-in-Chief are questionable or controversial. I believe Congress must reward their commitment with all of the resources reasonably necessary to successfully carry out their mission.

The issue then before us is as follows: what level of emergency funding is consistent with achieving the objectives of the current NATO military campaign? To put it another way, how much has the Kosovo conflict cost us? It is my opinion that this figure is considerably less than $13 billion.

My colleagues make a somewhat persuasive case that overall military preparedness has suffered as assets, equipment, and manpower are diverted from other regions of the world to cover the conflict in Kosovo. And yet, proponents of this measure are stretching the definition of ''readiness'' to include military projects and equipment not even remotely related to Operation Allied Force.

The bill includes multiple construction items in seven countries: Germany, Greece, Italy, Portugal, Spain, Turkey and the United Kingdom. My colleagues argue that many of the barracks and maintenance shops in those countries were built before World War II and that no significant modernization improvements have been made. Can we not rectify these shortcomings through the normal appropriations process? Congress necessarily reserves the emergency supplemental bills to pay for unforeseen circumstances like disaster assistance or military conflicts. Do the indoor firing ranges or vehicle wash facilities qualify under such a designation?

The bill further calls for a $1.8 billion increase in military pensions and cost of living adjustments for military personnel not participating in the NATO operation. Make no mistake, Mr. Speaker, I fully support improvements in the quality of life in the military. I agree with those legislators who claim that this Administration has contributed to the decline in recruitment and retention of experienced military personnel.

However, the situation, while unacceptable, is completely unrelated to the subject of this bill—military operation in Yugoslavia and Southwest Asia. Again, those inequities are better rectified through Congress' annual appropriations process.

In conclusion, Mr. Chairman, I agree with the intent of the legislation to restore our military might and return to an era of ''peace through strength''. I have consistently voted in favor of virtually every military appropriation bill that congress has considered. Today, however, I cannot in good conscience support a measure which attempts to reverse several years of military decline by loading up a supplemental appropriations bill and bootstrapping onto a true ''emergency''.

Accordingly, I vote ''no'' on the resolution.

Mr. EVERETT. Mr. Chairman, I rise in support of this emergency supplemental appropriations bill for military operations in Kosovo (H.R. 1664). Our military is in fact in an emergency situation, where readiness is dangerously low. I dare say that the two recent Apache (AH–64A) helicopter crashes in the Balkan Theater are a direct result of reduced flying hours for our air crews, which has been precipitated by a constant drain on training dollars. Most regrettably, we have lost the lives of two American patriots.

Mr. Chairman, this state of military un-readiness cannot be allowed to continue, and that is why this $12.9 billion package of military priorities is so important. This appropriations bill includes $3 billion for vital spare parts, depot maintenance backlogs and recruiting, $831 million for neglected overseas military activities that house our forward deployed forces, and $684 million to replenish the all important precision guided munitions (PGM) including cruise missiles, JDAM (joint direct attack munitions), HARM, Maverick, and others. The Administration has allowed the stockpiles of these PGM's to reach a dangerously low level, so we must act now in order to get the production lines running.

In addition, this legislation includes a down payment on needed improvements to military pay and retirement benefits. This $1.8 billion provision will serve as a starting point to increase active duty pay, and the repeal of the REDUX retirement system that has been such a deterrent to recruitment and retention.

My support for this bill should, in no way, be construed as my support for the President's misguided military action in the Balkans. My position in opposition to Operation Allied Force has been clearly stated in previous votes on this floor. This is not a blank check for the President, but a bill to replenish the readiness accounts of the services that have been emptied to carry out this operation. Moreover, we have young Americans serving their country who are in harm's way; they are caught in the middle of this foreign policy dispute, and it would be irresponsible for this Congress not to fully support them in every way possible. This emergency supplemental doesn't begin to fix the long decay of our armed forces, but it provides for their most pressing readiness and equipment needs of today. I urge the adoption of this legislation.

Mr. OSE. Mr. Chairman, I would like to state for the record my position on the Supplemental Appropriation Bill. Last week I voted for a resolution that would have removed our troops from Yugoslavia, pursuant to the War Powers Act. The current mission in Kosovo concerns me tremendously. I am not convinced that our involvement in Kosovo serves our national interest. When the President sends American troops into battle there must be a national interest at stake. There should be a clear goal of the mission, including a realistic exit strategy. In addition, the President should inform the public of the impact on military readiness around the globe.

The operation in Kosovo is extremely perilous. If the President insists on deploying ground troops into Kosovo, many American lives will be lost. The mission in Kosovo is also stripping away valuable military resources from other parts of the world. If the United States continues to engage in peacekeeping missions around the world, our military will be less prepared to respond to true national security threats. Thus, Kosovo presents two real dangers to the United States: one immediate and one long term.

Although I oppose the mission in Kosovo, I understand the need for a strong national defense. The men and women of our armed forces are a treasured asset. No citizen should underestimate the value of the military in protecting our country from foreign threats and defending our national interests abroad. For that reason, I support the efforts of Congress to meet the needs of our armed forces.

Finally, notwithstanding my support for the Supplemental Appropriation Bill, I object to the way Congress pays for emergencies. Currently, Congress is not limited by budget rules or caps when it appropriates money for emergencies. While I agree that Congress needs to be unrestrained when responding to natural disasters, I take exception with the current process of funding emergency situations. Every time Congress attempts to respond to an emergency, Members of Congress use the opportunity to include funding for non-emergency items. Instead, Congress should establish a fund to help pay for emergencies when they arise. That way we can avoid including unrelated items into emergency appropriations bills, and maintain sound fiscal policies at the federal level.

Mr. COOK. Mr. Chairman, I rise in opposition to H.R. 1664. This money is being requested to support the war in Yugoslavia, a war we must exit, not support this ill-conceived conflict has not caused the inadequacies of our defense infrastructure just as surely as these ill-conceived funding requests will not cure the problems that years of fiscal neglect have created.

I believe in a strong defense and I pledge to support funding levels that will strengthen our military. But we must do this properly through the normal FY 2000 appropriations process.

I also believe there are valid humanitarian issues in Kosovo, and I support the humanitarian efforts there. But make no mistake, whether it be 6 or 13 billion dollars, the money will come directly out of the 1999 Social Security budget surplus.

Democrats and Republicans alike have agreed that Social Security needs to be protected, yet we are about to fail our first test of that commitment. I for one refuse to prosecute this war and the pretense for its funding on the backs of the Americans who depend on Social Security.

Ms. LEE. Mr. Chairman, I rise today to oppose this emergency supplemental appropriation to support an undeclared war in Kosovo. Republicans have added a tremendous amount of unnecessary funding to the Administration's request, openly disregarding the integrity of the Congressional budget process and the use of ''emergency spending''.

The bill that we consider today, H.R. 1664, is more than double the Administration's request. Many of the programs loaded into this bill have little to do with the war but rather are individual requests. How do we justify such outrageous spending? Many of these requests have nothing to do with humanitarian efforts to rebuild a country that our bombs are systematically destroying. Let me assure you, I steadfastly support funding for humanitarian efforts—and I would not hesitate to vote affirmatively on a bill specifically targeted to provide such funding. But this bill's major thrust is to support ''pet projects'' and an undeclared war—which I do not support.

Also, I am disturbed by the proposal that social security surpluses could be used to fund this war. Mr. Chairman, I ask you how can this be? Less than two weeks ago this Congress on a bipartisan basis passed the fiscal year 2000 budget resolution vowing to protect social security. How I ask you does a Republican majority extract $6.9 billion out of a program that they argue must be protected by a ''lock box''? I agree with Mr. OBEY's remarks: ''I find it mind-boggling that some of the same members who yesterday voted against the operation will today vote to more than double the amount of spending that the President has asked for to conduct those operations.''

Let me remind you of our obligation to fund programs that support U.S. citizens and taxpayers, our constituents, and our soldiers. Our current discretionary Federal budget allocates a whopping 48.2 percent to national defense, while a mere 5.3 percent is invested in educating our children; an embarrassing 1.5 percent is dedicated to housing our citizens; and worse still, the very soldiers who serve today, and become our veterans tomorrow, are shamelessly allocated just 3.4 percent of the Federal discretionary budget to support their veterans benefits and services.

Mr. Chairman, these are only a few of the significant programs that deserve this Congress' attention and support. I vehemently oppose this supplemental appropriations bill, and more importantly I oppose this war. Instead of voting on this supplemental, let's do something far more meaningful. Let's vote to stop the bombing and direct our attention towards negotiating a diplomatic solution to end the horrific genocide, death and destruction in Yugoslavia. A bill that provides ''true'' humanitarian assistance to the people of Kosovo, and rebuilds the region will get my vote.

Mr. UNDERWOOD. Mr. Chairman, this bill before us today—The Kosovo and Southwest Asia Emergency Supplemental Appropriations Act of 1999—is bringing to the fore front of debate several pressing issues that will have a long-standing effect upon the National Security of the United States.

First, the Kosovo operation, while it may not directly be vital to America's immediate national security interests, it most certainly will have an impact in the long-term. The United States is engaged in the Balkans to combat the forces of inhumanity and aggression. The list of daily atrocities committed by Yugoslavian troops against the ethnic Kosovar Albanians, is all but too well known. We are indeed witnessing a modern day genocide in Europe. Here it is, almost the end of the century, and we almost stood idlely by as President Slobodan Milosevic began a genocidal policy of intimidation, rape and extermination under the name of ''ethnic cleansing.'' However, the United States and NATO did not stand down. Geo-politically, the conflict in the Balkans has the potential to embroil other nearby states, thus creating a destabilizing effect throughout Eastern Europe. America has a vital security interest in a stable, democratic and peaceful Europe. This is why the United States along with its NATO allies have found it necessary to stand up to Milosevic's naked aggression in Kosovo. In order to continue this important mission, the President has requested this emergency spending bill, which will pay for the mission for until the end of the fiscal year.

The second vital element that is included within the President's bill is the international economic, refugee and disaster assistance package for the ''front-line states'' effected by the Balkans crisis. Furthermore, I support the Obey substitute Amendment because it does so much more for the refugees than the Republican add-on in the underlying legislation. This money will go towards fulfilling our long-term commitment to the peoples of the Balkans and demonstrate our extreme desire to sow the seeds of recovery once the conflict is over. Additionally, the Obey substitute measure also places in this emergency bill, the Agricultural and Central American Assistance package from the previous supplemental, H.R. 1141. This is vital to protect and assist America's farmers and our Latin American neighbors who suffered terrible privation after Hurricane Mitch raged across their lands. My own district of Guam would indirectly benefit from this added provision, as some funds dedicated to the Immigration and Naturalization Service would be reprogrammed to assist in Guam's plight with illegal migrant Chinese nationals, of which some 1,100 have been apprehended.

Mr. Speaker, the third issue effecting America's long-term security interests included in this bill have to do with supporting and paying for our Armed Forces. I do support the pay raise included herein as our troops have long had to face a widening gap in pay between themselves and the private sector. America's military men and women are the very embodiment of dedication, ingenuity and ''can-do'' tenacity. They deserve this pay raise and I urge every member to support it. Interestingly, the Republican budget resolution this year did not fund the 5.5 percent raises for certain military personnel critical to maintaining readiness, commonly referred to as ''Pay Table Reform.''

There are other military budget items that are also funded by Congress. These are in the areas of MILCON, spare parts, munitions, readiness, base operations and depot maintenance. These budget accounts are very important and do require our attention. In principle, I support recapitalizing these important accounts. However, my colleagues on the other side of the isle are misconstruing some of the facts regarding the military budget in general and this spending bill in particular. In fact the Republican majority has spent many weeks bashing the President for his supposed lack of concern for our military. For weeks, they have incorrectly stated that the President has been negligent in his responsibility to provide for our military. They maintain that this is demonstrated by the President's many years of inadequate defense budget requests while, at the same time, deploying troops in more world-wide engagements than ever before. What my learned colleagues fail to comprehend is that today's ''readiness crisis'' is actually as result of two simultaneous factors—the post-cold war military draw down and the new multi-faceted security environment. These two components are not any person's fault despite what the majority would have you believe but they are a reality of tighter budgets and an unstable and uncertain international arena. It is glaringly apparent that the Republican majority is using the occasion of the Emergency Spending Bill as an opportunity to politicize and cast blame on certain global realities that our nation's foreign policy experts—on all sides of the political spectrum—still have yet to sort out.

Mr. Chairman, it is important to also point out that the Republicans have conveniently forgotten that the discretionary budget caps enacted into law, which sets the spending levels for the Department of Defense, were part of the Balanced Budget Agreement of 1997. The very same bill that was supported by the entire Republican leadership of the House and Senate and the vast majority of Congressional Republicans.

The President requested $198 billion more in defense outlays than the Republican Budget Resolution conference agreement over the 10 year period, 2000–2009. This year the House Democratic alternative provided $48 billion more in defense outlays than the Republican Budget Resolution conference agreement over the 10 year period, 2000–2009.

In their zeal to criticize the Democrats as anti-defense, the Republican's have in fact been creating a mis-information campaign. This year in the House Armed Service Committee hearing cycle on the FY00 budget request, our service chiefs testified about our military's readiness and troop retention problems. One ''quality of life'' benefit that all the chiefs stated was an important factor on declining troop re-enlistment was the retirement system, known as REDUX. A repeal of this program, which would restore military pensions to 50 percent of basic pay after 20 years instead of 40 percent, would go a long way toward reversing the declining re-enlistment rates. Despite the fact that all chiefs noted that

the REDUX repeal was a top priority for their troops, the Republican budget did not fund the repeal of REDUX. The Republican resolution rejected the appeals of the Joint Chiefs of Staff to fund this critical personnel initiative.

The Republicans are guilty of not thinking long-term when it comes to defense planning. However, this President does think long-term. This year the President requested $2.9 billion more for defense over five years than the Republicans provided for in their FY 1999 budget resolution. The President, with the support of many Congressional Democrats, have been the moving party for increasing the Defense budget in a responsibly and fiscally prudent manner. While Republicans have been content to follow the President's lead in the short-term, time again, they have shown that in the long-term their holy grail of issues, the tax cut, will always supplant national defense in their budgets.

Mr. Chairman, my dear friends on the other side of the isle are exploiting the Kosovo crisis to make political points against the President and NATO in order to create the impression that Democrats are not strong on defense issues. Their efforts are a political ploy and not a reasoned or responsible effort. I urge all my colleagues to support the Obey substitute amendment.

Mrs. BIGGERT. Mr. Chairman, I rise in strong support of H.R. 1664, the Emergency Kosovo Supplemental for Fiscal Year 1999.

My vote today is both a statement of support for our men and women in harm's way and also for addressing the increasingly serious readiness, quality of life, and infrastructure shortfalls.

Last week, Congress fulfilled its duties under the War Powers Act by voting on a resolution calling for the withdrawal of our soldiers from Kosovo and by voting on a resolution to declare war on Yugoslavia. I voted to withdraw our soldiers and against declaring war. In addition, I voted to require the President to obtain congressional approval before deploying ground forces and against authorizing the air strikes.

Despite my votes, the air strikes go on. It is now my responsibility to ensure that our armed forces have the ability to carry out this mission to a successful conclusion. Indeed, H.R. 1664 gives the President precisely what he believes is needed for the Kosovo campaign.

But H.R. 1664 goes further, by addressing the dire emergency that our involvement in Kosovo finally has brought to light. While defense budgets and force structure have diminished, U.S. security commitments have grown. Our soldiers are asked to do more and more with less and less. That is wrong.

The $6.9 billion in H.R. 1664 is merely a down payment on the substantial needs of the military that have for too long been neglected. We will make an immediate difference for our military by providing much needed funds for spare parts, equipment maintenance, and recruiting.

If America wishes to protect its own freedom and security, it must accept the burden of paying for it. This bill advances that cause. I urge all my colleagues to support H.R. 1664—support our men and women in the Armed Forces.

Ms. WOOLSEY. Mr. Chairman, as every Member in this body is well aware, the issue of Kosovo is an extremely difficult one and there is no easy answer.

It would be easier for all of us if this issue were black and white. It would be easier for us if this supplemental spending bill was not mired in politics. And it would be easier if all of the funds in this bill were used for true emergencies.

I supported the Obey amendment today, not because I support further military operations in Kosovo, but because it is the responsible thing to do. The legislation and the current amendment before us, does not address the real emergencies that need to be dealt with right away.

Regardless of one's perspective on current United States policy and operations in the Balkans, our troops are in harm's way, and we have a responsibility to ensure that they have the resources they need. I do not support continuing the airstrikes and I do not support sending in ground troops.

But we have already spent an estimated $1 billion on this operation. A responsible nation does not commit to something and then refuse to pay for it.

I may oppose the policy that we've committed to, but I am not willing to say that the United States should break the promise America has already made to NATO. It is not that easy. But, I will not refuse U.S. aid for the tens of thousands of refugees expelled from their homeland. That is why I supported the Obey amendment today.

Unfortunately, some Members are using a time of international crisis as an opportunity to load on billions of dollars in pork. No matter what some on the other side of the aisle might say, these additional funds are not going to help the men and women that are stationed in the Balkans.

These funds will not go to the innocent refugees struggling for their very lives throughout the region.

Here's what the pork will pay for: $47 million is going for a bachelor officers' complex in Bahrain; $1.34 billion is earmarked for spare parts unrequested by the Pentagon. Not only are these spare parts unrequested, but the Department of Defense is still overspending for these parts by as much as 618 percent. The Pentagon paid one contractor $76 for 57-cent screws.

None of this wasteful spending is going to bring us closer to peace. Not one pork barrel project is going to end this terrible tragedy or help the innocent Kosovar refugees. And wasteful spending is not going to help the people in Central America or America's farmers hurt by falling crop prices.

If some Members of this Congress are determined to provide additional funds for the military operation not requested by the President, those moneys should come from cuts to wasteful and redundant programs in the current Pentagon budget, through the regular appropriations process.

By weighing this bill down with unrequested pork, we are also jeopardizing aid to our farmers. Our farmers are still faced with declining prices for their crops—threatening their income and their livelihood. It is essential that we rush this aid to American farmers to help them recoup losses resulting from natural disasters and persistently low commodity prices. Farmers need this funding now—but putting unrequested add-ons in this bill could delay and threaten that aid.

We must also take the responsible path and include funding for Hurricane Mitch. Hurricane Mitch left behind a catastrophe of tragic proportions. Thousands died and millions of people were displaced throughout Central America.

This disaster calls for a major humanitarian response from the United States and this Congress has let this issue twist in the wind. That is irresponsible and unacceptable.

We can't turn our backs on our troops, the Kosovar refugees, American farmers, or the victims of Hurricane Mitch. We must address these important issues and be responsible.

Mr. BENTSEN. Mr. Chairman, I rise in reluctant support of this legislation. I strongly support the funding this bill provides for our troops engaged in the conflict over Kosovo, but I oppose the reckless manner the majority party has taken in bringing this bill to the floor of the House.

As we all know, earlier this year, President Clinton asked Congress for an emergency appropriation to aid disaster relief in the United States and Central America in the aftermath of Hurricane Mitch, provide agricultural relief to U.S. farmers and fund the U.S. commitment to the Middle East peace process. At that time, many Republican members of this body insisted, as is within their rights, that the appropriated funds be offset by finding savings elsewhere in the budget, even though the budget rules don't require offsets.

Now, we have a situation where the President has requested an emergency appropriation to pay for the military operation in Kosovo. Instead of insisting on finding offsets, the Republican members of the House added some $7 billion to this bill in extraneous defense spending unrelated to Kosovo that would usually be considered through the normal appropriations process.

If it is truly an emergency, this bill should provide only the necessary funds for the Kosovo operation, which many Republican members of this body have voted repeatedly against. The willingness of the majority party to increase, by $6 billion, funding for the military effort that most voted against last week is the height of hypocrisy. How can you vote against our engagement in the Kosovo conflict one week, then turn around and vote for a $13 billion increase for that same effort the very next week?

The answer, of course is pork. The majority knows that the increases in this bill won't be offset. This emergency supplemental bill is being used as a tool to pay for billions of dollars worth of defense projects unrelated to the ongoing operation over Kosovo. The majority has, in effect, found a way to fund through the supplemental what their FY 2000 budget resolution won't allow. This bill is being used as a "free lunch" card to bypass the appropriations process later this year, while providing the illusion of maintaining the appropriations caps that this body approved in 1997.

As I indicated, I will be voting in favor of this bill because it is the only mechanism we have to provide much needed assistance to the

men and women of our armed forces, who are engaged in a dangerous conflict over Yugoslavia. I also happen to support many of the provisions the majority intends to add on to this legislation. And I believe that most of the add-ons in this bill, including a military pay and pension increase, should be considered, but only as part of the normal appropriations process. Unfortunately, the majority has eliminated that option. I fear we are heading down a slippery slope of fiscal irresponsibility lead by the Republican Leadership.

Our troops are engaged in a critical conflict that will have a lasting affect on the stability and future of Europe. We are fighting against the same kind of nationalistic forces that have taken far too many American lives during this century. Let's put partisanship behind us to give our troops the support they need. Let's not sacrifice this bill and fiscal responsibility to the political wishes of a nervous majority.

Mr. BLUMENAUER. Mr. Chairman, with its actions today, the Republican leadership continues its muddle of our Balkan policy. The vast majority of Republicans have already rejected both a declaration of war and a complete withdrawal of our troops, and voted against supporting current troop operations.

However, the Republicans still want to spend twice as much money as requested for Kosovo, thereby surreptitiously busting the budget caps they've pledged to maintain. Ironically, this inflates the cost of the very effort on which they can't figure out their position. Simply being against the President and also claiming 20–20 hindsight on matters of diplomacy is not leadership.

I supported the Democratic substitutes, which would eliminate much of the military spending unrelated to Kosovo. It would also have included the necessary emergency funding for the unprecedented hurricane damage in Central America, and provide much needed aid to the American farmer. It is shameful these funds have languished for months without action.

Our troops deserve a bill that is not one dime less than our military obligations require. The American people deserve a bill that is not one dime more.

Mr. BERRY. Mr. Chairman, I rise today to support our troops and to express my complete disgust at the process forced on the House of Representatives by the Republican majority.

Today I am faced with a choice. I want to do two things: support our men and women who are in harm's way in Kosovo, and protect the money in the Social Security Trust Fund. Unfortunately, the Republicans have decided that Social Security is not particularly important, and they used the Trust Fund to more than double what the Department of Defense needs to fully fund the military operations in Kosovo. Republicans are willing to rob the Trust Fund to increase the defense budget out of year 2003. I have to ask: how is building a depot in Germany two or three years from now an emergency?

We have an appropriations process. We have budget agreements. It was just three weeks ago that we passed the Republican budget plan that set caps on military spending. The budget sets limit on agriculture spending, education spending, and every other kind of federal spending. Today we are seeing the Republicans bypassing their own budget constraints and undermining the whole process.

Six weeks ago we passed the much needed supplemental spending bill that had money in it to help our farmers get loans they desperately need to begin planting. The situation facing farmers is truly an emergency, and yet the House Republicans decided that the agriculture funding had to be off-set with spending cuts. Six whole weeks have gone by since then and nothing has happpened—no money for farmers, no meetings to get the legislation ready for the President's signature, no apparent concern for American farmers. It is shameful that the Republicans would let our hard-working farmers twist in the wind while we have these petty fights. But now we see these same Republicans stealing from the Trust Fund to spend on pork projects that the Department of Defense has not asked for.

Let me say again, it is a hard choice the Republican majority is forcing on me today. So, while I have no reluctance in supporting our troops, I am only reluctantly voting for this supplemental spending bill.

Ms. HOOLEY of Oregon. Mr. Chairman, this bill is full of pork.

While listening to this debate, I couldn't help but ask myself a question. Where are the 302(b) allocations that the House must use to act on other appropriations bills? For those watching at home, 302(b) allocations set the spending levels that the 13 Appropriations Subcommittees must work with before moving forward the federal—NON emergency—spending.

The 302(b) allocations are nowhere to be found in this Congress.

While federal statute calls on appropriators to put together 302(b) spending levels soon after the budget passes, they have not yet been able to do so. This is because the federal budget is so tight, the Majority can't figure out how they are going to fund the government next year.

Basically, the Majority has been trying to increase military spending under the recently passed federal budget without cutting important social initiatives or busting the budget caps—and under this budget, that was proving impossible.

Then, along comes the Kosovo Emergency Spending bill which Congress can now use to slide billions of dollars under the budget caps into military spending with little complaint from the Administration. Well, Mr. Speaker, I protest.

The other body has done the right thing with the Kosovo Emergency Spending bill. I support the Obey substitute because it, as well as the bill moving through the other chamber, gets the job done in Kosovo, but is not a giveaway to the special interests here in Washington.

The bill we have before us today is not an excuse to push through billions of dollars of spending and take the pressure off the federal spending caps. I urge my colleagues to oppose the underlying bill.

Mr. STARK. Mr. Chairman, I rise today in vehement opposition to the $12.9 billion supplemental appropriations for the military attack on Yugoslavia as well as the $11.7 billion substitute amendment.

Last week, I voted against the bill to authorize the current NATO mission. In fact, the bill failed when two hundred thirteen members of this body also opposed the measure. Why is the majority leadership today requesting $13 billion for a mission they opposed just a week ago. It appears that the majority can't spend enough on a war they refuse to authorize.

The majority is playing partisan politics with Kosovar and U.S. lives.

I will not support a funding request for a mission that has no clear parameters and is laden with pork-barrel defense spending. The Administration asked for $6 billion in the emergency supplemental, not the $12.9 billion to be voted on today. This piece of legislation appropriates funds for some projects that clearly are not urgent in nature.

Instead of giving NATO a war to justify it's purpose, we should be giving our elderly prescription drug benefits, our children better schools, and our workers a Social Security system they can count on when they retire. This bill will divert surplus funds attributable to Social Security in order to pay for military pay raises and retirement as well as military installations abroad that are completely unrelated to Operation Allied Force.

Proponents who support this measure argue that the Pentagon in underfunded. they contend that we must improve our military readiness and quality of life for our military personnel. I disagree but the debate on the appropriate level of defense spending should come in the context of the normal appropriations process where spending caps cannot be broken.

The emergency supplemental should not create an opportunity for ''Christmas at the Pentagon'' with more cruise missiles, laser guided bombs and other munitions added to our arsenal.

Appropriating defense funds for the attack on Yugoslavia gives the President the authorization needed under the War Powers Act to continue the air strikes and allow him to use ground troops if necessary. However, if funds were withheld, the President would be required to remove the troops from their current mission by May 25, 1999. Unfortunately, those same Republicans who voted last week not to authorize the current air strike are essentially giving NATO carte blanche to carry out its air attack through the summer and beyond.

If my colleagues really wanted to support the troops, they would help in the effort to end the NATO bombing. Thirty three thousand reserves have been called up for the Kosovo conflict.

The Cold War is over. The U.S. and NATO must adapt their strategies to reflect this fact. They must learn to deal with regional conflicts and ethnic cleansing in an effective manner, including international diplomatic measures.

I will not vote to spend billions of dollars for a mission that can be accomplished with a smaller price tag through diplomacy. I urge my colleagues to join me in opposing H.R.1664, Defense/Kosovo Supplemental Appropriations for FY 1999.

Mr. KLECZKA. Mr. Chairman, the President submitted to Congress an emergency spending request of $6.0 billion to fund the current operations in Yugoslavia through the end of fiscal year 1999. The Republican majority then

more than doubled the requested amount adding defense spending items that have absolutely nothing to do with the NATO operations or an emergency. For these and other reasons which I will expand upon, I must oppose this bill.

The additional spending on such areas as increased pay and retirement for our military, munitions procurement, spare parts, depot maintenance and additional moneys for recruiting are clearly justified expenditures, but should and must be addressed in the regular appropriation process where the recently passed budget bill reserved $290 billion for such purposes and other priorities. The reason the majority insists on including these items in H.R. 1664 is that the new spending doesn't have to be offset and thus will free up like amounts when they start spending the $290 billion.

Also, many of the other unrequested projects like $115 million for new facilities in Britain including $13 million for a dormitory in Fairlord and $10 million for a control tower in Lakenheath are questionable. Clearly, the $48.3 million for new bachelor housing and $35 million for a control center in Bahrain are not an emergency.

All this additional spending has been declared ''emergency'' spending by the Republicans in order to avoid the need for offsetting cuts in other discretionary accounts. Under this bill, these costs will be taken from the currently projected Federal Budget surplus.

But, Mr. Chairman, the entire surplus is made up of excess Social Security trust funds being amassed to pay Social Security benefits to current and future retirees. It was only a few short weeks ago that you and your colleagues were beating your chests over the myth that you have created a ''lockbox'' to hide the surplus trust funds from those who would seek to spend them! Guess the majority has found the key and now you're doing exactly what you promised the American people you would never do!

Mr. Chairman, I support our men and women bravely serving our country in Yugoslavia. But, I cannot support this bill which circumvents the annual appropriation process and the spending caps and unjustly uses the Social Security Trust Fund surplus.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise with serious concerns regarding H.R. 1664. This bill appropriates a total of $12.9 billion in emergency supplemental funds for fiscal year 1999, some $6.9 billion more than the President's request. Mr. Chairman, Congress needs to resist the temptation to add unrelated expenditures, even important ones, which would further delay the process, because that would undermine the very goals that this funding is intended to meet.

Despite months of allied diplomatic efforts and after forty-three days of a sustained air campaign, the government of Slobodan Milosevic has continued to defy the international community. Instead, Milosevic has pursued a course of repression and terror against the people of Kosovo. The atrocities committed by the government of Milosevic know no bounds, as the Yugoslavian police and military have been bent on the ethnic cleansing of Kosovo.

The NATO alliance could not allow these actions to go uncontested as they represent a threat to European security and stability. The U.S. and NATO objective in Kosovo is to achieve a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people. We know we have a responsibility to the people of Kosovo to respond to the humanitarian crisis.

This past weekend I joined a congressional delegation that traveled to Germany, Albania, Macedonia, Italy and Belgium. While it was indeed disheartening to see the effects of this human tragedy up close and personal, it was reassuring to witness the dedication and selfless dedication of our troops and the humanitarian organizations operating in the region. Our troops are supporting ''Operation Shining Hope,'' a major humanitarian effort to help the refugees. They need our additional help.

Mr. Chairman, it was incomprehensible to imagine the size of this tragedy. While we are all guilty of watching CNN, the scope of this crisis is overwhelming when seen in person. In Albania there are 367,200 displaced refugees, in Macedonia 142,650 refugees, and in Montenegro 63,300 refugees. On the ground and among the refugees, I was able to interact and listen to the stories of this human tragedy. I heard first hand accounts of the systematic killing of innocent men and boys, the senseless destruction of homes, and even the brutal rape of Kosovar women.

In addition to confronting the humanitarian crisis, I had the opportunity to interact with our troops. As is the norm, the U.S. Armed Forces are performing with great skill, extreme attention to detail, and with a strong commitment to achieving the goals of the NATO alliance.

Congress should endeavor to avoid a confrontation with the administration by passing a bill which is not loaded with funding projects total unrelated to the mission. The bill includes funding for construction projects in Germany, Britain, Italy and Bahrain. That's right, Mr. Chairman, a new bachelors housing complex in Bahrain is needed to secure the freedom of Europe.

Mr. Chairman, I want to express my disappointment with the refusal to allow debate on Representative TONY HALL's amendment. This amendment would have provided an additional $150 million for food and needed supplies. The refugees in Macedonia, Albania and Montenegro need this additional aid. I wish that all the Members of this body could have seen the faces of the refugees and listened to each family account their personal disaster. We might differ on the status of our military but I can not believe that we can differ on the need for food.

Mr. Chairman, I know that there are issues important to our uniformed service members, including pay, housing, and retirement benefits. As important as these issues are to my constituents and to the constituents of each of my colleagues, we must resist the temptation to add unrelated expenditures which will further delay our ultimate goal.

The Obey amendment pays for the conflict in Kosovo, increased military pay for our troops, money for emergency food assistance to the refugees and provided for the victims of the storm in Central America such as the terrible result of Hurricane Mitch. I support this approach by the Obey amendment and I support the addition to this budget of humanitarian aid to be offered by NANCY PELOSI and TONY HALL. We must include such additional relief to ease this human tragedy of the ethnic Albanians. If we are to establish a lasting peace and assist in the humanitarian effort, we should not fund unrelated projects.

Mr. BLILEY. Mr. Chairman, I rise in strong support today for H.R. 1664, the Kosovo Operations Supplemental Appropriations Act. This bill addresses two very critical matters facing our country and our military: overall military readiness and the on-going conflict in the Balkans.

Our military is dangerously underfunded and it time to reverse this injustice to our country and our soldiers, sailors, airmen, and marines. President Reagan was right when he said, ''I believe it is immoral to ask the sons and daughters of America to protect this land with second-rate equipment and bargain-basement weapons. If they can put their lives on the line to protect our way of life * * * we can give them the weapons, the training, and the money they need to do the job right.''

History has spoken that the price of freedom is not cheap. If we fail to improve our nation's military readiness and win the war in the Balkans, we will send a message to every two-bit dictator that the U.S. is no longer a Superpower and is ripe for aggression against its people and soil. As one of the Vice Presidents of the NATO Parliamentary Assembly, I will meet with our NATO allies in a special meeting in Brussels, Belgium, tomorrow, May 7, 1999. During this meeting, I will stress the fact that our mission in Kosovo cannot fail. The world is a dangerous place and it becomes even more dangerous if the NATO mission in Kosovo fails.

To my colleagues who oppose the conflict in Kosovo, our brave fighting men and women are in harm's way. Their lives are in danger. To withdraw now rewards a brutal tyrant. You may disagree whether we should be there or not but we are past that debate now. It is imperative we all do what we can to win this fight. Ultimately, the survival of NATO and our status as a Superpower is at stake. I urge all my colleagues to support the Supplemental Appropriations Act. It is the right thing to do.

Mr. MORAN of Virginia. Mr. Chairman, I rise today to express my support for the prompt passage of H.R. 1664, the fiscal year 1999 Kosovo Operations Supplemental Appropriations Act.

While I have some concerns about the level of spending in this measure, I believe we should act promptly to provide our service men and women with the resources they need to carry out their responsibilities in this NATO-led mission.

This legislation, while not perfect, addresses a number of increasingly serious readiness, quality-of-life and infrastructure shortfalls identified by our country's military leaders.

I ask my colleagues to put aside their differences and act in a bipartisan manner to support the prompt release of these funds. Whether you support U.S. participation in this operation or not, I urge you to support this supplemental funding request. We have a responsibility to ensure that our military has the resources it needs to successfully execute this mission.

This legislation appropriates funds for some critical shortfalls in our military spending. For

example, it provides much needed funding for spare parts, ammunition, equipment maintenance, and recruiting. All of these areas have experienced shortages and these funds will make the necessary investments in our Operations and Maintenance accounts.

I would also note that this legislation provides $1.9 billion for a military pay increase and for retirement benefits, subject to congressional authorization and a Presidential emergency declaration. I think this provision will send an important message to our troops and their families of the value this nation places on their work.

As I have urged my colleagues before, I believe the United States should continue to support the North Atlantic Treaty Organization's (NATO) efforts in the Balkans. NATO has been principally responsible for the relative stability and economic prosperity that Europe has enjoyed over the last fifty years. Our experience in two world wars clearly demonstrates that a stable Europe is in the national interest of the United States.

There are three reasons why our actions in Yugoslavia should be supported by this Congress: Number one, the strength of NATO; number two, our experience with Milosevic; and number three, the alternative of doing nothing.

It is in our vital interest that there be a strong and resolute NATO. Think of the hundreds of thousands of innocent soldiers, sailors, and airmen that were lost in Europe because we did not have NATO when we needed NATO.

We need NATO now. We need to act with NATO. We need a strong NATO. And if we do, the United States will not have to be the world's peacekeeper in the future.

Secondly, our experience with Milosevic, because NATO did not get involved in Bosnia when it had an opportunity. As a result, 250,000 lives were lost, 2½ million people were displaced, and 40,000 women were raped. It could have been prevented had NATO acted when it had the opportunity.

And thirdly, think of the alternative. This is the fault line, my colleagues, between the Muslim and the Orthodox worlds. This is the fault line that has existed for generations. If we had not gotten involved in a multilateral action with NATO taking the lead, think what would have happened.

We know what Milosevic was going to do, why he had 40,000 troops amassed on the border, why he did not want to compromise at Rambouillet. He knew exactly what he was going to do; and he did it.

But if he had done that and NATO had not gotten involved, do my colleagues really think other nations would have stood by? Of course they would not have. We would have had the Mujahidin getting involved. We would have had Islamic extremists getting involved. And do my colleagues really think Russia then would not have gotten involved if there had not been the strength of NATO taking the leadership here?

My colleagues, we are doing the only responsible thing. This is not the United States acting unilaterally. We are acting multilaterally. We are acting with NATO. We are acting in the long-term interests of this country. We are doing the right thing, for a number of reasons. And the Congress should be supporting it.

Politicizing or slowing the release of these funds to our armed forces could ultimately jeopardize our involvement in the 19-nation NATO operation.

I urge my colleagues on both sides of the aisle to vote "yes" on this emergency spending bill and support the timely release of these funds.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

Before consideration of any other amendment, it shall be in order to consider the amendments submitted for printing in House Report 106–127. The amendments may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

During consideration of the bill for further amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered 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.

It is now in order to consider amendment No. 1 printed in House Report 106–127.

AMENDMENT NO. 1 OFFERED BY MR. LATHAM

Mr. LATHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 submitted for printing in House Report 106–127 offered by Mr. LATHAM:

Page 27, after line 23, insert the following new chapter (and redesignate the subsequent chapter and sections accordingly):

CHAPTER 5

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, $1,095,000,000, as follows: $350,000,000 for guaranteed farm ownership loans; $200,000,000 for direct farm ownership loans; $185,000,000 for direct farm operating loans; $185,000,000 for subsidized guaranteed farm operating loans; and $175,000,000 for emergency farm loans.

For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, $28,804,000, of which $12,635,000 shall be for direct loans and $16,169,000 shall be for guaranteed subsidized loans; farm ownership loans, $35,505,000, of which $29,940,000 shall be for direct loans and $5,565,000 shall be for guaranteed loans; emergency loans, $41,300,000; and administrative expenses to carry out the loan programs, $4,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OFFSETS—THIS CHAPTER

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–118 and in prior acts making appropriations for foreign operations, export financing, and related programs, $40,000,000 are rescinded.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277 and in prior acts making appropriations for foreign operations, export financing, and related programs, $17,000,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

FEDERAL CAPITAL LOAN PROGRAM FOR NURSING

(RESCISSION)

Of the funds made available under the Federal Capital Loan Program for Nursing appropriation account, $2,800,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in section 101(f) of Public Law 105–277, $6,800,000 are rescinded.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

PEACEKEEPING OPERATIONS

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $10,000,000 are rescinded.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $25,000,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

UNANTICIPATED NEEDS

(RESCISSION)

Of the funds made available under this heading in Public Law 101–130, the Fiscal

Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance, $10,000,000 are rescinded.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Iowa (Mr. LATHAM) and the gentleman from Wisconsin (Mr. OBEY) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Chairman, I yield myself such time as I may consume.

My amendment today is merely an effort to recognize and ensure that we provide our Nation's farmers with essential credit. This amendment will provide $105.6 million in appropriations to support over $1 billion in farm loans and an additional $4 million for administrative expenses.

Although the gentleman from Texas (Mr. COMBEST) Agriculture Committee chairman, asked the Secretary of Agriculture to release about $150 million in unobligated funds to ease the credit gap, the House is again being asked to do the heavy lifting for USDA.

Members may recall, earlier this year, the House voted to release $470 million in funds that could be made immediately available for guaranteed farm loans. As expected, the Senate, the other body, continues to debate among themselves about additional farm spending, further delaying the supplemental that the House passed in March.

In addition, the USDA has delayed disaster payments that were appropriated last October; and the farm credit crunch continues. I think the House should be aware that the $2.3 billion that was made available last year has still not gotten to the farmers, and it may be June until USDA finally figures out how to disburse those funds that we appropriated last year because of the disaster in agriculture.

These loans are important to those who need assistance today. We have farmers in the field that have no credit, have not been able to secure the guarantees that they need at the bank, and it is extraordinarily important that we move and move quickly in this provision. This is the language that was agreed to by the House in H.R. 1141; and it is offset, entirely offset, with unobligated funds.

I would like to remind my colleagues that we have not been given an ironclad assurance from the other body that we will end up with a combined conference report that will include both supplementals, the one that we passed in March and this one today. That is why it is so essential that we have this provision that is needed immediately, that this is the fastest-moving vehicle and we have to get this credit to our farmers as quickly as possible.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say to the gentleman and to our colleagues that, normally, I would object to this amendment because this is purely a national defense bill. But I would say the reason I would accept this amendment today, the joint leadership of the House and Senate has decided that once this bill has cleared the House that this supplemental as well as the first supplemental that the gentleman mentioned will be conferenced on a parallel track.

□ 1300

So we will be dealing with the issue of the agriculture anyway on the first supplemental.

Incidentally, I would say to the gentleman the President did not ask for anything for agriculture. His amendment finally came as an adjustment to his request for the supplemental, Mr. Chairman, and we did add that money in the first supplemental appropriations bill.

So I accept the gentleman's amendment today, and I would hope that we could in the interests of time move on because I do not think there is much opposition here.

The gentlewoman from Ohio (Ms. KAPTUR) had raised a similar issue in the full committee and, I think, did a very good job explaining why this was necessary, and so I thank the gentleman for offering the amendment, and, from our standpoint, we are prepared to accept it.

Mr. LATHAM. Mr. Chairman, reclaiming my time.

I thank the gentleman from Florida very much, and I would reiterate that I do not think we need to go on for the full 40 minutes here in debate.

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

Mr. OBEY. Mr. Chairman, I yield 6 minutes to the distinguished gentlewoman from Ohio (Ms. KAPTUR), the ranking Democrat on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Ms. KAPTUR. Mr. Chairman, I thank our distinguished Member, the gentleman from Wisconsin (Mr. OBEY), for yielding this time to me, and on behalf of rural America and the real interests of rural America I must rise in opposition to the amendment offered by the gentleman from Iowa (Mr. LATHAM) and urge my colleagues to instead support the Obey substitute that will be offered today after the next amendment to this bill.

Let me thank the gentleman from Iowa (Mr. LATHAM) for doing the best that he could inside his own caucus. He is a member of our subcommittee, and I know how deeply he feels these issues. But truly I would say to his leadership:

This is not the way for America to deal with the crisis affecting U.S. citizens, our farmers from coast to coast, west to east, north to south. Why should we even consider an amendment here today which deals with such a teensy-weensy portion of a massive problem as part of an emergency supplemental dealing with Kosovo. We considered this bill dealing with rural America in the House several weeks ago, nearly 2 months ago, and then something happened over in the other body, and the leadership of both institutions were not able to get themselves together.

And, Mr. Chairman, I would have to say to my dear friend from Florida (Mr. YOUNG):

This is not his fault either. He has my sympathy because I understand a little bit about Florida, and that I–75 runs between Ohio and Florida, so a lot of our people go down there during the winter and come back. And the gentleman has tried to do the best that he can under constraints that are being applied by the leadership of this House and the leadership of the other body.

Mr. Chairman, it kind of reminds me of that old song by Peggy Lee when I look at this amendment: Is That All There Is? And when we look at the actual content of the amendment offered by the gentleman from Iowa (Mr. LATHAM), he has been cut back by his own leadership to only include a small portion of agricultural credit that is desperately needed by our farmers to get through this spring planting season. However even the administration's abysmal request to this Congress included funding for the staff to administer that. That is not in the amendment offered by the gentleman from Iowa (Mr. LATHAM). Ag credit money that will unleash dollars in the private sector will not help farmers in this crisis because we need people to deliver the assistance, and we know that because of the depth of this crisis in our country the disaster payments from last year have not even been fully processed.

And what has our Secretary of Agriculture been doing? He has been robbing one account over there to pay for another account just to try to keep staff people in place in these farm service agencies around the country, and last week all authority ran out. So the rob-Peter-to-pay-Paul mechanism that has been used because we have not been able to clear a bill because of the backwardness of the leadership of this institution now places the burden on the gentleman from Iowa (Mr. LATHAM), a respected member of our subcommittee, who is trying to do the best he can, but I would like to ask: Where is the leadership of this House and where is the leadership of the other body to give the farmers of this country that we owe such a debt of gratitude to for keeping this Nation fed, food security fundamental to any body politic's peace, why can they not get

their day in the sun? Why do we get back-doored at the end, in the last file in the cabinet in a bill dealing with Kosovo and we cannot even deal with the enormity of this problem?

What kind of signal does the gentleman's amendment also give to farmers, because in that particular amendment we basically have to offset the $109 million that he is talking about, and why is the crisis in rural America any less of a crisis than what we are facing in Kosovo, in a foreign land, or Hurricane Mitch? What about the people of this country?

I do not think I am xenophobic; I care very much about this country. The people of this country elected me to be here, and I think they should be at the front of the line, not at the back of the file cabinet.

So, Mr. Chairman, I view what is happening in rural America a true emergency. We are now into Day 69 of this Congress, and we cannot even get a debate in here about the dimensions of people who are going bankrupt from coast to coast.

So, with all due respect to the gentleman from Iowa, I think he has done the best job he can do with this amendment, but if people in this body really want to help rural America, we ought to vote no on the amendment offered by the gentleman from Iowa (Mr. LATHAM) and yes on the Obey substitute and truly ask the leadership of this institution to bring up a freestanding bill that is an emergency for the people of this country who are trying to feed us and the world and are being ignored at the highest levels of this legislative body.

Mr. Chairman, I just say that in the Obey substitute that will be offered we not only deal with agricultural credit, the full amount asked for by the administration, we ask for sufficient funds for people to administer that credit at our farm service agencies. We also deal with the three major credit programs in his amendment. We talk about emergency assistance for farm workers. We have special aid to those who produce hogs around this country who literally are on their knees. Also, our emergency conservation programs are attended to, livestock assistance for those affected by disasters. Our watershed and flood prevention programs, our rural water and sewer grants, rural housing and even food aid for Kosovo refugees: $175 million in Mr. OBEY's substitute. With the surpluses we have on our backs here and with hungry people there, what a win-win for everyone.

Why can we not get a freestanding vote on the needs of rural America in this Chamber?

So I know the gentleman from Iowa (Mr. LATHAM) tried very hard, but truly he needs the support of his own leadership, and I ask the House to support the Obey substitute and defeat the amendment offered by the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Chairman, I yield myself 15 seconds, and I very much appreciate the gentlewoman from Ohio's comments, and I think what she is expressing is the same sentiments I have and the frustration with the other body because we have done the heavy lifting here in the House, and our frustration really is to getting the conference done and move on.

Mr. Chairman, I yield 5 minutes to the gentleman from the State of South Dakota (Mr. THUNE), an outstanding representative who has been such a strong advocate for agriculture.

Mr. THUNE. Mr. Chairman, I thank the gentleman for yielding this time to me and would simply say that the gentlewoman from Ohio is certainly right about one point, and that is that there is a crisis in agriculture. We are seeing the lowest prices historically in a great many years. We have a credit crunch going on out there, which is what this attempts to address, and we desperately need some solutions. And frankly I hope that as we continue to move through this congressional session that we will take up issues like mandatory price reporting, a piece of legislation that I have introduced, crop insurance reform, which is something that I have joined with the gentleman from North Dakota (Mr. POMEROY) in working on, as well as looking at other ways, examining other ways, in which we can support our agricultural producers.

I will, however, take issue with one point, and that is that this body has not been responding. We have tried, which is why we are here today on this supplemental appropriation, to keep this issue in front of the Congress at every opportunity. My colleague is right; it was put on the other supplemental bill, but it is languishing in the Senate. Frankly, we do not have a lot of control of what happens in the Senate as much as we would like to.

But the fact of the matter is that we believe it is important enough, and so a number of us from agricultural states who represent rural districts who are suffering as my colleague's is got together and tried to at least attach this particular piece of legislation, the hundred million dollars plus in loan guarantee authority, to this supplemental bill, and I do not for a minute suggest that that is not going to negate the need that we have to do a number of other things in the area of agriculture in this Congress. But there is an orderly process underway for doing that. We cannot do everything on appropriations bills, and the authorizing committee on which I serve, the Committee on Agriculture, we are working in an orderly way to address these. We have had hearings on a number of these subjects already. My full expectation is that we will move forward with a number of these initiatives that are so important to the areas of the country that are suffering miserably from an agricultural crisis that does not seem to have any end in sight.

But we want to keep this issue in front of the American public, in front of this Congress, and that is why we are here today, and I think it is very important that we move the amendment offered by the gentleman from Iowa (Mr. LATHAM), and I credit him, my neighbor from Iowa, working with us on this and taking the leadership role.

Mrs. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. THUNE. I yield to the gentlewoman from Missouri.

Mrs. EMERSON. First of all, Mr. Chairman, let me thank the gentleman from Iowa (Mr. LATHAM) and the gentleman from Florida (Mr. YOUNG) for allowing this money to be included in the emergency supplemental. It is absolutely critical for our farmers. In my particular district I have got 26 counties, all of which are dependent on agriculture, and they are hurting and hurting worse than they have in decades, and the fact is that we got to get the money to them immediately.

While this is, as my friend from Ohio says, a paultry sum, it is still better than nothing, at least to start the ball rolling so that the creditors can, in fact, advance the money to our farmers for their spring planting, at least the northern part of my district where they are still doing it. In the southern part they have already done it, but I do want to commend both of my colleagues for their work in getting this included.

I did want to ask the gentleman from Iowa (Mr. LATHAM) a question, and that has to do with the money to administer the loans:

Is there a fact, our FSA office is going to have the ability to administer that $1.1 billion of loan guarantees that this bill would underwrite?

Mr. LATHAM. Mr. Chairman, if the gentleman will yield, in the amendment there is $4 million to administer these loans. So this is a package with the administrative funds in there. We will get the money to them, both the dollars and the costs in the offices.

Mrs. EMERSON. So that our FSA offices will get that money together with. I thank the gentleman.

Mr. THUNE. Mr. Chairman, I also want to thank my neighbor across the border in Iowa for the leadership role he has taken on this, Mr. Latham, and again would simply add that this is critical. We need because of the credit crisis and crunch that we are experiencing in the rural areas of this country to address this issue at each and every opportunity that we can. I will continue to come in front of this body and advocate as strongly as I can that we address what is a very serious crisis in the rural sector of our economy in this country, and we can start today by

adding this important amendment on to this legislation.

I would certainly urge my colleagues on both sides of the aisle to support the Latham amendment and move this forward.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Chairman, I rise today to speak about an issue that this amendment does not directly address. It takes the form supplemental that was dealt with in our March supplemental, but it does not address the other part, which was really the main part of that supplemental, which was the aid, which was a true emergency, dealing with Hurricane Mitch in Central America. The supplemental that we have in front of us now will not just be a defense supplemental, it will be defense and farm supplemental, and it is absolutely, I would use the word tragic, for it not to be a defense farm and Central American supplemental. The devastation caused by Hurricane Mitch is historic in terms of its magnitude.

Now I had the opportunity to travel to Nicaragua when the President went down there to view firsthand some of the damage. Literally entire villages were wiped out. We could not see any trace of what once was thriving communities. The only way that these countries, which really have done an incredible job towards democracy, towards economic viability as we are their major trading partners and major allies, the only way that they are going to be able to get back on their feet and to continue this road is with our support.

□ 1315

This occurred in October.

Let me remind my colleagues in this Chamber of another time in Central America when the United States Congress funded far more than $1 billion in not humanitarian aid but in military activities, and with tragic consequences.

I do not even want to speculate what will happen if these economies in these countries do not get back on their feet, but I think we can speculate what will happen. If we are looking for true emergencies, by the definition of the statute on supplemental bills, this is clearly the case.

I urge that we end up doing this. I will offer an amendment later this afternoon to do just that.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. GUTIERREZ).

Mr. GUTIERREZ. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) very much for yielding the time.

Mr. Chairman, I do not think this is an issue that should not be before us. I think our farmers need our help, and we should all support all of our farmers across this country. Agriculture is important to this Nation. Just because in my city there are not a lot of farmers, we certainly drink the milk, eat the meat, fry the chickens, eat the corn. Our farmers are vital to our economy and we should help them all.

I think it is crucial and important, and we all know in our heart of hearts we are not doing enough. Yes, what Milosevic has done in Yugoslavia and the genocide there should be responded to with humanitarian aid, with what is going on in the Balkans and in that hemisphere, but we should also look at Mitch, because if Milosevic is bad, Mitch was devastating to Central America.

It is in our hemisphere. Remember, this is the Americas, North America, Central and South America, and we share a border and an economy. Those people there are waiting for us to respond in Nicaragua and Honduras. They are waiting for us, and if we do not respond we are sending a very clear signal in this hemisphere and we are giving them the back of our hand.

Who are we opening the doors to? We are opening the doors to drug traffickers in Central America. That is what we are saying. We are saying we are not going to be there.

Who do we think is going to fill this void in Latin America? Think about what my colleague the gentleman from Florida (Mr. DEUTSCH) just said. Think about those burgeoning democracies.

The Cold War has ended, but there is devastation. There are 1 million people without food and shelter. Mr. Chairman, where do we think they are going to come and search for that shelter and that food? We share borders with them. Let us develop those economies. Let us develop those infrastructures in Central America, or we will build tents and refugee camps here for them in the United States of America.

Let us not do that, and give a hand to them, please.

Mr. LATHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, we are talking about supplemental emergency spending on very important projects, and there is a moral basis for us to support our farmers. There is a moral basis for us to put the things there that we need for our troops. There is also a moral basis for us to pay for it.

This Congress has passed a budget that said we will protect 100 percent of Social Security. There is no excuse for our body to pass this bill and not pay for it.

Now there are going to be a lot of people that are going to say, but we cannot; we cannot pay for this. When we say that, what we mean is we do not mind taking the money out of the Social Security system to pay for it because that is what we are going to do. Everybody readily admits that the money that is going to be used to pay for this supplemental is coming directly from the Social Security funds.

So the question that we have to ask ourselves, if it is moral to supply the proper things for our troops and if it is moral to put the things there for our farmers so that they can continue to feed us, so they will be there next year to be able to produce a crop and pay for it and pay the taxes, how is it not moral for us to pay for it?

Ask anybody in their district if they believe the agencies of the Federal Government are efficient. I do not think we will find one, other than a Federal employee working for one of those agencies. If that is what the constituency says, why do we not have the courage to ask the rest of the Federal agencies to become efficient enough to pay for that?

We are going to be having an amendment in a little while that is going to discuss that very issue, and the question, as we leave here today and go back to our homes, are we going to leave here being consistent or are we going to leave here being inconsistent?

We are going to claim a moral high ground and then we are going to duck the issue when it comes to the moral high ground for our children.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding me this time.

Mr. Chairman, we are in the throes of debate on many different and important issues. I rise today to support the proposal of my colleague, the gentleman from Florida (Mr. DEUTSCH).

I happen to have been with a delegation that visited Central America. I saw the faces of the men, women and children that had been devastated by Hurricane Mitch.

Part of the process and part of the obligation that we face in this House is to maintain a focus on the issues that are important and to maintain in priority the things that merit attention. Part of the process is respecting the fact that we, as leaders in the world and leaders in this hemisphere, have an obligation to help those in need. That is what I am speaking about today.

It has been almost 6 months since the devastation in Central America; 6 months where people have been without the basic essentials that sometimes most of us take for granted; 6 months that we have been sitting and doing nothing on their behalf.

I was with the President. I saw the work that was being done by the men and women of our Armed Forces, I saw the work that was being done by the relief agencies, but I do not see the same kind of response from this body. I think we can do better. I think we as Americans have an obligation to help those people in Central America.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding me this time.

Mr. Chairman, I would just like to point out here that the amendment that has been offered, and I have the greatest of respect for the gentleman from Iowa (Mr. LATHAM) and for the gentleman from South Dakota (Mr. THUNE) for doing the best they possibly can for their constituents, who are desperate people. People who are on the farms these days are living in desperation for their continued livelihood.

I would just like to point out here that the amendment that has been offered by the gentleman from Iowa (Mr. LATHAM) is one-fifth, only 20 percent, of the amount that is provided for agriculture under the Obey amendment that will be before us very shortly. Not only that, but it is offset.

We have a true emergency. We have a true emergency of people who are desperate for being able to continue their livelihood, and that sort of emergency ought to be something where we are willing to provide the money as an emergency in the same way that we are for military purposes here in the underlying bill.

In this instance, the Obey bill provides five times as much money, more than what was in the supplemental bill that has already gone over to the Senate and has not been acted on in months. This would move it along, yes, but it ought to be moved on. If my colleagues are not interested in only some sort of a fig leaf, it ought to be moved along with the Obey amendment, because the Obey amendment does something else for other desperate people. It deals with the desperate people in Central America, also an emergency, which happened 7 months ago and which has also been sitting in the Senate for the last several weeks, at least, where the emergency that would allow those desperate people also to get on with their lives and put their lives together, not be immigrating to the United States and such; that they would also be able to move on.

I would urge that if my colleagues are not for a fig leaf that they would defeat the amendment that is before them and instead vote for the Obey amendment.

Mr. LATHAM. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would agree with the frustration we have with the other body as far as trying to get all of these very important provisions moved. I would just say that this is an area where there is absolute consensus with everyone. This needs to be done. It needs to be done quickly.

Why hold things this important up for things that are under discussion and have no consensus?

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

Mr. OBEY. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, we have been facing three emergencies. One is with the war in Kosovo, which this bill is supposed to be dealing with; and then we have two others, two other weather-related emergencies; one in Central America which has created such a disastrous situation because people are not able to make a living after Hurricane Mitch in Central America. We are going to see a flood of immigrants coming into this country unless we do something about it. Second is the emergency in rural America, which is caused in part by natural disasters and in part by the collapse of farm prices for a number of commodities.

When this all first began, the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations, tried to do the right thing. He produced a proposal to deal with the first emergency in Central America and in rural America, and he had a bipartisan approach to it which we were fully willing to support. Then his party leadership intervened and said, ''no, we do not want to do it that way.''

So they reversed course, and they attached a number of pay-for provisions to the supplemental, which were terribly risky for the national security interests of the United States. Among other things, they would have paid for the supplemental by pulling $175 million off the table that we needed on the table in order to negotiate with the Russians an agreement to get out of their hands weapons grade plutonium. There is no higher priority of our government than doing that. And yet that agreement was put in danger by the reckless bill which passed the House in order to pay for the agriculture problems.

That bill, because of those outrageous offsets, has been languishing in the Senate going nowhere. So when this bill came to the floor, we produced an amendment on this side which we will vote upon sometime today, which tries to recognize that we ought to deal with the emergency for the folks on the home front the same way we deal with the emergency for Kosovo. We believe it deserves equal treatment under our actions here.

Now, what is going on here today is very simple. Because our amendment includes a number of provisions to deal with the emergency in rural America, our friends on the other side of the aisle are feeling the political heat. So they are looking for a way, in my view, to obscure the lack of progress that has gone on dealing with the problems on the farm front so far.

□ 1330

This is, in effect, what many people would call a cover-your-tail amendment, to be blunt about it. It is paid for by hijacking one of the items that we used to pay for our amendment.

The worst thing about it is not what it does, because I do not really oppose the idea of providing credit for farmers. Obviously, we have been trying to get that done for months. So has the administration.

But the problem is that that is the only thing this amendment does on the farm front. It does nothing to provide the $42 million that is necessary in order to help eliminate the backlog in loan deficiency payments, for instance, out in rural America. It provides nothing for section 32 aid to hog farmers, who desperately need it.

It is consistent with past Republican actions on farm issues, however. Because we will remember in 1993 when we had the Mississippi and Missouri River floods which devastated large sections of this country, the majority held up passage of emergency help on that score for months, debating about what the offsets should be.

In 1996 when Grand Forks in the upper Midwest again was flooded and facing an emergency, again the majority party held up for months passage of getting effective relief to those folks, again because we got into the same accountant's debate.

Now today again we are told that this is an important issue, but it is not important enough to treat it as an emergency, although, in this very bill, they are treating as emergencies the construction of a number of facilities in Europe which the Pentagon did not even want to build for the next 5 years.

If anybody believes that this amendment, well-intentioned as it may be, is sufficient to bring into parallel treatment military bases in Europe versus the needs of our farmers at home, they are not reading this amendment or this bill very carefully.

I am going to oppose this amendment, not because I am opposed to the intent, but because of the double standard which is being applied which does not recognize the emergency on the farm to the same degree that we recognize other problems; and secondly, because I think it is a mistake not to include the other assistance that my amendment provides for livestock, for watershed flood improvement, for the rural housing problems.

So that is why I think we ought to recognize this amendment for what it is and treat it accordingly.

Mr. LATHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am sure the gentleman is aware that the offsets in this are ones that he proposed. The ones he is referring to really are not germane to the amendment at hand.

I would like to have everyone know that this is fully offset, it is fully paid for. It is something that I think is quite important today that we move this and move this quickly.

Mr. Chairman, there are a lot of very important issues in agriculture. We will deal with a lot of those through the normal appropriations process. This is the one area where there is consensus to move ahead. Everyone agrees that this needs to be done and needs to be done today.

If we want to start more fights with the other body, if we want to stop or stand in the way of help for our farmers and the critical needs that they have today, all we need to do is load it up with a bunch of extraneous issues. But this is critical today, that we move this and move it quickly.

Mr. Chairman, I just want to, in closing, urge everyone to support this amendment. It is paid for. I want to also thank the gentlewoman from Ohio (Ms. KAPTUR) for her support on so many of these agricultural issues, and our chairman of the subcommittee, and also, certainly, the chairman of the full committee, who bent over backwards to be of assistance to agriculture.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise today in strong support for the Latham amendment.

Last year's unexpected and uncontrollable market forces caused farm income to decline precipitously. Farming, a notoriously risky business, saw even tougher times due to the Asian financial crisis, which caused export markets to dry up, and bountiful production world wide, which drove prices down. On top of natural disasters here at home, Congress had to act.

The $6 billion provided last fall allowed farmers to get through the year. It helped them harvest and market their crops and pay off their bills. However, as many geared up for planting this spring, poor market forecasts which projected inadequate cash flows, forced producers to seek direct and guaranteed loans from USDA.

However, due to extraordinary demand, there's a large shortfall in these loan programs. Already, more than 26,000 producers have received loans from USDA. By providing an additional $106 million, as this amendment does, 12,000 more farmers will be able to farm this year.

This amendment and USDA's credit program deserve your support. By supporting them, you not only signal to farmers that Congress recognizes their distress, but you also help farmers keep their dreams alive for a bright future in agriculture.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. LATHAM).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 submitted for printing in House Report 106–127.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 submitted for printing in House Report 106–127 offered by Mr. COBURN:

At the end (before the short title), add the following new section:

SEC. ____. Within 15 days after Congress adjourns to end the first session of the 106th Congress and on the same day as a sequestration (if any) under sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, the Director of the Office of Management and Budget shall cause, in the same manner prescribed for section 251 of such Act, a sequestration for fiscal year 2000 of all non-exempt accounts within the discretionary spending category (excluding function 050 (national defense)) to achieve—

(1) a reduction in budget authority equal to $12,947,495,000 minus the dollar amount of reimbursements identified in the report required by section 205 (efforts to increase burden-sharing); and

(2) a reduction in outlays equal to $12,947,495,000 minus the dollar amount of reimbursements identified in the report required by such section 205.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Oklahoma (Mr. COBURN) and a Member opposed each will control 10 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment, and claim the time in opposition.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) will control the time in opposition.

Mr. COBURN. Mr. Chairman, I ask unanimous consent that this debate be expanded to 20 minutes on each side.

There was a drafting error in the rule. We were supposed to be given the same amount of time as all of the other amendments. Because of the drafting error, we were not. I would ask unanimous consent as a courtesy from the minority to give us the same amount of time on our amendment that he will have on his.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. OBEY. Mr. Chairman, reserving the right to object, we gave a lot of reasons why Members should vote against the rule when it was before us. One of the reasons is that not enough time was provided for a number of amendments.

If we had had some time in opposing that rule we might have been able to deal with each of the problems equitably, but I do not think it is fair to make adjustment to only one amendment, and therefore, I do object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The gentleman from Oklahoma (Mr. COBURN) is recognized for 10 minutes.

Mr. COBURN. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, the United States is engaged in a war. It is a war not of Congress' making, but a war, nevertheless, and one that has revealed for the whole world to see the inadequacy of the resources available to our military services.

We have a moral obligation to provide the necessary resources to the men and women whose lives are at risk fighting this war, but we have another obligation as well. That is an obligation to the American taxpayer and our senior citizens to maintain integrity in our budgeting, to pay for the additional necessary emergency military spending without using social security funds. We have an obligation to maintain fiscal discipline and achieve truly honestly balanced budgets.

This amendment represents the honest, responsible way to pay for this military emergency. It recognizes that, first of all, the President has a responsibility to secure reimbursements from our NATO allies for our military operations in Yugoslavia.

Currently the United States is bearing the overwhelming majority of the military burden of this NATO bombing campaign. It is our pilots whose lives are at risk, it is our reservists being called up, it is our forces stretched too thin around the world.

It is unconscionable that we should also be bearing the overwhelming majority of the financial burden, so I offered a provision in this bill that forces the President to pursue reimbursements from our NATO allies and report back to Congress on its progress by September 30 of this year. I hope the President takes this responsibility as seriously as President Bush did in the similar circumstances of the Persian Gulf War.

This amendment today reasons that the President may not succeed in seeking equitable reimbursements. To the extent that the reimbursements from our NATO allies fall short of the total emergency expenditures, then this amendment will force across-the-board reductions in most nondefense spending, and it will fully offset this new emergency spending.

It is important to note that if the President does his job and secures the appropriate reimbursements from our allies, for whom we are fighting, the spending cuts necessary will be very small, indeed. In fact, under this amendment, the size of any spending reductions is really up to the President.

So I urge my colleagues to support this amendment and offset the costs of the war we are waging in and for Europe. Mr. Chairman, if we pass this amendment we can keep our moral obligation to both our soldiers and our seniors, but a vote against this amendment forces us to choose between soldiers and seniors, and that is a choice we should not have to be making.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I reluctantly oppose the amendment offered by the distinguished gentleman because I know that he has been such a strong supporter of national defense issues, so I am reluctant to oppose his amendment.

However, I think his amendment would give us real trouble. I am not usually one that raises the issue of a presidential veto, but I am satisfied that if this amendment became part of this bill, that it would certainly invite a presidential veto.

Mr. Chairman, the budget resolution for fiscal year 2000 already cuts nondefense spending by over 9 percent. The Coburn amendment would increase this by an additional 5 percent, and would make the total reduction for fiscal year 2000 funding that this amendment would cut a 14 percent cut in nondefense spending for fiscal year 2000.

That is just not going to work. The fiscal year 2000 problem is already serious enough. The across-the-board cut would force a devastating 14 percent reduction in all nondefense programs, including education, food safety inspection, drug law enforcement, science research, the national parks, drug prevention, crime prevention, agriculture, the National Institutes of Health, elderly housing, and many other programs. It just will not work.

So as much as I support the effort that the gentleman from Oklahoma (Mr. COBURN) makes in supporting our strong national defense, I just cannot support his amendment because of what it does to the FY 2000 budget.

Mr. COBURN. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD)

Mr. SANFORD. Mr. Chairman, I thank the gentleman for yielding time to me.

My dad used to have a saying, and that was, the Lord helps those who help themselves. I think my dad would be rolling around in the grave right now if he knew that we were part of a 19-country alliance wherein we were picking up about 80 to 90 percent of the bill. Yet, that happens to be the case.

So the question with this amendment is, if we choose to foot the bill on 80 to 90 percent of the goods, will we at least account for it honestly, rather than borrowing it from social security? So I think that is the simple choice that this amendment is all about.

To put it in perspective, what we are talking about here is Thirteen billion. Experts have said we have a real problem coming with social security. If we do not do this, that problem gets worse. Thirteen billion dollars is enough money to pay for a full year's worth of social security benefits for 1.4 million retirees. Thirteen billion would pay for a full month's worth of benefits for nearly 20 million retirees. Thirteen billion is more than social security pays in an entire year for seniors' insurance, for benefits for kids under the age of 18. Thirteen billion would pay social security benefits for every African American retiree until September in a given year. Thirteen billion is over 10 percent of this illusory and quickly-diminishing social security surplus.

Mr. Chairman, this amendment is just about truthful and straightforward accounting. If we want to spend, if we want to build somebody else's house, if we want to cover 80 to 90 percent of the cost of this endeavor, fine, but let us account for it honestly.

Mr. YOUNG of Florida. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this amendment. The problem we face here is that we are operating under a budget process which is, in my view, a public lie. I think the entire budget process is a fraud, and because it is, we see amendments like this offered which, in substance, would make no sense whatsoever.

We are already required by the budget to cut virtually everything that the government provides on the domestic side of the ledger by 13 percent next year. This budget or this amendment would require us to cut that even more deeply.

Over the next 5 years the budget requires us to cut virtually everything that we do on the domestic side of the ledger by 18 percent in real terms. I do not know of many Members of this House on either side of the aisle who would actually vote for that when the time comes. We are required to cut health by 18 percent over that period, we are required to cut administration of justice by 18 percent in real terms over that period, we are required to cut agriculture by 25 percent over that period, in real terms.

This amendment would add to those cuts. It would require us to make further reductions in health funding, such as the National Institutes of Health, which this Congress pretended just 3 weeks ago it wanted to double spending on.

It would require us to make further cuts in the FBI. It would require us to make cuts of 2 percent in veterans' health care, and deeper cuts in other veterans' programs.

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I do not believe that that is what the public supports. This is portrayed as a Social Security amendment. It does not really have anything to do with that issue. I do not know of many Social Security recipients who think that we ought to be cutting veterans benefits, who think we ought to be cutting the Weather Service. Ask the senior citizens who just had their homes wiped out in Oklahoma whether they would like to see the Weather Service cut back further so they get even less warning from tornadoes than they got last week.

It just seems to me that this is an amendment which is extreme in nature. It suggests that there is only one priority in the entire country; and, in fact, I do not know of many responsible citizens over 65 or under 65 that happen to share that view. What they want us to do is to take a balanced view, recognize something that is an emergency and recognize what it is not. That is what we should be doing instead of dealing with this amendment today.

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds to respond to that.

All that is is Washington double-talk. What that is saying is we cannot deliver services more efficiently. What we are hearing is hearing an appropriator say we do not want to cut spending.

The Federal Government is not efficient. Nobody knows that better than the people here. The refusal to demand efficiency and accountability out of the agencies of the Federal Government is why we have this problem. Thirteen billion dollars will pay for Social Security benefits, bringing them back up for every one of the notch babies.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LEWIS), the distinguished chairman of the Subcommittee on Defense of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman yielding me this time.

Let me just say that I did not intend to speak on this amendment, but in a former life I chaired the subcommittee that funded veterans' programs in the country. I also serve on another committee that addresses questions like the FBI.

I have a penchant for appreciating the work that is done at the subcommittee level, where people take seriously the business of listening to the pros and cons of very special programs and making judgments about spending levels that are a reflection expert testimony.

We made major adjustments downward in that first subcommittee. Half of the savings in the last few years came from those efforts. But in the meantime we listened to the people who were directly affected and, because of a lack of that in an amendment that cuts across the board, I am afraid I must rise and urge my colleagues to vote ''no'' against this amendment.

This amendment will put special limits on next year's process that do not fairly reflect the work of the subcommittees and committees. So I urge our Members to recognize that the work really gets done around this place in authorizing as well as appropriation subcommittees, and that is where it appropriately should take place.

Mr. COBURN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Chairman, I rise today to support the Coburn amendment that will completely offset this

supplemental. Failure to offset this spending will result in a raid on Social Security.

President Clinton has created a national security emergency by cutting our military while stretching our troops around the world. Providing for our troops, however, does not mean the abandoning of fiscal discipline and taking from Social Security.

The Coburn amendment calls for the President's Office of Management and Budget to perform an across-the-board cut of all fiscal year 2000 nondefense discretionary spending equal to the amount of this appropriation.

Make no mistake about it, voting against the Coburn amendment is a vote to raid the Social Security Trust Fund to pay for this spending. I urge my colleagues to vote for the Coburn amendment.

Mr. YOUNG of Florida. Mr. Chairman, could we inquire as to how much time is remaining for each side?

The CHAIRMAN. Both sides have 4½ minutes remaining.

Mr. YOUNG of Florida. And may I inquire as to who has the right to close the argument on this debate?

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) has the right to close.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. COBURN. Mr. Chairman, I yield myself the balance of my time.

One of the reasons that I believe that the gentleman objected to our unanimous consent request is that it is hard to hear about spending Social Security money. It is not palatable to politicians.

This chart shows exactly the fallacy of what Washington is telling the American public about surpluses. Here, in green, is what Washington is saying is the surplus. The red shows the rise in the national debt each year.

The question that I would have for our body is, if we have a surplus, why is the debt rising? Why did the debt rise $105 billion last year? Why are our children going to be burdened with an additional $1,000 per person just on the basis of what we did last year?

Congress has a moral obligation to our troops, to restore our military readiness, and we also have a moral obligation to our farmers, who are dependent on us. But we also have a moral obligation not to spend Social Security money. Probably that is not right. We have a moral obligation to be truthful about whether or not we are going to spend Social Security money. To oppose offsetting this bill is to make the assumption that this government is running at an efficient level.

So everybody at home can actually see where we are on the numbers, these are CBO numbers, the projected Social Security surplus. Not real surplus, but an excess of Social Security payments over Social Security outflows that were projected to be $127 billion this year.

We already have consumed, on what we have done so far this year, $16 billion of that. We have already committed $16 billion of the seniors' Social Security money. When we pass this supplemental, without this amendment, we will spend another $13 billion of Social Security money. That is enough money for every notch baby in this country to get equitable treatment to the neighbors that are around them.

I understand why it is difficult to trim. I have great respect for the members of the Committee on Appropriations and the hard job that they have. But I also know what the American people feel about it. They want those services delivered, but they know they are not delivered in an efficient manner. For us to say we cannot do so is not an appropriate response to the people that we represent.

I would take my colleagues back to World War II. We did not allow spending to go up in every other branch of government. We actually cut spending in every other branch of government because we had a war.

I have heard that today from both sides of the aisle: "We have a war." There is not a moral imperative for us to pay for the war out of other agencies instead of taking it from our seniors?

The last point that I would like to make is, if we take this money from our seniors, what we are really doing is lowering the standard of living of our children and we are decreasing the opportunity that our children will have to have a standard of living comparable to what we have.

As we take opportunity, and we are the land of opportunity, we should never be so guilty as to steal the future from our children, because they will pay back this money. Our seniors are not going to pay this back, the Members of this body are not going to pay back this money, but our children and grandchildren will be the ones to pay back this money.

So the question we have to ask ourselves as we leave here today, as we leave after voting, and I am very hopeful that we pass this bill, is, can I live with myself saying it is morally right to support our troops and to fund them at a level that makes their readiness and gives them the equipment and the ability to carry out their missions and it is not morally right to pay for it; but it is morally right to take money from every notch baby, to take money from the Social Security System, to take money out of the very future that we say is our highest priority?

This conference passed a budget that said we are going to protect 100 percent of Social Security, and there are Members on this floor and in this body that voted for that. By failing to vote for this amendment, what the Member is saying is, "King's X. I did not mean it. I am not going to vote to protect Social Security. I am not for protecting the Social Security surplus. I am not for fixing Social Security. My vote on the budget was meaningless. It did not matter." If that is the case, then we need to fix the budget process.

I would appreciate the support on this amendment, as will every other senior in this country and every child.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Again, I want to say, Mr. Chairman, that I am reluctant in my opposition to this amendment to offset the spending, because my history in this House has been to vote for as many spending cuts as I possibly could. However, to make spending offsets from the fiscal year 2000 funds that have not even been appropriated yet to pay for a fiscal year 1999 expenditure is just not right and it is not workable.

The gentleman is correct. There are a lot of ways and a lot of places where we can save money. One of the areas that has been rather sacrosanct for a long time is mandatory spending. The 4 years my party has been in the majority, the Committee on Appropriations, has put forth to this body major reductions in many, many programs, some of them very difficult to vote for, but we did.

We started to get our fiscal house in order, but we did not touch the mandatory programs, and those are programs where the money has to be spent without some change in the basic law. That might be a place that the gentleman from Oklahoma (Mr. COBURN) and I could look for future offset funding; but for a fiscal year 1999 supplemental, we should not be reaching out to fiscal year 2000 where the money has not even been appropriated.

Now, on the Social Security issue, and I agree with the gentleman, we have an obligation. We have made a commitment on Social Security, and I represent a district that has more Social Security recipients than most anybody in this House, and I certainly would be extremely careful of anything that we do relative to Social Security. But, understand, again we are talking about fiscal year 1999 money. The budget resolution, the setting aside of the Social Security Trust Fund and all those monies are in fiscal year 2000, not fiscal year 1999. So the issue does not really apply to the bill that we are dealing with today.

Now, the last point. Based on the omnibus appropriations bill that was approved by this Congress last year, and I certainly hope that that never happens again, because that is not something any of us are really proud of, but based on that bill, the baseline or a freeze at fiscal year 1999 levels takes us $17 billion over the budget caps of 1997 for fiscal year 2000. And if we continue

the things that we really are obligated to do, where we have commitments, where we have contracts already in the procedure, we are then up to over $30 billion over the 1997 budget caps. If we take 14 percent cut in nondefense spending for fiscal year 2000, we cannot get there from here.

So as much as I appreciate the gentleman's efforts and the work we have done together over the years for national defense, I cannot support his amendment, and I would hope that the House would reject that amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I rise against the Coburn amendment. I rise against this amendment because any cut in domestic programs is wrong—including the proposed 2 percent cut for Community Health Centers, Migrant Health Centers, Indian Health Facilities, Indian Health Services, and Veterans' Medical Care.

The priorities of this amendment are misplaced. This amendment that seeks to take an across-the-board swipe against the challenges that working families and/or the struggling poor face in consequential areas such as job training, education, health care and affordable housing is morally wrong.

Our nation is a nation divided when it comes to healthcare. There are those with access and those without. And as you know, the poor are less likely to have access to care. African Americans, Latinos and other minority groups are less likely to have access to care. That is why I believe that community and migrant health centers are so vital. Until we can have a national health care plan, health centers provide the gap for those that do not have access to coverage.

Mr. Chairman, non-defense discretionary spending for FY2000 is approximately $40 billion less than provided for in 1999. Given the human needs in my district where the median income is $25,250, I cannot support another cut.

I cannot support this amendment and I urge my colleagues not to support it because it does nothing to lend a helping hand to those people in America who are hungry, who are out of a job, who are ill or who need a roof over their head. The solution to our problems cannot be solved by taking from someone in need in order to help someone else.

Mr. TERRY. Mr. Chairman, I rise in support of the Coburn-Toomey-Sanford amendment—an amendment which would offset the entire cost of this emergency appropriations bill in two ways.

First, the amendment calls for our allies to share the burden of funding this NATO operation with the United States taxpayer. It would hold the nations participating in Operation Allied Force responsible for sharing the cost of what is swiftly becoming a protracted and costly air campaign. Member nations are already participating materially with us. We need for them to participate monetarily.

Second, should the Administration be unable to obtain reimbursement from our NATO allies, this amendment would allow funds to be utilized from FY2000 non-defense discretionary spending; thus ensuring that this appropriation will be paid for without dipping into the Social Security Trust Fund.

Offsetting this spending is vital to maintaining our budget priorities, which this Congress labored so hard to preserve earlier this year. The United States has domestic priorities that must be protected.

We must be disciplined, Mr. Speaker. Members have talked about saving Social Security and Medicare during our recent budget debate. We have talked about creating a lock box for our nation's retirement security. I voted for a budget that set aside surplus money for our nation's elderly, and I am not going to waver from that commitment.

This amendment will help protect our elderly and maintain our fiscal discipline.

I urge my colleagues to vote "Yes" on the amendment.

Mr. FILNER. Mr. Chairman, I recognize the importance of supporting our troops during the current conflict in Kosovo. It is essential that these men and women who are putting their lives on the line for the safety and freedom of the ethnic Albanians be provided with the tools necessary to perform their work.

Nonetheless, I strongly object to the Coburn/Toomey/Sanford amendment which pits the current needs of our military services against the health care needs of our veterans. The VA budget for Fiscal Year 2000 is already almost $2 billion dollars less than is needed to provide health care to our current veterans.

This tells not only our nation's veterans, but those currently serving in Kosovo, that our government will provide them with the ammunition they need to fight a war, but should they be harmed as a result, we may not be able to take proper care of them when they return. This is the wrong message to send to our fighting men and women in Kosovo and around the world.

A vote for this amendment is a vote against our nation's veterans. I urge my colleagues to defeat this measure.

Mr. HAYES. Mr. Chairman, I wish to state my support for this emergency supplemental bill.

Our national security is at stake here today, and I believe that a vote against this emergency bill is equivalent to turning our backs on the young men and women in our armed forces.

The President has offered a version of this emergency defense bill that represents a first step, but one that is inadequate in meeting the true emergency before us.

The Clinton Administration has asked that we only provide enough funds to cover the costs of the war in Yugoslavia. But we were running out of cruise missiles before we ever launched one over Kosovo. And our airplanes faced a spare parts shortage before we sent a single one to take on Milosevic. In other words, the President wants to only invest enough to maintain our military's current weakened status.

That's not good enough. We owe it to America and our troops to do more than just return the military to its previous unacceptable level of readiness. We have a moral obligation to give our soldiers, pilots and sailors the tools to carry out their missions. Just as they are doing their duty to protect us, we must do our duty to support them.

Mr. Chairman, if we want a true assessment of our current situation, then we should heed the concerns of our nation's top soldier—Chairman of the Joint Chiefs, General Henry Shelton.

A recent article in Jane's Defense Weekly said the following:

> With the number of US combat aircraft involved in NATO's Operation "Allied Force" in Yugoslavia set to reach 800 in the coming weeks, senior Department of Defense (DoD) officials are downgrading the armed forces' ability to meet its national military strategy of being able to concurrently fight and win two major regional conflicts.

The article continues,

> As a result Chairman of the Joint Chiefs of Staff Gen. Henry Shelton now believes the armed forces' ability to prevail in a second MTW [Major Theater War] in a reasonable amount of time and with minimum casualties has been dulled by the continuing commitment in the Balkans.

Mr. Chairman, we simply cannot afford to play games with our national security, and I believe that it is essential to support this emergency defense bill.

And, while I believe that this bill represents a critical investment in preserving our national security, I do not take its price tag lightly.

Mr. Chairman, we have made great strides in recent years under the leadership of this Congress to balance the federal budget for the benefit or our future generations. I am disappointed today that the President chose to send us this emergency funding without a corresponding offset in the budget. The bottom line, however, is that the money has to come from somewhere and the only alternative to cutting spending is to add this bill to our nation's federal debt.

Mr. Chairman, I made a pledge to my constituents in the 8th District in North Carolina that I would lock away Social Security funds and not allow them to be used for other government spending. While I truly believe that our Nation faces a critical situation with our national security, I believe that it is better to pay for this measure by other means rather than adding to the deficit as the President has proposed in his request.

That is why I will support the Coburn, Toomey, and Sanford amendment to offset this emergency appropriations bill with reimbursements from other NATO countries and a minor reduction in other areas of government spending. I am supporting this amendment with the understanding that our government will aggressively pursue reimbursements from other NATO countries, because I believe that we have shouldered a disproportionate share of the costs of this operation.

Mr. Chairman, I will vote in favor of this amendment. However, if it is not successful, I will still support final passage of this emergency spending bill because I truly believe that our nation faces threat in its national security.

Mr. Chairman, this operation has stretched our armed forces too thin, and we all know that a rubber band will break when it's stretched too far. This Congress cannot run that risk with the U.S. military. We need this emergency legislation to help restore our military readiness. We must restore our military resource because this strain is compromising our security here at home.

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, 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 CHAIRMAN. Pursuant to House Resolution 159, further proceedings on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106–127.

AMENDMENT NO. 3 OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3, submitted for printing in House Report 106–127, offered by Mr. OBEY:

Before the chapter 1 heading, insert the following new heading: ''TITLE I—KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS''.

In section 207—

(1) after the first dollar amount, insert the following: ''(reduced by $850,400,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $341,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $509,400,000)''; and

(4) after the last dollar amount, insert the following: ''(reduced by $850,400,000)''.

In section 208—

(1) after the first dollar amount, insert the following: ''(reduced by $635,000,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $87,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $262,700,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $58,000,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $224,300,000)'';

(6) after the sixth dollar amount, insert the following: ''(reduced by $3,000,000)''; and

(7) after the last dollar amount, insert the following: ''(reduced by $635,000,000)''.

In section 210—

(1) after the first dollar amount, insert the following: ''(reduced by $122,100,000)'';

(2) after the third dollar amount, insert the following: ''(reduced by $5,200,000)'';

(3) after the fourth dollar amount, insert the following: ''(reduced by $16,300,000)'';

(4) after the fifth dollar amount, insert the following: ''(reduced by $77,000,000)'';

(5) after the sixth dollar amount, insert the following: ''(reduced by $600,000)'';

(6) after the eighth dollar amount, insert the following: ''(reduced by $23,000,000)''; and

(7) after the last dollar amount, insert the following: ''(reduced by $122,100,000)''.

In section 211—

(1) after the first dollar amount, insert the following: ''(reduced by $254,000,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $116,200,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $45,900,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $8,000,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $69,800,000)'';

(6) after the seventh dollar amount, insert the following: ''(reduced by $13,800,000)'';

(7) after the eighth dollar amount, insert the following: ''(reduced by $300,000)''; and

(8) after the last dollar amount, insert the following: ''(reduced by $254,000,000)''.

Strike section 212 and insert the following:

SEC. 212. (a) FISCAL YEAR 2000 INCREASE IN MILITARY BASIC PAY.—(1) The adjustment to become effective during fiscal year 2000 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(2) Effective on January 1, 2000, the rates of monthly basic pay for members of the uniformed services shall be increased by 4.4 percent.

(b) REFORM OF RATES OF BASIC PAY.—Effective on July 1, 2000, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	6,569.10	6,784.50	6,926.40	6,966.60	7,148.40
0–7	5,458.50	5,829.60	5,829.60	5,871.90	6,091.20
0–6	4,045.50	4,444.50	4,736.10	4,736.10	4,754.40
0–5	3,236.10	3,799.50	4,062.30	4,112.10	4,276.20
0–4	2,727.30	3,321.30	3,542.70	3,592.20	3,798.60
0–3 [3]	2,534.40	2,873.40	3,100.80	3,351.90	3,512.40
0–2 [3]	2,210.40	2,517.90	2,899.80	2,997.60	3,059.40
0–1 [3]	1,919.10	1,997.40	2,413.80	2,413.80	2,413.80
	Over 8	Over 10	Over 12	Over 14	Over 16
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	7,443.00	7,512.30	7,794.60	7,876.20	8,119.20
0–7	6,258.30	6,451.20	6,643.80	6,837.00	7,443.00
0–6	4,958.40	4,985.70	4,985.70	5,152.50	5,769.00
0–5	4,276.20	4,404.90	4,642.50	4,953.60	5,268.30
0–4	3,966.00	4,236.90	4,447.20	4,593.60	4,740.90
0–3 [3]	3,688.50	3,835.50	4,024.80	4,123.20	4,123.20
0–2 [3]	3,059.40	3,059.40	3,059.40	3,059.40	3,059.40
0–1 [3]	2,413.80	2,413.80	2,413.80	2,413.80	2,413.80
	Over 18	Over 20	Over 22	Over 24	Over 26
0–10 [2]	$0.00	$10,614.30	$10,666.80	$10,888.80	$11,275.20
0–9	0.00	9,283.80	9,417.60	9,611.10	9,948.30
0–8	8,471.40	8,796.60	9,013.50	9,013.50	9,013.50
0–7	7,955.10	7,955.10	7,955.10	7,955.10	7,995.10
0–6	6,063.00	6,357.00	6,524.10	6,695.70	7,024.20
0–5	5,415.30	5,562.30	5,731.80	5,731.80	5,731.80
0–4	4,791.60	4,791.60	4,791.60	4,791.60	4,791.60
0–3 [3]	4,123.20	4,123.20	4,123.20	4,123.20	4,123.20
0–2 [3]	3,059.40	3,059.40	3,059.40	3,059.40	3,059.40
0–1 [3]	2,413.80	2,413.80	2,413.80	2,413.80	2,413.80

[1] Notwithstanding the pay rates specified in this table, basic pay for commissioned officers may not exceed the rate of basic pay for level V of the Executive Schedule.

[2] While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be $12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. However, actual basic pay for these officers may not exceed the rate of basic pay for level V of the Executive Schedule.

[3] This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,351.90	$3,512.40
O–2E	0.00	0.00	0.00	2,997.60	3,059.40
O–1E	0.00	0.00	0.00	2,413.80	2,578.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$3,688.50	$3,835.50	$4,024.80	$4,184.40	$4,275.60
O–2E	3,156.30	3,321.30	3,448.20	3,542.70	3,542.70
O–1E	2,673.60	2,770.50	2,866.80	2,997.60	2,997.60
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$4,402.50	$4,402.50	$4,402.50	$4,402.50	$4,402.50
O–2E	3,542.70	3,542.70	3,542.70	3,542.70	3,542.70
O–1E	2,997.60	2,997.60	2,997.60	2,997.60	2,997.60

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	2,582.10	2,777.70	2,857.80	2,937.60	3,071.70
W–3	2,346.90	2,545.80	2,545.80	2,578.50	2,684.10
W–2	2,055.60	2,223.90	2,223.90	2,297.10	2,413.80
W–1	1,712.70	1,963.50	1,963.50	2,127.60	2,223.90
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,204.90	3,337.50	3,471.90	3,608.40	3,739.20
W–3	2,804.40	2,962.80	3,059.40	3,164.70	3,285.60
W–2	2,545.80	2,642.40	2,739.30	2,833.50	2,937.90
W–1	2,323.80	2,424.00	2,523.60	2,624.10	2,724.30
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$4,458.00	$4,611.00	$4,764.90	$4,918.50
W–4	3,873.30	4,006.20	4,139.70	4,273.50	4,410.30
W–3	3,405.60	3,525.60	3,645.60	3,765.90	3,886.20
W–2	3,044.70	3,151.80	3,258.60	3,365.70	3,365.70
W–1	2,824.20	2,899.80	2,899.80	2,899.80	2,899.80

ENLISTED MEMBERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [1]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	1,758.90	1,920.60	1,993.20	2,066.10	2,139.60
E–6	1,513.20	1,671.90	1,746.00	1,817.40	1,892.70
E–5	1,327.80	1,488.30	1,560.90	1,634.70	1,708.50
E–4	1,238.10	1,368.00	1,441.80	1,514.40	1,587.90
E–3	1,167.00	1,255.80	1,329.00	1,330.80	1,330.80
E–2	1,123.20	1,123.20	1,123.20	1,123.20	1,123.20
E–1	[2] 1,001.70	1,001.70	1,001.70	1,001.70	1,001.70
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [1]	$0.00	$3,003.90	$3,071.70	$3,157.80	$3,259.20
E–8	2,518.80	2,591.70	2,659.50	2,741.10	2,829.30
E–7	2,212.50	2,285.40	2,359.50	2,430.90	2,504.40
E–6	1,966.50	2,040.30	2,111.40	2,184.00	2,235.90
E–5	1,783.50	1,855.20	1,928.70	1,929.00	1,929.00
E–4	1,587.90	1,587.90	1,587.90	1,587.90	1,587.90
E–3	1,330.80	1,330.80	1,330.80	1,330.80	1,330.80
E–2	1,123.20	1,123.20	1,123.20	1,123.20	1,123.20
E–1	1,001.70	1,001.70	1,001.70	1,001.70	1,001.70
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [1]	$3,360.30	$3,460.20	$3,595.50	$3,729.60	$3,900.90
E–8	2,921.40	3,014.40	3,149.10	3,282.90	3,471.90
E–7	2,577.30	2,650.50	2,776.80	2,915.10	3,122.40
E–6	2,274.60	2,274.60	2,274.60	2,274.60	2,274.60
E–5	1,929.00	1,929.00	1,929.00	1,929.00	1,929.00
E–4	1,587.90	1,587.90	1,587.90	1,587.90	1,587.90

ENLISTED MEMBERS—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–3	1,330.80	1,330.80	1,330.80	1,330.80	1,330.80
E–2	1,123.20	1,123.20	1,123.20	1,123.20	1,123.20
E–1	1,001.70	1,001.70	1,001.70	1,001.70	1,001.70

[1] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[2] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $926.70.

(c) RETIRED PAY COMPUTATION FORMULA FOR MEMBERS OF THE ARMED FORCES WHO ENTERED MILITARY SERVICE ON OR AFTER AUGUST 1, 1986.—(1) Section 1409(b) of title 10, United States Code, is amended—

(A) by striking paragraph (2);

(B) by redesignating paragraph (3) as paragraph (2); and

(C) in paragraph (1), by striking ''paragraphs (2) and (3)'' and inserting ''paragraph (2)''.

(2) Paragraph (3) of section 1401a(b) of such title is amended to read as follows:

''(3) POST-AUGUST 1, 1986 MEMBERS.—

''(A) If the percent determined under paragraph (2) is equal to or greater than 3 percent, the Secretary shall increase the retired pay of each member and former member who first became a member on or after August 1, 1986, by the difference between—

''(i) the percent determined under paragraph (2); and

''(ii) 1 percent.

''(B) If the percent determined under paragraph (2) is less than 3 percent, the Secretary shall increase the retired pay of each member and former member who first became a member on or after August 1, 1986, by the lesser of—

''(i) the percent determined under paragraph (2); and

''(ii) 2 percent.''.

(3)(A) Section 1410 of such title is amended—

(i) by striking ''on that date'' and all that follows through ''increases in the retired pay'' and inserting ''on that date if increases in the retired pay'';

(ii) by striking ''section); and'' and inserting ''section).'';

(iii) by striking paragraph (2); and

(iv) by amending the section heading to read as follows:

''§ 1410. Restoral of cost-of-living adjustment amount at age 62 for members entering on or after August 1, 1986''.

(B) The table of sections at the beginning of chapter 71 of such title is amended to read as follows:

''1410. Restoral of cost-of-living adjustment amount at age 62 for members entering on or after August 1, 1986.''.

(C) Chapter 73 of such title is amended as follows:

(i) Section 1447(6)(A) is amended by striking ''(determined without regard to any reduction under section 1409(b)(2) of this title)''.

(ii) Section 1451(h) is amended by striking paragraph (3).

(iii) Section 1452(c) is amended by striking paragraph (4).

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999.

(d) FUNDING FOR FISCAL YEAR 2000.—There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, for military personnel functions administered by the Department of Defense, to be available only for increases in basic pay attributable to subsections (a) and (b) and for increased payments to the Department of Defense Military Retirement Fund attributable to the amendments made by subsection (c), amounts as follows:

For ''Military Personnel, Army'', $559,533,000.

For ''Military Personnel, Navy'', $436,773,000.

For ''Military Personnel, Marine Corps'', $177,980,000.

For ''Military Personnel, Air Force'', $471,892,000.

For ''Reserve Personnel, Army'', $40,574,000.

For ''Reserve Personnel, Navy'', $29,833,000.

For ''Reserve Personnel, Marine Corps'', $7,820,000.

For ''Reserve Personnel, Air Force'', $13,143,000.

For ''National Guard Personnel, Army'', $70,416,000.

For ''National Guard Personnel, Air Force'', $30,462,000.

(e) APPLICABILITY CONTINGENT ON EMERGENCY FUNDING DESIGNATION.—(1) Each of the amounts provided in subsection (d) is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)).

(2) Subsections (a), (b), and (c) (including the amendments made by those subsections) shall take effect only if, and the amounts provided in subsection (d) shall be available only if, the President transmits to the Congress before October 1, 1999, an official budget request that includes, for each of the amounts provided by subsection (d), designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)).

In chapter 4, strike the item relating to ''NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM''.

In section 401—

(1) after the first dollar amount, insert the following: ''(reduced by $810,920,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $285,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $159,890,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $329,730,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $35,500,000)''; and

(6) after the last dollar amount, insert the following: ''(reduced by $810,920,000)''.

At the end of the bill, strike the short title and insert the following:

TITLE II—OTHER EMERGENCY SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $42,753,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, $1,095,000,000, as follows: $350,000,000 for guaranteed farm ownership loans; $200,000,000 for direct farm ownership loans; $185,000,000 for direct farm operating loans; $185,000,000 for subsidized guaranteed farm operating loans; and $175,000,000 for emergency farm loans.

For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, $28,804,000, of which $12,635,000 shall be for direct loans and $16,169,000 shall be for guaranteed subsidized loans; farm ownership loans, $35,505,000, of which $29,940,000 shall be for direct loans and $5,565,000 shall be for guaranteed loans; emergency loans, $41,300,000; and administrative expenses to carry out the loan programs, $4,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OFFICE OF THE SECRETARY

EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS

For emergency grants to assist low-income migrant and seasonal farmworkers under section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a), $25,000,000: *Provided*, That the entire amount shall be available only to the extent an official budget request for $25,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

AGRICULTURAL MARKETING SERVICE

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

For an additional amount for the fund maintained for funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), $120,000,000, to be used for assistance to small- and medium-sized hog farmers: *Provided*, That the entire amount shall be available only to the extent an official budget request for $120,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement under section 251(b)(2)(A) of such Act.

FARM SERVICE AGENCY

EMERGENCY CONSERVATION PROGRAM

For an additional amount for the ''Emergency Conservation Program'' for expenses resulting from natural disasters, $25,000,000, to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $25,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

COMMODITY CREDIT CORPORATION FUND

LIVESTOCK ASSISTANCE PROGRAM

For an additional amount for the Livestock Assistance Program under Public Law 105–277, $60,000,000: *Provided*, That the entire amount shall be available only to the extent an official budget request for $60,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

LIVESTOCK INDEMNITY PROGRAM

An amount of $3,000,000 is provided to implement a livestock indemnity program as established in Public Law 105–18: *Provided*, That the entire amount shall be available only to the extent an official budget request for $3,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for ''Watershed and Flood Prevention Operations'' to repair damages to the waterways and watersheds, including debris removal that would not be authorized under the Emergency Watershed Program, resulting from natural disasters, $80,000,000, to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $80,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL COMMUNITY ADVANCEMENT PROGRAM

For an additional amount for the costs of direct loans and grants of the rural utilities programs described in section 381E(d)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), as provided in 7 U.S.C. 1926(a) and 7 U.S.C. 1926C for distribution through the national reserve, $30,000,000, of which $25,000,000 shall be for grants under such program: *Provided*, That the entire amount shall be available only to the extent an official budget request for $30,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund to meet needs resulting from natural disasters, as follows: $10,000,000 for loans to section 502 borrowers, as determined by the Secretary; and $1,000,000 for section 504 housing repair loans.

For the additional cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, to remain available until expended, $1,534,000, as follows: section 502 loans, $1,182,000; and section 504 housing repair loans, $352,000: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $1,534,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL HOUSING ASSISTANCE GRANTS

For an additional amount for grants for very low-income housing repair, as authorized by 42 U.S.C. 1474, to meet needs resulting from natural disasters, $1,000,000: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $1,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

FOREIGN ASSISTANCE AND RELATED PROGRAMS

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

For an additional amount for ''Public Law 480 Program and Grant Accounts'' for humanitarian food assistance under title II of Public Law 480, $175,000,000, to remain available until expended: *Provided*, That the Congress hereby designates the entire such amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That such amount shall be available only to the extent of a specific dollar amount for such purpose that is included in an official budget request transmitted by the President to the Congress and that is designated as an emergency requirement pursuant to such section 251(b)(2)(A).

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1101. The Secretary of Agriculture may waive the limitation established under the second sentence of the second paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), on the amount of funds that may be devoted during fiscal year 1999 to any 1 agricultural commodity or product thereof.

SEC. 1102. Notwithstanding section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i), an additional $28,000,000 shall be provided through the Commodity Credit Corporation in fiscal year 1999 for technical assistance activities performed by any agency of the Department of Agriculture in carrying out any conservation or environmental program funded by the Commodity Credit Corporation: *Provided*, That the entire amount shall be available only to the extent an official budget request for $28,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

CHAPTER 2

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For an additional amount for ''Salaries and Expenses, Enforcement and Border Affairs'' to support increased detention requirements for Central American criminal aliens and to address the expected influx of illegal immigrants from Central America as a result of Hurricane Mitch, $80,000,000, which shall remain available until expended and which shall be administered by the Attorney General: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER 3

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $8,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $5,100,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of

the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $7,300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,300,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $1,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $69,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $16,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $8,800,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $46,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for ''Overseas Humanitarian, Disaster, and Civic Aid'', $37,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER 4

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''International Disaster Assistance'' for necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance, pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Economic Support Fund'', in addition to amounts otherwise available for such purposes, to provide assistance to Jordan, $50,000,000 to become available upon enactment of this Act and to remain available until September 30, 2001: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY

DISASTER RECOVERY FUND

Notwithstanding section 10 of Public Law 91–672, for necessary expenses to address the effects of hurricanes in Central America and the Caribbean and the earthquake in Colombia, $621,000,000, to remain available until September 30, 2000: *Provided*, That the funds appropriated under this heading shall be subject to the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and, except for section 558, the provisions of title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further*, That up to $5,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development'', to remain available until September 30, 2000, to be used for administrative costs of USAID in addressing the effects of those hurricanes, of which up to $1,000,000 may be used to contract directly for the personal services of individuals in the United States: *Provided further*, That up to $2,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development Office of Inspector General'', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading shall be subject to the funding ceiling contained in section 580 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in Division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)), notwithstanding section 545 of that Act: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Debt Restructuring'', $41,000,000, to remain available until expended: *Provided*, That up to $25,000,000 may be used for a contribution to the Central America Emergency Trust Fund, administered by the International Bank for Reconstruction and Development: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Foreign Military Financing Program'', for grants to enable the President to carry out section 23 of the Arms Export Control Act, in addition to amounts otherwise available for such purposes, for grants only for Jordan, $50,000,000 to become available upon enactment of this Act and to remain available until September 30, 2001: *Provided*, That funds appropriated under this heading shall be nonrepayable, notwithstanding section 23(b) and section 23(c) of the Arms Export Control Act: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISION—THIS CHAPTER

SEC. 2401. The value of articles, services, and military education and training authorized as of November 15, 1998, to be drawn down by the President under the authority of section 506(a)(2) of the Foreign Assistance Act of 1961, as amended, shall not be counted against the ceiling limitation of that section.

CHAPTER 5

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

RECONSTRUCTION AND CONSTRUCTION

For an additional amount for ''Reconstruction and Construction'', $5,611,000, to remain available until expended, to address damages from Hurricane Georges and other natural disasters in Puerto Rico: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount provided shall be available only to the extent that an official budget request that includes designation of the entire

amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That funds in this account may be transferred to and merged with the ''Forest and Rangeland Research'' account and the ''National Forest System'' account as needed to address emergency requirements in Puerto Rico.

CHAPTER 6

OFFSETS

BILATERAL ECONOMIC ASSISTANCE

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277 and in prior acts making appropriations for foreign operations, export financing, and related programs, $17,000,000 are rescinded.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

(RESCISSION)

Of the funds appropriated under this heading in Public Law 104–208 for the cost of direct loans authorized by section 23 of the Arms Export Control Act, $18,000,000 are rescinded.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $23,000,000 are rescinded.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for ''Small Community Air Service'' by Public Law 101–508 for fiscal years prior to fiscal year 1998, $815,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

STATE INFRASTRUCTURE BANKS

(RESCISSION)

Of the available balances under this heading, $6,500,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

TRUST FUND SHARE OF TRANSIT PROGRAMS

(HIGHWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for the trust fund share of transit programs in Public Law 102–240 under 49 U.S.C. 5338(a)(1), $665,000 are rescinded.

INTERSTATE TRANSFER GRANTS—TRANSIT

Of the available balances under this heading, $600,000 are rescinded.

GENERAL PROVISION—THIS TITLE

SEC. 2601. Division B, title I, chapter 1 of Public Law 105–277 is amended as follows: under the heading ''Operation and Maintenance, Defense-Wide'', strike ''$1,496,600,000'' and insert ''$1,456,600,000''.

TITLE III—SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS

CHAPTER 1

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses,'' $921,000, to remain available until expended.

DEPARTMENT OF STATE AND RELATED AGENCIES

RELATED AGENCY

UNITED STATES INFORMATION AGENCY

BUYING POWER MAINTENANCE

(RESCISSION)

Of the unobligated balances available under this heading, $20,000,000 are rescinded.

CHAPTER 2

UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

For necessary expenses for the United States Commission on International Religious Freedom, as authorized by title II of the International Religious Freedom Act of 1998 (Public Law 105–292), $3,000,000, to remain available until expended.

CHAPTER 3

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $6,800,000 are rescinded.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For an additional amount for ''Federal Trust Programs'', $21,800,000, to remain available until expended, of which $6,800,000 is for activities pursuant to the Trust Management Improvement Project High Level Implementation Plan and $15,000,000 is to support litigation involving individual Indian trust accounts: *Provided*, That litigation support funds may, as needed, be transferred to and merged with the ''Operation of Indian Programs'' account in the Bureau of Indian Affairs, the ''Salaries and Expenses'' account in the Office of the Solicitor, the ''Salaries and Expenses'' account in Departmental Management, the ''Royalty and Offshore Minerals Management'' account in the Minerals Management Service and the ''Management of Lands and Resources'' account in the Bureau of Land Management.

CHAPTER 4

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Under this heading in section 101(f) of Public Law 105–277, strike ''$3,132,076,000'' and insert ''$3,111,076,000'' and strike ''$180,933,000'' and insert ''$164,933,000''.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

FEDERAL CAPITAL LOAN PROGRAM FOR NURSING

(RESCISSION)

Of the funds made available under the Federal Capital Loan Program for Nursing appropriation account, $2,800,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in section 101(f) of Public Law 105–277, $6,800,000 are rescinded.

RELATED AGENCY

CORPORATION FOR PUBLIC BROADCASTING

For an additional amount for the Corporation for Public Broadcasting, to remain available until expended, $11,000,000 to be available for fiscal year 1999, and $37,000,000 to be available for fiscal year 2000: *Provided*, That such funds be made available to National Public Radio, as the designated manager of the Public Radio Satellite System, for acquisition of satellite capacity.

CHAPTER 5

CONGRESSIONAL OPERATIONS

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

HOUSE OFFICE BUILDINGS

HOUSE PAGE DORMITORY

For necessary expenses for renovations to the facility located at 501 First Street, S.E., in the District of Columbia, $3,760,000, to remain available until expended: *Provided*, That the Architect of the Capitol shall transfer to the Chief Administrative Officer of the House of Representatives such portion of the funds made available under this paragraph as may be required for expenses incurred by the Chief Administrative Officer in the renovation of the facility, subject to the approval of the Committee on Appropriations of the House of Representatives: *Provided further*, That section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) shall not apply to the funds made available under this paragraph.

O'NEILL HOUSE OFFICE BUILDING

For necessary expenses for life safety renovations to the O'Neill House Office Building, $1,800,000, to remain available until expended: *Provided*, That section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) shall not apply to the funds made available under this paragraph.

ADMINISTRATIVE PROVISIONS—THIS CHAPTER

SEC. 3501. (a) The aggregate amount otherwise authorized to be appropriated for a fiscal year for the lump-sum allowance for the Office of the Minority Leader of the House of Representatives and the aggregate amount otherwise authorized to be appropriated for a fiscal year for the lump-sum allowance for the Office of the Majority Whip of the House of Representatives shall each be increased by $333,000.

(b) This section shall apply with respect to fiscal year 2000 and each succeeding fiscal year.

SEC. 3502. (a) Each office described under the heading ''HOUSE LEADERSHIP OFFICES'' in the Act making appropriations for the legislative branch for a fiscal year may transfer any amounts appropriated for the office under such heading among the various categories of allowances and expenses for the office under such heading.

(b) Subsection (a) shall not apply with respect to any amounts appropriated for official expenses.

(c) This section shall apply with respect to fiscal year 1999 and each succeeding fiscal year.

CHAPTER 6

POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE FUND

For an additional amount for ''Payments to the Postal Service Fund'' for revenue forgone reimbursement pursuant to 39 U.S.C. 2401(d), $29,000,000.

EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

UNANTICIPATED NEEDS

(RESCISSION)

Of the funds made available under this heading in Public Law 101–130, the Fiscal Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance, $10,000,000 are rescinded.

CHAPTER 7

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

Notwithstanding the 6th undesignated paragraph under the heading ''COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANTS'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105–276; 112 Stat. 2477) and the related provisions of the joint explanatory statement in the conference report to accompany such Act (Report 105–769, 105th Congress, 2d Session) referred to in such paragraph, of the amounts provided under such heading and made available for the Economic Development Initiative (EDI) for grants for targeted economic investments, $250,000 shall be for a grant to Project Restore of Los Angeles, California, for the Los Angeles City Civic Center Trust, to revitalize and redevelop the Civic Center neighborhood, and $100,000 shall be for a grant to the Southeast Rio Vista Family YMCA, for development of a child care center in the City of Huntington Park, California.

MANAGEMENT AND ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

Under this heading in Public Law 105–276, add the words, ''to remain available until September 30, 2000,'' after $81,910,000,''.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 4001. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(a) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title III, under the heading ''Rural Community Advancement Program, (Including Transfer of Funds)'', by inserting ''1926d,'' after ''1926c,''; by inserting '', 306C, and 306D'' after ''381E(d)(2)'' the first time it appears in the paragraph; and by striking '', as provided in 7 U.S.C. 1926(a) and 7 U.S.C. 1926C'';

(b) in title VII, in section 718 by striking ''this Act'' and inserting ''annual appropriations Acts'';

(c) in title VII, in section 747 by striking ''302'' and inserting ''203''; and

(d) in title VII, in section 763(b)(3) by striking ''Public Law 94–265'' and inserting ''Public Law 104–297''.

SEC. 4002. Division B, title V, chapter 1 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) is amended under the heading ''Department of Agriculture, Agriculture Research Service'' by inserting after ''$23,000,000,'' the following: ''to remain available until expended,''.

SEC. 4003. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title II under the heading ''Burma'' by striking ''headings 'Economic Support Fund' and'' and inserting ''headings 'Child Survival and Disease Programs Fund', 'Economic Support Fund' and'';

(b) in title V in section 587 by striking ''199–339'' and inserting ''99–399'';

(c) in title V in subsection 594(a) by striking ''subparagraph (C)'' and inserting ''subsection (c)'';

(d) in title V in subsection 594(b) by striking ''subparagraph (a)'' and inserting ''subsection (a)''; and

(e) in title V in subsection 594(c) by striking ''521 of the annual appropriations Act for Foreign Operations, Export Financing, and Related Programs'' and inserting ''520 of this Act''.

SEC. 4004. Subsection 1706(b) of title XVII of the International Financial Institutions Act (22 U.S.C. 262r–5(b)), as added by section 614 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999, is amended by striking ''June 30'' and inserting ''September 30''.

SEC. 4005. The Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(e) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in the last proviso under the heading ''United States Fish and Wildlife Service, Administrative Provisions'' by striking ''section 104(c)(50)(B) of the Marine Mammal Protection Act (16 U.S.C. 1361–1407)'' and inserting ''section 104(c)(5)(B) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361–1407)''.

(b) in section 354(a) by striking ''16 U.S.C. 544(a)(2))'' and inserting ''16 U.S.C. 544b(a)(2))''.

(c) The amendments made by subsections (a) and (b) of this section shall take effect as if included in Public Law 105–277 on the date of its enactment.

SEC. 4006. The Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(f) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title I, under the heading ''Federal Unemployment Benefits and Allowances'', by striking ''during the current fiscal year'' and inserting ''from October 1, 1998, through September 30, 1999'';

(b) in title II under the heading ''Office of the Secretary, General Departmental Management'' by striking ''$180,051,000'' and inserting ''$188,051,000'';

(c) in title II under the heading ''Children and Families Services Programs, (Including Rescissions)'' by striking ''notwithstanding section 640 (a)(6), of the funds made available for the Head Start Act, $337,500,000 shall be set aside for the Head Start Program for Families with Infants and Toddlers (Early Head Start): *Provided further*, That'';

(d) in title II under the heading ''Office of the Secretary, General Departmental Management'' by inserting after the first proviso the following: ''*Provided further*, That of the funds made available under this heading for carrying out title XX of the Public Health Service Act, $10,831,000 shall be for activities specified under section 2003(b)(2), of which $9,131,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX:'';

(e) in title III under the heading ''Special Education'' by inserting before the period at the end of the paragraph the following: '': *Provided further*, That $1,500,000 shall be for the recipient of funds provided by Public Law 105–78 under section 687(b)(2)(G) of the Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities'';

(f) in title II under the heading ''Public Health and Social Services Emergency Fund'' by striking ''$322,000'' and inserting ''$180,000'';

(g) in title III under the heading ''Education Reform'' by striking ''$491,000,000'' and inserting ''$459,500,000'';

(h) in title III under the heading ''Vocational and Adult Education'' by striking ''$6,000,000'' the first time that it appears and inserting ''$14,000,000'', and by inserting before the period at the end of the paragraph the following: '': *Provided further*, That of the amounts made available for the Perkins Act, $4,100,000 shall be for tribally controlled postsecondary vocational institutions under section 117'';

(i) in title III under the heading ''Higher Education'' by inserting after the first proviso the following: ''*Provided further*, That funds available for part A, subpart 2 of title VII of the Higher Education Act shall be available to fund awards for academic year 1999–2000 for fellowships under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1:'';

(j) in title III under the heading ''Education Research, Statistics, and Improvement'' by inserting after the third proviso the following: ''*Provided further*, That of the funds appropriated under section 10601 of title X of the Elementary and Secondary Education Act of 1965, as amended, $1,000,000 shall be used to conduct a violence prevention demonstration program: *Provided further*, That of the funds appropriated under section 10601 of title X of the Elementary and Secondary Education Act of 1965, as amended, $50,000 shall be awarded to the Center for Educational Technologies to conduct a feasibility study and initial planning and design of an effective CD ROM product that would complement the book, We the People: The Citizen and the Constitution:'';

(k) in title III under the heading ''Reading Excellence'' by inserting before the period at the end of the paragraph the following: '': *Provided*, That up to one percent of the amount appropriated shall be available October 1, 1998 for peer review of applications'';

(l) in title V in section 510(3) by inserting after ''Act'' the following: ''or subsequent Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Acts''; and

(m)(1) in title VIII in section 405 by striking subsection (e) and inserting the following:

''(e) OTHER REFERENCES TO TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—The table of contents of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.) is amended—

''(1) by striking the items relating to title VII of such Act, except the item relating to the title heading and the items relating to subtitles B and C of such title; and

''(2) by striking the item relating to the title heading for title VII and inserting the following:

'' 'TITLE VII—EDUCATION AND TRAINING'.''.

(2) The amendments made by subsection (m)(1) of this section shall take effect as if included in Public Law 105–277 on the date of its enactment.

SEC. 4007. The last sentence of section 5595(b) of title 5, United States Code (as added by section 309(a)(2) of the Legislative Branch Appropriations Act, 1999, Public Law 105–275) is amended by striking ''(a)(1)(G)'' and inserting ''(a)(1)(C)''.

SEC. 4008. The Department of Transportation and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(g) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended: (a) in title I under the heading ''National Highway Traffic Safety Administration, Operations and Research, (Highway Trust Fund)'' by inserting before the period at the end of the paragraph '': *Provided further*, That notwithstanding other funds available in this Act for the National Advanced Driving Simulator Program, funds under this heading are available for obligation, as necessary, to continue this program through September 30, 1999''.

SEC. 4009. Division B, title II, chapter 5 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) is amended under the heading ''Capitol Police Board, Security Enhancements'' by inserting before the period at the end of the paragraph '': *Provided further*, That for purposes of carrying out the plan or plans described under this heading and consistent with the approval of such plan or plans pursuant to this heading, the Capitol Police Board shall transfer the portion of the funds made available under this heading which are to be used for personnel and overtime increases for the United States Capitol Police to the heading ''Capitol Police Board, Capitol Police, Salaries'' under the Act making appropriations for the legislative branch for the fiscal year involved, and shall allocate such portion between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate in such amounts as may be approved by the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate''.

SEC. 4010. Section 3027(d)(3) of the Transportation Equity Act for the 21st Century (49 U.S.C. 5307 note; 112 Stat. 366) as added by section 360 of the Department of Transportation and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(g) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is re-designated as section 3027(c)(3).

SEC. 4011. The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(b) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title I, under the heading ''Legal Activities, Salaries and Expenses, General Legal Activities'', by inserting ''and shall remain available until September 30, 2000'' after ''Holocaust Assets in the United States''; and

(b) in title IV, under the heading ''Department of State, Administration of Foreign Affairs, Salaries and Expenses'', by inserting ''and shall remain available until September 30, 2000'' after ''Holocaust Assets in the United States''.

TITLE V—GENERAL PROVISIONS

SEC. 5001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the ''1999 Emergency Supplemental Appropriations Act''.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Wisconsin (Mr. OBEY) and a member opposed each will control 20 minutes.

Does the gentleman from Florida (Mr. YOUNG) seek to control the time in opposition?

Mr. YOUNG of Florida. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) will control 20 minutes, and the gentleman from Florida (Mr. YOUNG) will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

□ 1400

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this country is engaged in a war which is the consequence of the inability of the West to act going as far back as 1982. Mr. Milosevic has been consistently and perniciously grinding people into the dust in Bosnia, in Croatia, in Kosovo for over a decade. And because action was not taken to stop him more than a decade ago, the cost of stopping him now is going to be much higher than it otherwise would have been.

We can all argue about how we got here, but the fact is we are here, and we owe the troops in the field and we owe the President an obligation to deal with this issue on the merits—right down the middle. I do not think this House has done a very good job of doing that.

We have seen an incredible array of political comments the last few weeks. Last week, for instance, we have seen one Member of this body indicate that this needed to be clearly understood as Clinton's war rather than the national problem that it really is. We saw a good many efforts being made to simultaneously oppose what the President is doing and what NATO is doing and at the same time double the spending for conducting that war.

We saw 80 percent of the Members of the majority party vote last week against conducting the very operation which today they are suggesting we should spend twice as much money on as the President is asking. I think that that is spectacularly inconsistent, and I think it is confusing and destructive of our ability to find common ground on this issue.

The President asked for $6 billion, a little over $6 billion, to finance a war which is literally an 800-plane, 24-hour-a-day constant bombarding of all of Yugoslavia, not just Kosovo. He has asked for funds fully sufficient to conduct at least that level of activity between now and the end of the fiscal year.

In addition to that, he has asked for funds fully sufficient to pay for an Apache operation over there twice as large as the one which is now operating. And it seems to me that we ought to support him in that effort.

The majority party has responded, after falling off one side of the horse last week by refusing to support this operation, they are now responding by falling off the other side of the horse and saying, in essence, that we ought to increase the size of this bill by 125 percent.

They increased $460 million for additional munitions. The amendment now before us says, all right, in the interest of compromise, we will buy that. They increased procurement by $400 million. We say, okay, in the interest of compromise, we will buy that too. They provided a billion dollars to avoid reprogramming for operation and maintenance items because they want to make sure we have enough money to fully fund all of the Pentagon's needs, not just in Kosovo but elsewhere. We say, okay, we agree with that. We will give them that billion dollars.

What we do not want to give them is the $3 billion that has nothing whatsoever to do with Kosovo but has everything to do with another game that is going on. We have 2 simultaneous problems. We have the Kosovo problem. We also have a budget problem. And under the budget which the majority passed two weeks ago, caps were established on what we can spend for every category of Government, including defense.

What they are now trying to do with this bill is to take $3 billion of items that are not related to Kosovo, stick them in this bill, which will, therefore, enable them to spend $3 billion more on what largely are pork items. And we do not agree with doing that.

So we removed that $3 billion. That still leaves us $5 billion above the President's request, a huge amount of funding. And we make the pay raise, which the majority party claims it is providing real, by making it deliverable immediately rather than deliverable upon passage of another piece of legislation. That is what we do.

We also, responding to some of the advice of Members, such as the gentleman from Alabama (Mr. CALLAHAN) who suggested that we need more money by way of food aid. We have also provided that.

What we do not want to do is misuse the precious privilege we have to declare certain items emergencies when we think they are emergencies. And it just seems to me, therefore, that if they want to avoid polarizing this

issue, they would take the amendment that we are offering today and support it in the interest of moving both sides to the center.

Now, some persons will say, well, we have to add all of these items to this bill despite the fact that they are not emergency items because we have a readiness problem, and they claim that the President is responsible for that. The fact is that for the last 4½ years the majority party has been in control, they have added $27 billion to the President's military budgets and all but $3½ billion of that has gone to non-readiness items.

I did not make those choices. They did. They had the votes to push them through and they did. I would simply ask, if we do have a readiness problem today, I would say let us take care of it. The defense bill is going to be coming out here in a few weeks' time. Deal with it on that bill.

What I would say, also, is that if they think that we have a readiness problem, why did they put 80 percent of the money they added to the defense budget in non-readiness items? That seems to me again spectacularly inconsistent. We are also told, ''Oh, we have to put more money in because the Pentagon says that they are stretched too thin.''

I want to read from a document prepared by the Pentagon. It makes five points. It says: ''In the event of a major theater war, assets would be required to swing between theaters to support major theater war operations and the ongoing operation in Kosovo, just as envisioned by the Quadrennial Defense Review.''

The second thing it says is: ''The total number of Air Force aircraft deployed or planned for Kosovo represent only about 25 percent of the total number of the services' primary aircraft. Clearly, the Air Force possesses sufficient forces to meet an additional regional war with some aircraft still in reserve.''

It also makes the point that the Navy has already taken the steps needed to ameliorate the situation in the Western Pacific by making the U.S.S. Constellation ready to sail within 96 hours if it is needed to support operations in Korea.

It also makes a number of other points which refute the idea that there is such a crisis in military spending that we must wholesale abuse the emergency designation in this legislation.

I want every dollar that is needed for any contingency in Kosovo to be provided, but I do not want this Congress to misuse the emergency designation in order to simply facilitate moving $3 billion from the regular appropriation bill into this bill by pretending it is an emergency, thereby making room for the same kind of pork items that have been added in the past that, in my view, should not have been added. So that is, essentially, the issue that we face.

And I would also say one other thing. We have heard people say there must be a more fair division of burdens between us and our NATO allies. I could not agree more. And so I would ask, if people believe that, why are they supporting the original bill which forward funds—in other words pays one year early—the $240 million military construction obligation that we will have for our share of NATO costs next year?

There is no other country in the world that is providing that money a year ahead of time. If we provide that money ahead of time, it takes away from our leverage to ask that other NATO allies meet their fair share of the cost in dealing with this war.

So I do not want to hear any rhetoric about how we must oppose the Obey amendment in order to support our troops in the field. This amendment fully supports every possible requirement of troops in the field. What it does not do is engage in the fiction that we ought to use this war in order to pretend that billions of additional dollars are emergencies when in fact they are not.

There is no emergency that requires us to build 37 of those military construction projects in Europe, which the Pentagon did not even want on its list for the next 5 years. This reminds me of the debate just a couple years ago where the Congress insisted on providing a billion-dollar aircraft to the Pentagon that it did not want.

And one last comment again, because I heard it three times, on JDAMs. Yes, we need more JDAMs. This is a new weapon. The administration asked that their request be fully funded last year. It was not Bill Clinton that cut the funds for that program. It was not the gentleman from Wisconsin. It was the committee, under the control of the majority party, which cut that request by 18 percent.

So I remind my colleagues, if they want to know why some of these so-called readiness problems afflict the military, I would advise them to simply look in the mirror; and keep in mind that today we are supposed to be funding emergencies on an emergency basis, we are not supposed to be using it to play ''let us pretend'' games on next year's budget.

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

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, one of the big arguments here today seems to be the fact that the Congress is recommending more funding for our national defense capabilities than the President asked for.

Well, the President's record on estimating the length of time of a military deployment and how much the cost is going to be is not all that great. For example, in Bosnia, for those of us who attended those first meetings about Bosnia, we were told that we would be in Bosnia for about a year, and it would cost about $1.2 billion. But, Mr. Chairman, 5 years later and $10 billion later, we are still in Bosnia.

This administration's record on estimating how long the deployment is going to take or how much it is going to cost is not very good.

Now, the gentleman from Wisconsin (Mr. OBEY) likes to make the point that we have included items that the Pentagon did not want, and he makes this argument every time there is a defense bill on the floor. But let me explain how this works.

When the administration request comes to this Congress, it does not come from the Defense Department. It goes from the Defense Department to the Office of Management and Budget, and they decide what the Defense request will be to the Congress. So just because OMB does not want something does not mean that the warfighters have not already identified it and told us that, in fact, it was a requirement.

And then the point about the Congress doing things that the Pentagon does not want, let me give my colleagues an example. One of the examples of this was the C–17. There were attempts by the administration to kill the C–17. Congress insisted that we needed the capability that the C–17 would provide.

I would say to my colleagues, Mr. Chairman, that without the C–17 in the inventory today there is no way that we could be doing in the Kosovo region what we are doing. We just could not get enough of C–5's there into the Tirana Airport in Albania. But the C–17's can carry significant amounts of cargo into that area.

□ 1415

The gentleman from Wisconsin likes to continue his conversation about the JDAMs. JDAMs is a good system. But a year ago, there were serious technical problems with JDAMs. Our committee is very, very careful when there are problems not to throw money at it. It does not say we did not support the program. We did make a minor reduction in the JDAMs program because there were technical problems, and we needed to convince the administration that those problems had to be fixed.

Let me give Members another example of how that works. The THAAD program, the Theater High Altitude Air Defense system, everybody that understands what that system is knows we have got to have it. We have to have what THAAD would provide. But THAAD has been, unfortunately, a serious failure, so far, in its development. And so the committee took substantial amounts of money from that program to get the attention of the contractor

and the administration, to say, ''Fix it. Don't just throw money at something that doesn't work. Fix it.''

That is what we did on JDAMs. We said, ''Fix it.'' So they fixed it. And JDAMs is a good system, and it is well under way now.

THAAD will become a good system. We need what THAAD would produce and provide for our troops in the field. But we have got to have a THAAD system that works.

So this committee is very careful about what it provides funding for or what it does not provide funding for. That is why when we bring a bill to this floor it is well thought out and can be easily defended. Mr. Chairman, this bill is a good bill.

One of the gentleman from Wisconsin's other complaints is the fact that we put a pay raise in this bill for our men and women in uniform. He does not object to the pay raise, but he objects to the fact that we did not spell out the details of the plan. We had an understanding with our authorizing committees, both parties, that we would provide the money but we would allow them to function as their jurisdiction provides so that they would spell out the details.

I have confidence in the Committee on Armed Services, and it will address this. The gentleman from Indiana (Mr. BUYER) that we heard earlier on the floor is chairman of the subcommittee that will deal with this. The gentleman from South Carolina (Mr. SPENCE) is chairman of the full committee. The Senate has already passed their plan. We will go to conference on that one shortly, and the pay raise will become effective.

The gentleman from Wisconsin mentioned earlier that I had dragged a red herring across the debate. If I could use that same phrase, I think that argument about the pay raise is a typical red herring.

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

Mr. OBEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Obey amendment.

It provides a fiscally responsible way to address real emergencies, of supporting our troops in Kosovo, aids thousands of fleeing refugees, helps farmers who are being left high and dry here at home and the Central American communities trying to rebuild after the destruction of hurricane Mitch. It is a responsible alternative, rather than the Republican bill which is loading up with nonemergency defense items and from a group of people who just last week decided that it was not in the best interest of our troops who are in the field, men and women in the field, to support their efforts, that they come back and try to pile on in this supplemental appropriation.

The Obey amendment represents the values of American families. We affirm Congress' commitment to our men and women in the Armed Forces who are carrying out a brave and vital mission. It sends an important message to Milosevic that his savage campaign of ethnic cleansing against the Kosovar Albanians will not be tolerated. Mr. Milosevic continues to wage war on ethnic Albanians through his acts of violence, mass murder of innocent families and driving thousands of people and whole communities from their homes to refugee camps.

Make no mistake, Mr. Chairman. This is Milosevic's war. If you do not want to listen to me, listen to Margaret Thatcher, Jacques Chirac, President Schroeder, Prime Minister of England Tony Blair.

Mrs. Thatcher has said Milosevic's regime and the genocidal ideology that sustains it represents something altogether different, a truly monstrous evil. If you want to be serious about supporting our troops in this effort, support the Obey amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I want to seriously question what was just said, and I want to quote: ''The Obey amendment affirms the value of American families.'' Sending $100 million of Social Security money to Jordan is affirming the value of American families? The money comes from our seniors and our children. What we are going to do is we are going to affirm the value of anybody that is not going to pay for the Social Security money that we are going to spend. Who is that? It is not anybody. Because we are all going to pay for it. There are no family values in that. $100 million to Jordan needs to go, and we passed a bill that paid for it by decreasing spending somewhere else. The Obey amendment does not address that issue.

Mr. OBEY. Mr. Chairman, I yield myself 15 seconds.

As usual, the gentleman has his facts wrong. Jordan is fully offset in the Obey amendment. There is not one dime that adds to the deficit under that.

I wish that if the gentleman is going to attack my amendment, he would at least first understand it correctly.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LEWIS), the distinguished chairman of the Subcommittee on Defense.

Mr. LEWIS of California. Mr. Chairman, I cannot help but respond to the gentlewoman from Connecticut (Ms. DELAURO) when she talks about the vote last week, in which a broad cross-section of the membership did address that policy by saying that they disagreed fundamentally with the way this whole effort has been structured by the administration and out of their frustration wanted to express that concern.

Today is an entirely different debate, however. Today we are talking about sending a message to Milosevic by way of the House in a bipartisan, almost nonpartisan way, supporting funding of considerable amount to the troops who are in harm's way.

The gentleman from Wisconsin (Mr. OBEY) has pointed to the fact that, by way of his amendment, he is attempting to touch on the reality that we have a Kosovo problem and we have a budget problem, but fails to discuss very clearly the fact that we also have a military crisis on our hands, where we are spread too thin across the world, attempting to preserve the foundations for freedom. And in the meantime, it is because of a lack of long-term policy that we find ourselves in a situation where we are critically low on munitions.

In the area of readiness, for example, that the gentleman from Wisconsin did not really want us to discuss very much today, this amendment cuts by two-thirds the funding we added in the bill for critical, high-priority readiness items, a $1.9 billion cut. It cuts money for spare parts and maintenance, for military training and for base operations. For example, it cuts nearly $1.5 billion from spare parts and depot maintenance accounts, essential funding needed to keep our equipment available in top condition.

Let me tell my colleagues what the problem is here. For the past 8 years, the mission-capable rate of our frontline Air Force and Navy aircraft has been steadily dropping. It has gotten so bad that on any given day one out of every four U.S. Air Force aircraft is rated not mission capable. The Navy's numbers are even worse. Thirty percent of its aircraft are nonmission capable.

This problem, which is growing worse, affects many aspects of our readiness. Pilots cannot train adequately, and parts are cannibalized on the front lines. It is clear that we have problems across the board as it relates to readiness.

Earlier today, I touched briefly on an item that my chairman mentioned as well. The gentleman from Wisconsin does speak to the pay question. Should we provide funding in this mechanism for assistance, additional pay to our men and women who are in harm's way? The answer is, absolutely yes. But it is intriguing to me that the ranking member of the Committee on Appropriations, who in the past has talked long and hard about the need to cooperate with our authorizing committees, continues himself in this case

to say, we ought to be doing the authorizing here.

Mr. Chairman, it is important for our colleagues to know that the authorizing committees have worked hand in hand with us and have done a fabulous job of making sure that their important work is held intact, while at the same time we deliver the pay to our troops that is so important to their effectiveness.

Mr. OBEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I rise to strongly support the Obey substitute which supports our troops in Kosovo as Democrats unlike Republicans did in their votes last week, which gives a real pay raise to our men and women in uniform and which supports emergency assistance for Albanian refugees. But we have other real emergencies in this process, like the near-Depression conditions faced by farmers in the Midwest, like our fellow Americans in Oklahoma and Kansas and like the national interest the United States has spawned by the hurricane damage in Central America. These are real emergencies which we need to deal with responsibly.

It is scandalous that 6 months after Hurricanes Georges and Mitch devastated the Caribbean and Central America the Republican leadership has failed to act. The emergency in Central America pressures are a national interest in preventing illegal immigration, preventing the spread of disease due to unhealthy conditions, preventing the spread of the narcotics trade and cementing the democracies we spent billions to promote.

We have failed to address this emergent national interest. For a party seeking to stymie illegal immigration and halt the growth of the narcotics trade in the Americas, their inaction has given rise to an increase in both. It seems to me they have shown the true depth or rather the utter shallowness in upholding their responsibility as well as the contempt for the Latino community of the United States. Their actions truly reflect their priority: Politics over emergencies, rhetoric over reconstruction.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BONILLA), a member of the Subcommittee on Defense.

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

Mr. Chairman, we are on the verge of being forced to hang ''Sorry We're Closed'' signs like this on the gates of our military installations around the world. It is unfortunate that we are on the brink of having a hollow force again. Our troops often reach on the shelves, and there are no spare parts. The ammunition supplies are low. The pay is low. The health care provided is not what it should be anymore. Recruiting is down in the Army. In the Air Force we are losing pilots, a thousand pilots short last year alone.

It is mind-boggling to me that there are Members in this body who do not care about our military and the future safety and security of this country. We must never forget how we got to this point in history. We have the greatest economy in the history of the world. We have the greatest workforce. We have the greatest technology. We have the greatest health care ever seen on the face of this planet. It did not happen just by chance. It happened because our military has preserved our freedom and liberty for generations through very difficult times.

I, for one, will stand here any day and support an even higher number of funds for our military because they need it. Their families are falling apart because they have been overdeployed. They are doing social work in causes around the world for our Commander in Chief and it is wrong. I say to my colleagues, if we support this cut that is being proposed now by some Members, we will be forced to hang this sign at the gates of our military installations. If we start doing that, we may as well hang one on our country.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

If the gentleman is going to make the statement that there are Members of this House who do not care about our servicemen or the national security interests of this country, I think he ought to have courage enough to identify which Members he is talking about or else not say something so ridiculous on this House floor. That is the kind of meaningless, nasty rhetoric that discredits this entire institution; and the gentleman ought to take back those remarks.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. HUNTER), a very important member of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to strongly support the base package and strongly oppose the Obey amendment for this reason. We did an analysis and asked the Department of Defense under the Clinton administration how short we were in basic ammunition compared not to some Republican standard, not to some think tank standard, but compared to the President's own two-war requirement, how short we were in everything from cruise missiles, right on down to M–16 ammo. The answer is, $13.8 billion short. Even passing this supplemental, even passing the fiscal year 2000 budget, we are going to be short.

We asked the services how short they were in terms of near-term war-fighting capability. We did not ask contractors. We did not ask Members of Congress.

□ 1430

They gave us a list of $28.7 billion. That includes ammunition and equipment.

The gentleman from Wisconsin (Mr. OBEY) says, ''Well, why didn't you spend more money on readiness?'' Well, the reason, Mr. Chairman, is because we lost 55 aircraft last year crashing because we have got old systems. We have got 40-year-old CH–46 helicopters instead of the new V–22. So, we have been forced to choose with this limited amount of money between bullets and having safe platforms for our people to fly.

Now the gentleman said, ''Well, what have you Republicans done with this $27 billion that you added?'' Mr. Chairman, I think the Commandant of the Marine Corps gave the best answer when our chairman, the gentleman from South Carolina (Mr. SPENCE), asked him, ''Where would you be right now if we hadn't added the 27 billion over the last several years?'' The Commandant of the Marine Corps said, ''You wouldn't have had a 911 force, the U.S. Marine Corps. You would have had a 91 force.''

So we have done good things with the money we added. This thing should have been a lot bigger. I would have liked to have seen a supplemental with $20–$25 billion in it. Every dollar of that could have been justified by matching the two MRC requirements against what we actually have.

I commend the committee. Let us pass this thing.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Chairman, I want to thank the gentleman so that I could speak on behalf of the bill and for the Coburn and against the Obey amendment.

As my colleagues know, 2 years ago, Mr. Chairman, we debated the balanced budget agreement on this floor. In fact, it was supported 333 to 99. I happen to have been one of the 99 that voted against it, and what does that have to do with today's debate?

Mr. Chairman, I voted ''no'' on May 20, 1997, for the same reason I am going to support the Coburn amendment today, an idea called fiscal discipline. In 1997 the House voted to increase the deficit by $24 billion, pushing the burden to balance the budget off into the future. It simply pushed the spending cuts and the discipline into it the future. All the surpluses that we read about assume that Congress will find a way to support those cuts and Congress will demonstrate that fiscal discipline. Sometime, somewhere Congress is going to have to show this discipline and actually make some tough choices. I think now is a good time.

Two years ago I voted to make those choices then, not later, and today I am calling on my colleagues to do the same today, make that choice today.

Last fall President Clinton said he wanted to save Social Security first, and I agreed with him. I voted to put off tax relief. Last fall he said let us use 100 percent of Social Security for Social Security, and then in January in the State of the Union he said, well, no, let us just use 62 percent for Social Security. Then he submitted a budget that said, well, no, 57 percent was enough. Now the President is coming here asking for billions of dollars for Kosovo, all of it coming from Social Security.

We need to exercise fiscal discipline, and we need to support our men and women, too, who are risking their lives in the Balkans. I do not support the President's decision to go to war. I think it is a terrible mistake. But I do support the men and women who are over there fighting.

The gentleman from Wisconsin (Mr. OBEY) does not understand that it is not just the men and women who fighting in the Balkans that are at risk. Our whole national security is at risk. The President has overcommitted our military. We have 265,000 troops in 135 countries. Since the Gulf War we have shrunk our military by 40 percent. Since 1990 we have had 33 troop deployments; there were 10 in the 49 years that preceded that. Under the War Powers Act, President Clinton has submitted 46 reports, more than twice as many as Ford, Carter, Reagan and Bush submitted combined, and 90 percent of the President's line item vetoes were for military needs.

To conduct this war the President has diverted planes from Iraq. He has called up 25,000 reservists. We are short pilots, we are short seamen and women, we are short ammunition, we are short parts, we are short training, and all the while we are asking our men and women to do more and take more risk.

We have got to make a tough vote today. We got to choose, we got to pick priorities. Spending billions of dollars in the Balkans going to war is not my priority, but the President made that decision for us. I would rather use that money for Social Security, and Medicare, and education, and national parks and health care, and to suggest to the American people that we can do both is wrong. But to hide from the tough choice is wrong, too.

To all my colleagues on the left who came to this floor last fall saying save Social Security first, they need to stand up and support the Coburn amendment, and all those on our side who said that they wanted to balance the budget and establish fiscal discipline for our kids and our grandkids, they need to support the Coburn amendment. Do the right thing and support the Coburn amendment, but in any event oppose the Obey amendment and support our men and women in Kosovo.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. FORBES) a member of the Committee on Appropriations.

Mr. FORBES. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG) for yielding this time to me, and I rise in reluctant opposition to the Obey amendment and remind my colleagues that this House has dealt with the supplemental dealing with natural disasters, and Congress in a bipartisan way has never ever neglected its responsibilities to meet those needs, and we will again.

However, today is about repairing damage that has been done to our national security, and I talk specifically about the lack of funding, the reduction in funding over the last several years, and we are now, as has been alluded to already, involved in more places in the globe than ever before, and the men and women in uniform need to know that the United States Congress is behind them.

This package is a good package as reported out by the House Committee on Appropriations, and I would urge my colleagues to stand behind it. This measure would replenish depleted stocks of munitions and spare parts, begin needed military construction projects, boost military pay and retirement benefits for a military that is stretched beyond reason, and provide humanitarian aid.

It is a good bill, Mr. Chairman, and we should pass this bill and send it to the President.

Mr. YOUNG of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. CUNNINGHAM), a member of the Committee on Appropriations' Subcommittee on Defense.

Mr. CUNNINGHAM. Mr. Chairman, the gentleman from Wisconsin (Mr. OBEY) is a very close friend of mine, and I know he has the right heart, but I want to answer the gentleman when he said:

''Identify those Members that have not supported defense.''

Mr. Chairman, I want, and let me finish, I want him to read, Mr. Chairman. Look on the web page, look at www.dsausa.org. That stands for: Democrat Socialists of America. They want government health control, they want government control of private property, government control of education, the highest progressive tax ever, and they want to cut defense by 50 percent.

There is 58 of them on that side, Mr. Chairman.

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to close, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 20 seconds.

With all due respect to the previous speaker, what I did was ask the gentleman who spoke earlier to identify which Members of the House, in his words, ''did not care about our troops and did not care about the national security interests of this country.'' That is what I, and, no, I will not yield to the gentleman. He has not shown courtesy to me, and I will not show it to him.

Mr. Chairman, I am simply not going to tolerate that kind of ad hominem attack on Members. It is a disservice to this House to attack Members with innuendo as the gentleman just did.

Mr. Chairman, I yield the balance of the time to the gentleman from Missouri (Mr. GEPHARDT), our distinguished Minority Leader.

Mr. GEPHARDT. Mr. Chairman, this debate today should not be about politics; it should be about people. The substitute offered by the gentleman from Wisconsin (Mr. OBEY) I believe is a better way to go about dealing with the problems that we face. We need to support the troops in the field.

However my colleagues feel about the action that is taking place, I think by now we have all come to the conclusion that we got our young people out there. We need to support them. The President asked us for $6 million to support our young men and women in the field. The pay, which the gentleman from Wisconsin (Mr. OBEY) puts into his alternative is obviously needed and sends a strong message to our young people that we intend to try to retain people in the service and get people that we are trying to recruit.

Mr. Chairman, I think that makes sense, and that is why he put it in the bill.

There are a lot of other needs in the military. I do not think the place to address those needs is in this bill. I do not deny that those needs ought to be looked at. Many of them ought to be fulfilled. I simply believe that in an emergency bill that we are trying to get through here in a expeditious manner, it does not do well to raise a lot of issues that are properly raised in the appropriation process. So I think the Obey amendment deals with the military needs that we have got right now in Kosovo in the best way.

But further than that, what is also important about the Obey amendment is that it deals with emergencies that we have already spoken to on this floor that we need to include in this legislation. We have thousands of people in Central America who are out of their homes, who are migrating northward, trying to come to Mexico, trying to come to the United States, because we have been here 79 days and we have not dealt with the emergency in Central America. And we have been here 79 days, and we have not dealt with the emergency in middle America with our farmers in agriculture. The Obey

amendment, the Obey substitute, deals not only in the most sensible way with Kosovo, he also deals with middle America and agriculture and deals with Central America and Hurricane Mitch and the crisis that is on there.

If my colleagues are thinking about people both here in the United States and in other places in the world that need our support, and if my colleagues are thinking about our young people out prosecuting this air war in Kosovo, vote for the Obey amendment. It is more sensible, it is more intelligent, and it better meets the problems that we, as a people, face today.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of the time.

I was interested in listening to the minority leader's statement about agriculture, and I want to remind the Members that when we were developing the first supplemental that we dealt with, when we received that initial supplemental request from the White House there was nothing in it about agriculture. It was an afterthought. The President afterwards requested that. So we finally got it in our first bill, and it will come to conference basically at the same time that this bill goes to conference, and we will all have a chance to vote on it again.

I would also remind the minority leader that the pay that he is talking about that he supports, and I am happy to have his support, the pay is in the committee bill to pay for the men and women who wear the uniform of our country. It is in the committee bill, increased pay as well as the retirement package.

But in closing, Mr. Chairman, let me say this:

We are in Kosovo deeper than most of us thought we were, and unless Milosevic has a change of heart, we are going to get in deeper, and it is going to be longer and more expensive.

We are stretching ourselves too thin. We were planning for two major regional conflicts, one in the Korean theater, one in Southwest Asia. We have taken assets from the Korean theater, an aircraft carrier, U–2 spy planes, F–15 fighter airplanes, a Marine Corps prepositioned ship, all moving out of that area of responsibility to service the Kosovo activity. We have taken EA6Bs out of the no-fly zones over northern Iraq and southern Iraq. We are stretched too thin.

General Hawley made that case very strongly, and I commend him for his courage because he is still an active duty general, that the Air Force is stretched too thin. So is the Army. So is the Navy. So is the Marine Corps. We have got to do something about it, and there should be no politics in this debate when we talk about accomplishing the mission and giving our soldiers some way to protect themselves while they do it.

Let us defeat the Obey amendment, let us defeat the Coburn amendment, and let us move on to get this bill to conference so that we can get it back to our colleagues here within the next week or 10 days.

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

Mrs. MCGOVERN. Mr. Chairman, today, I voted in support of our uniformed men and women in Yugoslavia by voting in support of the President's emergency request for Kosovo.

I voted in support of increasing by 4.4% the pay of our military personnel and readjusting pension benefits.

I voted in support of increased humanitarian aid for the refugees from Kosovo in the Balkans region.

I also voted in support of funding for the replenishment of military equipment and supplies, as well as military construction, required for the NATO operations in the Balkan region.

In addition, I voted again to move forward the emergency disaster relief for American farm families, and the victims of Hurricane Mitch and Hurricane Georges in Central America and the Caribbean—a package of emergency disaster relief that the President requested 80 days ago.

This is what I support and what is contained in the amendment to H.R. 1664 offered by Representative DAVID OBEY (D-WI) for which I voted earlier today.

I cannot, however, in good conscience, vote for final passage of H.R. 1664, the Kosovo and Southwest Asia Emergency Supplemental Appropriations Act, because it is a public and political lie.

The majority's defense cookie jar includes hundreds of millions of dollars for defense items that were going to be considered part of the FY2000 Department of Defense authorizations and appropriations bill—and quite frankly, they would have been approved at that time as is proper. They are not emergency items in any sense of the word, and funds from the Social Security surplus should not be spent in FY 1999 to purchase them.

In addition, the bill contains $346 million for items not even in the Pentagon's five-year plan, despite the Republican claim that the money is for pressing defense needs.

The bill also includes $215 million for military construction items that neither the President nor the Pentagon requested.

This legislation is a fiscal farce. One of the main reasons why military readiness, equipment and supplies need to be replenished is that the Republican Congress has added $23 billion to the Pentagon's budget requests between 1995 and 1998, but only 10% of those funds went to Operations and Maintenance. The remaining 90% went to pork-barrel procurement projects that the Pentagon neither requested nor wanted.

By moving items that would normally have been funded in the Pentagon's FY2000 appropriations bill, the Republican majority has opened up over $2 billion in the FY2000 defense budget.

Will the Republicans shift these funds to allow for greater education spending FY2000? I think not.

Will the Republicans shift these funds to allow for prescription drug coverage under Medicare in FY2000? I think not.

The Republican majority will fill up the FY2000 defense budget with more pork barrel projects with the $2 billion they have just given themselves by shoving non-emergency items into the FY99 emergency spending bill.

I simply cannot support such a lack of fiscal accountability, nor can I support such a dishonest and insulting budget process.

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Obey substitute because it is the responsible thing to do. The substitute keeps our promise towards peace in Kosovo, $175 million for emergency food assistance, America's military personnel by providing the $1.9 billion pay raise, U.S. farmers that have been hurt by falling crop prices, the new King of Jordan, King Abdullah, the people that were affected by Hurricanes Mitch and Georges in the Caribbean and Central America last fall and eliminates much of the unrequested funding.

Mr. Chairman, this substitute keeps the promise of where our priorities ought to be in the Supplemental and is fiscally responsible.

The Appropriations Committee-reported bill provides a total of $12.9 billion—more than double the Administration's request. These increases beyond the request contain spending for items that are neither connected to the Kosovo operations nor emergencies as defined by the Budget Act. Moreover, much of the $1 billion for military construction above the request are for proposals that the Administration says may not begin construction for several years and many of which are not even included in the long range plan of the Defense Department. Maybe someone could tell me why my colleagues across the aisle who repeatedly criticize members of my party for so-called spending, spending, spending . . . the same members who voted against the air war in Yugoslavia . . . why they would vote for this massive increase in the defense budget.

Thus, I strongly support the Obey substitute and I urge my colleagues to do the right thing, the responsible thing—vote for the Obey amendment.

Ms. PELOSI. Mr. Chairman, I rise in strong support of the Obey amendment. The alternative presented here today provides for the full request of the President for Kosovo, provides for a real pay raise for our troops, provides high priority operation and maintenance funding for DOD, increases amounts for emergency food assistance for Kosovo, and most significantly, provides the funds for the Central American disaster and for American farmers without offsets.

It is now over six months since Hurricane Mitch struck Central America, and this Congress has yet to provide any of the reconstruction assistance that is vitally needed to help our neighbors to the South. While the House and Senate have passed bills providing this assistance and everyone involved espouses their good intentions, no funding has been made available. This amendment adds the full $956 million for the Central American disaster as an emergency. The Kosovo bill contains about $600 million to address the humanitarian needs of the Kosovar refugees, and it does so without offsets. This same standard should be applied to emergency funds for Central American. Both of these events are true emergencies and should be funded as such.

I want to remind members that the planting season has begun in Central America and many of the 100,000 small farmers wiped out by the Hurricane are without credit, seeds or the other inputs necessary to plant their crops. Without a significant and immediate input of agricultural assistance we will undoubtedly face food shortages again soon in Central America.

No funding is in place to begin the reconstruction of the 3,000 miles of rural roads or the 300 bridges destroyed by the Hurricane. Over 200,000 school children continue to attend classes in temporary open-air facilities. It is time to put aside our differences and get this badly needed assistance moving.

The amendment also provides $100 million in assistance to Jordan as requested. The Obey amendment does offset this non-emergency spending. Finally the Obey amendment provides $175 million in food assistance for Kosovo. Unfortunately the Administration did not request any additional funding to meet needs in Kosovo. With over 600,000 refugees now in camps and another 800,000 to 900,000 people displaced within Kosovo, it is now clear that the need for food assistance has grown, and that the existing resources of the Emergency feeding programs will not meet the needs. In addition it appears that ongoing food programs for Indonesia, Yemen, Ethiopia, and Rwanda have been cut back to meet needs in Kosovo. The $175 million for additional PL 480 in the amendment will enable feeding programs to continue all over the world and emerging needs to be met in Kosovo.

The assumptions used by the Administration did not take into account refugee needs beyond September 30th of this year. There are no funds in this bill to move refugees back into Kosovo. There are no funds in this bill to winterize refugee camps, if that becomes necessary. In short there is very little wiggle room with these humanitarian accounts to respond to changing circumstances on the ground. This $175 million in additional food assistance will ensure that all refugees will be fed wherever they end up, and it will ensure that cuts are not made to other vital feeding programs.

Support the Obey amendment.

Mr. JACKSON of Illinois. Mr. Chairman, I rise today in strong opposition to the supplemental bill before you and in support of the Obey substitute.

As you all know, my father, along with our colleague ROD BLAGOJEVICH and a group of ministers and religious leaders, met with President Milosevic and other Serbian leaders in Yugoslavia last week.

As a result of that trip and other factors, I have come to firmly believe that the United States and other NATO leaders should pause for peace and make another attempt at a diplomatic solution to the conflict in Kosovo.

The release of the American POWs provides an opening that the U.S. and our allies should take advantage of.

I do not support continuing the bombing at this time, but the Obey substitute presents an opportunity to support our humanitarian efforts in Albania and Macedonia, our continued military presence in the Balkans, and disaster relief to Latin America.

Another point I want to make today is that it is pure hypocrisy to classify military construction projects unrelated to the event in Kosovo as emergency funding, while maintaining the position that funding to assist in relieving the devastation in South and Central America be offset.

This effort to sneak extra funding into the defense budget, outside of the self-imposed budget caps, by including it in the Supplemental is underhanded and should not be allowed to continue.

I would love the opportunity to provide similar amounts of "emergency funding" for education, health care, housing and other vital domestic programs.

At the very least, the humanitarian refugee crisis in Albania and Macedonia as well as the crisis in Latin America resulting from Hurricane Mitch should be classified as an emergency, and they are in the Obey substitute.

The Obey substitute amendment correctly defines an emergency as an emergency and I urge its support.

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support the amendment in the nature of a substitute and to applaud my colleague DAVID OBEY for bringing it.

This is an emergency appropriation, and it must be treated as such. We should not be engaging in a misguided effort by adding on other non-emergency measures that should more properly be considered within the context of the annual appropriations process.

In this substitute, we would provide the President's request and support our family members who are in harms way in Kosovo, provide humanitarian assistance to the refugees from terrible atrocities in their homeland, and provide the important and deserved pay raises to our armed forces that we tried but couldn't get included last year.

Mr. Chairman, three months ago we passed a badly needed supplemental bill to provide emergency funding to our friends in Central America who suffered a terrible natural disaster, and for our own farmers. We need to get this done also, and this amendment would include these long overdue funds—again relieving suffering in this hemisphere.

As Chair of the Health Braintrust of the Congressional Black Caucus, I have another interest in the previously passed supplemental bill, because it addresses human suffering here at home by including a technical amendment that would allow the release of funds that were authorized but never appropriated for the Office of Minority Health to address HIV/IDS in communities of color.

I ask my colleagues to support the Obey amendment.

□ 1445

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 159, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 159, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 2 offered by the gentleman from Oklahoma (Mr. COBURN); amendment No. 3 offered by the gentleman from Wisconsin (Mr. OBEY).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 101, noes 322, not voting 10, as follows:

[Roll No. 117]

AYES—101

Aderholt
Bachus
Barr
Bartlett
Barton
Biggert
Bilbray
Boehner
Burr
Burton
Campbell
Cannon
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Cubin
Deal
DeMint
Doolittle
Duncan
Dunn
Ehlers
Fletcher
Foley
Fossella
Goode
Goodlatte
Goss
Graham
Green (WI)
Greenwood
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hutchinson
Isakson
Istook
Johnson, Sam
Jones (NC)
Kasich
Kingston
LaHood
Largent
Linder
Manzullo
McIntosh
McIntyre
Metcalf
Mica
Moran (KS)
Myrick
Norwood
Paul
Pease
Petri
Pickering
Pitts
Portman
Radanovich
Ramstad
Riley
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shays
Sherwood
Smith (MI)
Souder
Stenholm
Sununu
Sweeney
Tancredo
Taylor (MS)
Terry
Thomas
Thornberry
Toomey
Walden
Watts (OK)
Weldon (FL)

NOES—322

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant

Buyer
Callahan
Calvert
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Granger
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickett
Pombo
Pomeroy
Porter
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shaw
Sherman
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Stupak
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Baker
Berman
Brown (CA)
Cox
Green (TX)
Kuykendall
McNulty
Slaughter
Tiahrt
Wynn

□ 1506

Messrs. MCKEON, POMEROY, and DAVIS of Virginia changed their vote from ''aye'' to ''no.''

Messrs. COBLE, EHLERS, FOLEY, COOKSEY, WATTS of Oklahoma, HUTCHINSON, and BACHUS changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Coburn amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted ''no.''

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LAHOOD). Pursuant to House Resolution 159, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on the amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 3 OFFERED BY MR. OBEY

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 164, noes 260, not voting 9, as follows:

[Roll No. 118]

AYES—164

Ackerman
Allen
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy
Kilpatrick
Kind (WI)
LaFalce
Lampson
Lantos
Larson
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu

NOES—260

Abercrombie
Aderholt
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (PA)
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cramer
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeFazio
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kelly
Kildee
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pease
Peterson (PA)

Pickering	Scarborough	Tancredo
Pickett	Schaffer	Tauzin
Pitts	Sensenbrenner	Taylor (MS)
Pombo	Serrano	Taylor (NC)
Porter	Sessions	Terry
Portman	Shadegg	Thomas
Pryce (OH)	Shaw	Thornberry
Quinn	Shays	Thune
Radanovich	Sherwood	Toomey
Ramstad	Shimkus	Traficant
Regula	Shuster	Turner
Reynolds	Simpson	Upton
Riley	Sisisky	Walden
Rivers	Skeen	Walsh
Rodriguez	Skelton	Wamp
Roemer	Smith (MI)	Watkins
Rogan	Smith (NJ)	Watts (OK)
Rogers	Smith (TX)	Weldon (FL)
Rohrabacher	Smith (WA)	Weldon (PA)
Ros-Lehtinen	Souder	Weller
Roukema	Spence	Whitfield
Royce	Stark	Wicker
Ryan (WI)	Stearns	Wilson
Ryun (KS)	Stump	Wolf
Salmon	Sununu	Young (AK)
Sanford	Sweeney	Young (FL)
Saxton	Talent	

NOT VOTING—9

Berman	Green (TX)	Slaughter
Brown (CA)	Kuykendall	Tiahrt
Cox	McNulty	Wynn

□ 1517

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. GREEN of Texas. Mr. Chairman, on rollcall No. 118, except for my daughter's wedding I would have been present. Had I been present, I would have voted "yes."

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Obey amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted "aye."

The CHAIRMAN. 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, 1999, and for other purposes, namely:

CHAPTER 1

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Diplomatic and Consular Programs'', $17,071,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Security and Maintenance of United States Missions'', $50,500,000, to remain available until expended, of which $45,500,000 shall be available only to the extent that an official budget request for a specific dollar amount that includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Emergencies in the Diplomatic and Consular Service'', $2,929,000, to remain available until expended, of which $500,000 shall be transferred to the Peace Corps and $450,000 shall be transferred to the U.S. Information Agency, for evacuation and related costs: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER 2

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $2,920,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $7,660,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $1,586,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $4,303,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Overseas Contingency Operations Transfer Fund'', $5,219,100,000, to remain available until expended: *Provided*, That the entire amount made available under this heading is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,311,800,000 shall be available only to the extent that the President transmits to the Congress an official budget request for a specific dollar amount that (1) specifies items which meet a critical readiness or sustainability need, to include replacement of expended munitions to maintain adequate inventories for future operations, and (2) includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts, including Overseas Humanitarian, Disaster, and Civic Aid; procurement accounts; research, development, test and evaluation accounts; military construction; the Defense Health Program appropriation; the National Defense Sealift Fund; and working capital fund accounts: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That such funds may be used to execute projects or programs that were deferred in order to carry out military operations in and around Kosovo and in Southwest Asia, including efforts associated with the displaced Kosovar population: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

Mr. SOUDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have a series of four amendments, three I understand are in order, but this one has been ruled not to be in order, and I will not challenge that ruling.

The intention of this amendment was to take in this section where it says $5,219,100,000 for Overseas Contingency Operations Transfer Fund and take $3,300,000,000 of that and move it to the four readiness accounts that come up under procurement, to put $825 million under weapons procurement for the Navy, $825 million under aircraft procurement for the Air Force, $825 million under missile procurement for the Air Force, and $825 million for ammunition procurement for the Air Force.

The problem apparently with this is that, once we strike in one section, according to our relatively recently adopted rule in the budget agreement, when we strike it from one section, we cannot put it in another section. But I wanted to illustrate several points with this amendment, not that it likely would have passed anyway.

The way the bill is written, it is hard to tell that, in fact, this bill forward funds the war in Kosovo because it is not specified particularly in the bill. It says, Overseas Contingency Operations Transfer Fund. However, in the CRS breakout, the $3.3 billion that the President requested for military operations is still in the bill; the $335 million for the military portion of the Kosovo refugee operations is still in the bill; the $257.8 million for Southwest Asia is still in the bill. The only difference from the President's request in this section is the readiness and munitions contingency reserve.

If anybody has a doubt that the $3.3 billion is in this $5.29 billion, the question that comes is, why on line 5 on

page 5 does it say $1,311,800,000? That happens to be the difference of the amount directly going to Kosovo in Southwest Asia operations from the Readiness and Munitions Contingency Fund.

My goal was to give those Members who favor strengthening our military and supporting the gentleman from Florida (Mr. YOUNG) and the gentleman from California (Mr. LEWIS) in their efforts to try to recoup some of what we have lost in our military effort, in our readiness, in our preparedness, in our munitions, in our defense system, rather than blowing it up in Kosovo.

We, in fact, have $3.3 billion here that could be used for our readiness. In fact, we have heard from the Air Force that they are $18 billion short, not the $40 million in aircraft procurement, $178 million in missile procurement, and $35 million in ammunition. We have heard that the Navy is $3.8 billion short, rather than $431 million.

I wish in this bill I would have been able to redirect the misguided efforts in the Balkans and put that into military procurement. Because many of us who have grave reservations about this bill and many of us who will oppose this bill do not oppose the much-worthy efforts of the chairman to address these terrible declines in our military capacity.

I also want to address this point, and I will refer to this several times this afternoon. I was very concerned about some language in the earlier amendments that were debated. I heard those of us who oppose this war and oppose this funding for forward funding the war and possibly escalating this war as monies are transferred, as several of my future amendments will address, are putting our children in harm's way. We have heard we cannot abandon our own troops. We have heard that nothing could be worse than to walk away. We have heard that it is sending the wrong signal and that we somehow, at least an implication, that we are not patriotic.

I think an apology, although it was not that direct, an apology is in order not only to the Members of Congress who have concerns and believe we should stand down but also to our national American Legion which yesterday, as their leader said, ''The Legion's National Executive Committee unanimously adopted a resolution calling for all U.S. soldiers, pilots and support staff to be removed from the region of the Balkans.''

The resolution says, ''The U.S.-led NATO attacks against Serbia'', and this is the American Legion, veterans all over in America are, in effect, saying stand down, ''could only lead to troops being killed, wounded and captured without advancing any clear purpose, mission or objective.''

More particular, here are the whereas clauses: ''The President has committed the Armed Forces of the United States in a joint operation with NATO to engage in hostilities in the Federal Republic of Yugoslavia without clearly defining America's vital national interests. Whereas, neither the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation.''

Mr. Chairman, I will cover the rest of this later, but, clearly, there are more than just a few Members of Congress.

AMENDMENT NO. 10 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment. It is amendment No. 10.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. Souder:

Page 5, line 5, strike ''of such amount $1,311,800,000'' and insert ''such amount''.

Mr. SOUDER. Mr. Chairman, this amendment is in order because it does not move the money but addresses the same point.

If I can explain the technical part of this amendment again so people understand exactly what we are doing here. In the operation and maintenance account it says, Overseas Contingency Operations Transfer Fund of $5,219,100,000 is available to be expended. In that, according to the CRS breakout, and I would say evidence illustrates this later in the bill, there is nothing in this bill that says we are giving the President his $3.3 billion to forward fund this war. But, in fact, if we break out the $5.219, we will find that we are forward funding the military operations, we are funding the refugee operations, we are funding the Southwest Asia.

On page 5 of the bill, where it says $1,311,800,000, that is the House appropriations figure on readiness and munitions contingency reserve in munitions. Now, in an effort to keep the $3.3 billion from bracket creep, they have included in that, as a ''provided further'' on page 5 of the bill, that puts two restrictions on the $1.3 billion. It specifies items which meet a critical readiness or sustainability need, to include replacement of expended munitions to maintain adequate inventories for future operations; and, two, includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act. That is very commendable.

My amendment is very simple. It takes the entire $5.2 billion and says, put those two conditions on it. Make sure that they meet a critical readiness or sustainability need and includes a designation of the entire amount.

□ 1530

I do not think that this amendment is particularly controversial unless, in fact, we are trying to avoid the obvious, which is, in fact, we are forward funding this war, and that we do not want something coming to Congress that makes us specify or vote on the critical readiness needs.

This would not cut off any funds. This is merely an amendment that does what the bill already does but says that the money for Kosovo should be subjected to the same rules as the money for readiness and munition, and that is, the President should have to defend it, that he is not hurting our readiness and sustainability and in fact that it is critical and it is an emergency.

Now, if I can finish in the remaining time I have, the American Legion statement of why they believe we should currently withdraw all soldiers, pilots, and support staff from the Balkans, they said:

''Whereas, the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation; and,

''Whereas, it is obvious that an ill-planned and massive commitment of U.S. resources could only lead to troops being killed, wounded or captured without advancing any clear purpose, mission or objective; and,

''Whereas, the American people rightfully support the ending of crimes and abuses by the Federal Republic of Yugoslavia, and the extending of humanitarian relief to the suffering people of the region; and,

''Whereas, America should not commit resources to the prosecution of hostilities,'' which, in fact, this bill does, ''in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I, Section 8 of the Constitution of the United States.''

So for those of us who have a concern about this forward funding of the war, please do not refer to us as disarming our military, or they would have the same statement about the veterans of the American Legion who said that they do not believe that we should also forward fund and continue to fund this war, and in fact are calling for the withdrawal of the troops, the pilots and support staff in the Balkans.

Mr. LEWIS of California. Mr. Chairman, I rise with great hesitation in opposition to the amendment.

Mr. Chairman, as I said at the outset, it is with great hesitation that I oppose my colleague's amendment for I know that his interest and concern are sincere. My concern is that I believe as we go forward with this measure we want to be very careful about the messages that we are sending from this well, that might be misinterpreted by Mr. Milosevic and his supporters.

This amendment does not do what the sponsor alleges, in my view. Indeed, this amendment literally does nothing except perhaps create more bureaucracy.

Let me explain. The President has submitted a budget regarding this war. As he has outlined his projections, I have a number of reservations that we have attempted to deal with as we have gone forward with this legislation. But, indeed, we have tried to be careful, to make sure that there is not misinterpretation of our intent.

This amendment supposedly would take some $5.2 billion in the bill that we provided to pay for the cost of the Kosovo operation and apply it to other unspecified military readiness and munitions needs. But a close reading of the amendment reveals that all it does is require that before the $5.2 billion can be spent, the President must submit a budget request specifying a critical readiness or sustainability need, to include replacement of expended munitions.

Frankly, during the time that we are carrying forward a war, we do not need to have a day-in and day-out exchange with the administration, but rather continue the oversight that the committee feels is its responsibility.

The amendment does not say money cannot be spent on readiness needs or munitions related to Kosovo. It simply requires the President to submit a budget request for readiness needs for munitions, period. And as this is construed under the Budget Act, all he has to do is submit the request and the money is released.

And what would the President do? He would ask that these funds be applied to Kosovo because the drain on dollars and munitions from this operation represents the most immediate readiness need that the Pentagon has.

So what does the amendment do? Really it does nothing but perhaps send a message that we do not need to send. In a fundamental way, it does nothing except force the President to send up a budget request again, one that he has already asked for. If it does not restrict him in any fashion whatsoever, then what are we doing it for?

Indeed, if anything, this amendment is harmful, as it simply creates a requirement for more paperwork which would potentially delay the release of monies that DOD needs, at the very time we want to be sending a message that we support our men and women who are in harm's way overseas.

Regrettably, Mr. Chairman, I ask for a ''no'' vote on this amendment.

Mr. Chairman, I yield to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, the main purpose of this amendment was to highlight the fact that, in fact, there was a differential in the first section that had $3.3 billion. We are going to have a number of recorded votes later that will enable us who are concerned to restrict that funding.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN (Mr. THORNBERRY). Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Indiana (Mr. SOUDER) is withdrawn.

Mr. BOYD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask the indulgence of the House, and I will not use the full 5 minutes. There is a group of us that wanted to speak earlier, but because of the way the rule was constructed we were unable to obtain time. So we have chosen to use this procedure to make our statements.

There is also a group of us in this House who want to be productive and not engage in partisan and political fights on this floor even on ordinary issues, but especially not on emergency supplemental appropriations issues where so many millions of lives are at stake. Unfortunately, a partisan political battle is what this process has turned into today.

This group of Members who feel this way is also reminded that the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), is the Speaker of the whole House, not just the minority Members. We are also reminded that the Commander in Chief is the Commander in Chief of the whole Nation, not just of the members of his party.

The chairman of the Committee on Appropriations, my dear friend, the gentleman from Florida (Mr. YOUNG), is a person I have a great deal of admiration and respect for. I know he is operating under some very, very difficult circumstances beyond his control, created within his own conference and by his own leadership.

But this has turned into a very partisan politicized battle over three emergency disasters. Number one, our farm economy; number two, Hurricane Mitch relief; and thirdly, our involvement in NATO's efforts in Kosovo.

This is evidenced by the fact that last week the majority voted not to support the air strikes in Kosovo and against allowing the President to use any ground elements. Then today we hear the same Members who will vote to double the President's request for funds to execute the NATO actions in Kosovo.

How can my colleagues in good conscience say they do not support the action but they want to double the funds available to take those actions? The only answer is that partisan politics and political considerations are driving this vote.

These three emergencies, in the meantime, are tightening the noose for millions of people. Our farmers are languishing under a national agricultural policy adopted by Republican Congress in 1996 that has been a complete failure. My farmers call it the ''Freedom to Fail'' policy. Planting dates have come and gone for most parts of our farm country, and still this Congress, under the majority's leadership, cannot come to grips with a simple emergency package which provides credit for our farmers to put their crops in the field for 1999.

Hurricane Mitch happened over 6 months ago. And this Congress, under the present leadership, cannot deliver a package to the President for his signature in spite of the fact that most everybody agrees we should.

And lastly, on the defense issue, many Members of this body today have blamed President Clinton for cutting back the military. I have in my possession a CRS report which shows that the fiscal year 1999 request for defense from the President was $270.9 billion, and this House passed and sent to the President for his signature a bill which contained $270.4 billion, $500 million short of what President Clinton requested.

I would like to remind all Americans that it is the responsibility of this House, this Congress, to pass the appropriations bill. And I am sure that most Members who will vote for the supplemental package today voted for the lower than requested defense appropriations bill last year.

Do not be hypocritical. Do not play partisan political games with the millions of lives affected by the passage of these supplemental appropriations bills.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISTOOK:

At the appropriate place in the bill insert the following:

''In addition to the funds made available in this bill, the sum of $11,300,000 shall be available for tornado related damage at Tinker Air Force Base.''

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment of the gentleman from Oklahoma (Mr. ISTOOK).

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) reserves a point of order.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order.

The gentleman from Oklahoma (Mr. ISTOOK) is recognized for 5 minutes on his amendment.

Mr. ISTOOK. Mr. Chairman, I have been working with the chairman. I do not believe it is going to be necessary to offer this amendment for a vote, but I do think it is important that it be presented.

Everyone in the Nation, of course, is aware of what has happened in Oklahoma City this week with the tornado that has left thousands of people homeless and a number of people dead and a great amount of devastation. We are

appreciative of the assistance and the care and the prayers and the concerns of people all over the country.

This particular amendment is only dealing with one small portion of this particular disaster. I offer this amendment not only on my own behalf but also on behalf of the gentleman from Oklahoma (Mr. J.C. WATTS) in whose district most of the devastating damage has occurred.

Mr. Chairman, part of the damage done by the tornado was to Tinker Air Force Base, one of our premier Air Force installations. In fact, for those who have seen on television the images of hundreds of homes devastated, leveled to the ground, what they may not be aware is that happened immediately across the street, across Sooner Road from the western edge of Tinker Air Force Base.

In fact, as terrible as it was, it could have been worse had that tornado gone through Tinker as it was headed to do. At the last moment, when it came to Sooner Road that tornado veered to the north rather than heading across the air force base.

We have some $11 million in damage to different housing facilities, dormitories and barracks on the base that is addressed by this amendment. We were very fortunate, however, that the tornado did not proceed to go across Tinker. Because there were still on the apron at Tinker, where they could not get them out of the path of the tornado, half a dozen of our AWACS aircraft, 10 of our tankers, two of our B–52's, two of our B–1's, about $3 billion of premier aircraft that were in the path of the tornado until it took that twist. Nevertheless, a number of people on base lost their housing.

This amendment is to specify that $11 million from this emergency supplemental appropriations should be used to restore that damaged housing at Tinker. We have several of those units that were damaged, a couple of hundred people on the base that were dislocated by the damage that are currently being housed elsewhere.

Some of the buildings have already been condemned by the civil engineer on base, the base's civil engineering. Some may be repairable. Some may have to be replaced.

The preliminary estimates which we have received from Tinker are that the repairs will be some $11,280,000. That figure, of course, may change. But I think it is necessary, when we want to make sure that we have the emergency response to the military needs, that we had an unforeseen disaster that affected Tinker on top of the, frankly, even worse disaster that afflicted so many people in Oklahoma.

So, Mr. Chairman, I do offer this amendment on behalf of the gentleman from Oklahoma (Mr. WATTS) and on behalf of myself. And at the proper time, I would certainly wish to yield to the chairman of the full committee for a colloquy.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. Mr. Chairman, the comments of the gentleman from Oklahoma are well-taken. Certainly the committee has always responded rapidly to damage done by natural disasters to any of our military facilities.

However, a point of order does lie against his amendment at this point. And I would just say to the gentleman that there are other opportunities to address this. We can address it in the conference. There is the regular appropriations bill. I understand the urgency involved here, but I must make the point of order against the amendment. The gentleman may withdraw it if he would like. But he has my assurances that we will deal with this issue very, very expeditiously.

Mr. ISTOOK. Mr. Chairman, I think the concerns, as the chairman well knows, are that the people of Oklahoma and Tinker want to make sure that we address this on an emergency basis; and I know he has provided assurances that we are going to address this in an expedited and timely fashion, most likely within the conference report of this bill.

□ 1545

I do understand, of course, because of the timing of this, it presents several parliamentary problems to try to bring it up at this stage. I appreciate that. With those assurances from the gentleman that this will be addressed in conference and otherwise, I would, Mr. Chairman, withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK) is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROCUREMENT

WEAPONS PROCUREMENT, NAVY

For an additional amount for ''Weapons Procurement, Navy'', $431,100,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $40,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for ''Missile Procurement, Air Force'', $178,200,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $35,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATIONAL RAPID RESPONSE TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to the amounts appropriated or otherwise made available in this Act and the Department of Defense Appropriations Act, 1999 (Public Law 105–262), $400,000,000, to remain available for obligation until September 30, 2000, is hereby made available only for the accelerated acquisition and deployment of military technologies and systems needed for the conduct of Operation Allied Force, or to provide accelerated acquisition and deployment of military technologies and systems as substitute or replacement systems for other U.S. regional commands which have had assets diverted as a result of Operation Allied Force: *Provided*, That funds under this heading may only be obligated in response to a specific request from a U.S. regional command and upon approval of the Secretary of Defense, or his designate: *Provided further*, That the Secretary of Defense shall provide written notification to the congressional defense committees prior to the transfer of any amount in excess of $10,000,000 to a specific program or project: *Provided further*, That the Secretary of Defense may transfer funds made available under this heading only to operation and maintenance accounts, procurement accounts, and research, development, test and evaluation accounts: *Provided further*, That the transfer authority provided under this section shall be in addition to the transfer authority provided to the Department of Defense in this Act or any other Act: *Provided further*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for $400,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

GENERAL PROVISIONS—THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 201. Section 8005 of the Department of Defense Appropriations Act, 1999 (Public Law 105–262), is amended by striking out ''$1,650,000,000'' and inserting in lieu thereof ''$2,450,000,000''.

AMENDMENT NO. 14 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 printed in the CONGRESSIONAL RECORD offered by Mr. SOUDER:

In chapter 2, strike section 201 (relating to additional transfer authority).

Mr. SOUDER. Mr. Chairman, this will be one of the most critical votes on this bill. We are faced with a difficult decision because we have been given a difficult decision in Congress.

Those of us who favor strengthening our military, making sure that they get some of the funds replaced that we have been trying to replace for a number of years and rebuild it as we have seen it weakened, as we hear stories of our soldiers in harm's way, who have not fired live ammunition, who are being asked often to take weapons into combat in ways that they were not intended to come into combat. We are running out of missiles. We are very concerned about that.

But at the same time we see this as well as a pay raise for our Armed Forces being combined with an effort not only to fund the war of what has been already spent but to forward fund the war. As we established earlier in the first section of the bill, $3.3 billion of that forward funds the war.

We have in this section, 201, a very interesting little section. It says, ''Section 8005 of the Department of Defense Appropriations Act, 1999, Public Law 105–262, is amended by striking out $1,650,000,000 and inserting in lieu thereof $2,450,000,000.'' What exactly does that mean?

Last week, this Congress sent a very clear message. We believed that the ground war should not occur and that the air war on a tie vote should not go ahead. Is our message this week, ''Never mind''?

Under current law, the Defense Department has authority to transfer up to $1.65 billion from the specific purposes for which Congress appropriated the money to other uses, including the conduct of the war in Yugoslavia which Congress has otherwise refused to approve. To me, it is an outrage that the President should be able to take money specifically appropriated for other purposes and use it for a war that is not supported by a majority of Congress.

It is my understanding that the Defense Department is preparing to submit a large reprogramming request to cover its expenses so far to conduct the war. Including that request, the Pentagon will have already used $1.4 billion of its $1.65 billion in reprogramming authority. This would leave them with only about $250 million in transfer authority. With war costs as much as $40 million a day, this theoretically at least means that there is only enough money left to conduct the war for another week without specific congressional action. In other words, this clause, in addition to the $3.3 billion, allows other funds to be reprogrammed to escalate and to continue this war.

Many of us have a concern that while we say we are doing long-term buildup and while we say we are preparing readiness, in fact in this bill we potentially could even fund a ground war. It is clauses like this that give us grave concern. I understand that they have to apply for reprogramming requests, but in fact evidence shows that about $1.4 billion has already been spent in reprogramming requests without the approval of this Congress.

Now, for those who say that those of us who, in effect, say stand down and negotiate, in fact last week's vote, we were told, boy, that could lead to these terrible catastrophes. In fact, what it appears to have led to, in addition to Reverend Jackson going over and the gentleman from Pennsylvania (Mr. WELDON) in a delegation working with the Russians, it appears to have led to the negotiations that should have been occurring before that.

But when we look at this, for those who say it is wrong for us to say stand down before more lives are lost and the situation over there is actually getting worse, not better, more refugees are at danger with continuation of the war than not continuation of the war, let us get the settlement over, it will likely, like Vietnam, be the same settlement as earlier.

For those who would question me and others for voting for this stand-down, remember, you are also criticizing the American Legion. As I pointed out twice, their head yesterday said that the troops, the pilots and support staff should be immediately withdrawn. They also in a unanimous vote said the resources should not be approved to continue this war.

I believe the number is 6.9 million Americans are in the American Legion who have this background. They know what a risk we are putting our veterans at. They know the risk of the continuing air war and, for that matter, the logical escalating strategy without a clear plan.

If there is a clear exit plan, if there is an ability to show that, in fact, we have an achievable goal that will lead to even a better negotiated settlement, perhaps we could vote these resources. But we in fact here are not only giving $3.3 billion in forward funding, we are giving this waiver in this clause, the potential shifting of funds in this clause to fund the ground war. I believe that is inconsistent to say we oppose the war but fund it more.

Mr. Chairman, I include the following material for the RECORD:

THE AMERICAN LEGION,
Washington, DC, May 5, 1999.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The American Legion, a wartime veterans organization of nearly three-million members, urges the immediate withdrawal of Armenian troops participating in ''Operation Allied Force.''

The National Executive Committee of The American Legion, meeting in Indianapolis today, adopted Resolution 44, titled ''The American Legion's Statement on Yugoslavia.'' This resolution was debated and adopted unanimously.

Mr. President, the United States Armed Forces should never be committed to wartime operations unless the following conditions are fulfilled:

That there be a clear statement by the President of why it is in our vital national interests to be engaged in hostilities;

Guidelines be established for the mission, including a clear exit strategy;

That there be support of the mission by the U.S. Congress and the American people; and

That it be made clear that U.S. Forces will be commanded only by U.S. officers whom we acknowledge are superior military leaders.

It is the opinion of The American Legion, which I am sure is shared by the majority of Americans, that three of the above listed conditions have not been met in the current joint operation with NATO (''Operation Allied Force'').

In no case should America commit its Armed Forces in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I, Section 8, of the Constitution of the United States.

Sincerely,

HAROLD L. ''BUTCH'' MILLER,
National Commander.

Enclosure.

NATIONAL EXECUTIVE COMMITTEE, THE AMERICAN LEGION, MAY 5, 1999

RESOLUTION NO. 44: THE AMERICAN LEGION STATEMENT ON YUGOSLAVIA

Whereas, The President has committed the Armed Forces of the United States, in a joint operation with NATO (''Operation Allied Force''), to engage in hostilities in the Federal Republic of Yugoslavia without clearly defining America's vital national interests; and

Whereas, Neither the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation; and

Whereas, It is obvious that an ill-planned and massive commitment of U.S. resources could only lead to troops being killed, wounded or captured without advancing any clear purpose, mission or objective; and

Whereas, The American people rightfully support the ending of crimes and abuses by the Federal Republic of Yugoslavia, and the extending of humanitarian relief to the suffering people of the region; and

Whereas, America should not commit resources to the prosecution of hostilities in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I Section 8 of the Constitution of the United States; now, therefore, be it

Resolved, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 5–6, 1999. That The American Legion, which is composed of nearly three million veterans of war-time service, voices its grave concerns about the commitment of U.S. Armed Forces to Operation Allied Force, unless the following conditions are fulfilled.

That there be a clear statement by the President of why it is in our vital national interests to be engaged in Operation Allied Force;

Guidelines be established for the mission, including a clear exit strategy;

That there be support of the mission by the U.S. Congress and the American people; and

That it be made clear U.S. Forces will be commanded only by U.S. officers whom we

acknowledge are superior military leaders; and, be it further

Resolved, That, if the aforementioned conditions are not met, The American Legion calls upon the President and the Congress to withdraw American forces immediately from Operation Allied Force; and, be it further

Resolved, That The American Legion calls upon the Congress and the international community to ease the suffering of the Kosovar refugees by providing necessary aid and assistance; and, be it finally

Resolved, That The American Legion reaffirm its unwavering admiration of, and support for, our American men and women serving in uniform throughout the world, and we reaffirm our efforts to provide sufficient national assets to ensure their well being.

Mr. LEWIS of California. Mr. Chairman, I rise to oppose the amendment.

I would suggest to the gentleman that we may be comparing apples with oranges here. We have made some effort to talk with the gentleman's staff relative to the way reprogramming goes, but there seems to be a bit of a disconnect relative to what that process is really all about, and so I would like to take a few moments to discuss it here for the record.

The amendment would delete from the bill a general provision, a section 201 which was requested by the Pentagon involving transfer authority. Section 201 of the bill provides for an increase in the funding transfer authority available to the Secretary of Defense as regards funds in fiscal year 1999 defense appropriations. It increases the existing transfer authority ceiling to $2.45 billion.

This is really a technical provision. We customarily every year provide the Department with a $2 billion transfer authority. What this then does is provide the Secretary of Defense and the military services with the ability to propose the routine reprogramming of funds subject to prior congressional approval. Section 201 of the bill raises the existing transfer authority to $2.45 billion.

The DOD needs this additional authority principally to accommodate the burden of several unanticipated reprogramming needs which we had to deal with earlier this year, relating to the war on drugs and the DOD response to Hurricane Mitch. But the important fact here is that this additional authority is not a blank check for the DOD to move around money.

When the DOD wants to reprogram funds, any significant amount over $5 million for reprogramming, the Secretary must come back to the congressional committees. There are four committees that are involved, the House and Senate Appropriations Committees and the House and Senate Armed Services Committees. These committees must approve the proposed reprogramming, the people who deal with it day in and day out in a professional way. We do not want to bind the Department of Defense and make them totally paralyzed in an emergency circumstance, but we still want the Congress to have a chance to have oversight.

I know some may believe this provision is somehow intended to give the administration additional authorities with respect to Kosovo. That is not the administration's intent, nor is it the committees' intent. This is really a technical fix. I cannot tell Members that the administration will not seek to use this additional authority for Kosovo. Indeed, they may have to. But, in the meantime, when we are in the middle of having troops in harm's way, we do not want to tie the hands of the people who are carrying out the war.

The Congress is not going to be here every day of the week, and the reality is there is a requirement for the congressional committees in an appropriate way to review such transfers. I frankly would hope the gentleman would have faith in the committees' work and recognize that we are trying to deal with this in as professional a way as we can.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I appreciate the gentleman yielding.

Mr. Chairman, in response to the gentleman's comment about the American Legion, I have a letter here from the American Legion supporting strongly this supplemental appropriations bill. There is also one here from The Military Coalition signed by about 25 members of The Military Coalition, also one from The Retired Enlisted Association. While they may have some concern about whether they support the mission or not or the decision to get into the mission, they do support our troops.

That is what this bill does. This bill supports our troops, provides them training, provides them equipment, provides them technology to do their job.

The text of the letters is as follows:

THE AMERICAN LEGION,
Washington, D.C., May 3, 1999.

Hon. TOM DELAY, MAJORITY WHIP
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE DELAY: The American Legion supports the FY 1999 Defense supplemental appropriations bill. Once again servicemen and women, both active-duty and reserve components, are engaged in yet another international crisis. If America is willing to place the newest generation of patriots in harm's way, America must also make sure that these defenders of democracy are well equipped, properly trained, and adequately compensated.

Based upon the ongoing conflicts in the Persian Gulf and Kosovo, coupled with a continuing erosion of America's overall defense capabilities, The American Legion supports this $13 billion request for additional DoD funding. The Bosnia peacekeeping operations, as well as servicemembers stationed worldwide, are stretching already fragile DoD resources to the limit.

The obvious replacement costs for the air campaign in Kosovo and related expenses must be dealt with immediately. Moreover, the $1.8 billion for military basic pay and other critical quality of life funding should be enacted rapidly to hopefully quell the ongoing exodus of experienced personnel and declining morale, as well as keeping faith with our servicemen and women.

As the nation's largest group of wartime veterans, The American Legion appreciates your attention to its views and legislative mandates for maintaining a strong national defense and caring for he who shall have borne the battle and for his widow and for his orphan.

For God and Country,

STEVEN ROBERTSON,
Director, National Legislative Commission.

THE MILITARY COALITION,
Alexandria, VA, May 4, 1999.

Hon. C.W. BILL YOUNG,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE YOUNG: The Military Coalition (TMC), a consortium of nationally-prominent military and veterans organizations, representing more than 5 million current and former members of the uniformed services, plus their families and survivors urges you to vote for final passage of the FY 1999 Emergency Defense Supplemental Appropriations Bill.

There is no doubt that the armed forces are facing a readiness crisis, driven in large measure by the massive force drawdown. In the last 10 years, the armed forces have been reduced by more than one-third, while worldwide operational commitments have increased by 300 percent. The rapidly increasing commitment in Kosovo is imposing additional strains on family life and the retention of highly skilled and expensively trained servicemembers.

The significant readiness initiatives in the bill, including the downpayment on more adequate pay raises and the repeal of REDUX (the 1986 law which degraded the value of the military retirement system by more than 20 percent), will send a powerful signal that this Nation appreciates the dedicated service and sacrifices of the servicemembers we daily place in harm's way. Please do all in your power to ensure that the Emergency Defense Supplemental Appropriations Bill passes the House by a wide margin.

Sincerely,

THE MILITARY COALITION.

THE RETIRED ENLISTED ASSOCIATION,
Silver Springs, FL, May 5, 1999.

Hon. C.W. ''BILL'' YOUNG,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN YOUNG: The Florida members of The Retired Enlisted Association (TREA) respectfully request that you vote for the Fiscal Year 1999 Defense Emergency Supplemental Appropriation spending package.

For years, the Armed Forces of the United States have witnessed a decline in recruitment, retention and benefits. Now, as our Armed Forces are engaged in operations in Europe and the Middle East, as well as continuing to maintain their presence in Asia, they are faced with shortages of equipment and personnel.

The Fiscal Year 1999 Defense Emergency Supplemental Appropriation spending package provides an opportunity to correct some of these problems. By providing funding for desperately needed equipment, pay raises and an improved retirement system. Congress can display its commitment to our men

and women in uniform by working to make their lives better.

We appreciate your continued efforts in behalf of the retired members of the Armed Forces.

Respectfully,

JOHN W. HARRELL.

Mr. LEWIS of California. I appreciate the gentleman's contribution.

I would add to that that there is adequate oversight provided for in the process by the committees that deal with this professionally day in and day out.

Mr. DeFAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we are here talking about $12.9 billion of supposed emergency funding. That is $12.9 billion from the Social Security Trust Funds. Let us make that clear. That is where this money is coming from, the so-called surplus. The surplus is intended and the tax is raised for the purposes of Social Security.

Now, if this were a dire and absolute emergency and there were no alternatives and it was essential to the American people, it might make some sense. This amendment would make things, in fact, worse, because at the core of this amendment is the way to resolve this problem. The Pentagon should reprogram other funds to pay for this crisis.

In a conversation with a senior White House official yesterday, I said, what is the crisis the end of this month that you are telling us about that you need, the President is asking for $7 billion, for this war?

The crisis is the Pentagon might have to reprogram funds. They might have to take money from the seven C–130Js that was stuffed into an authorization and appropriation last year for the Speaker of the House that the Pentagon did not want and does not need. They might have to take money from their $30 billion of appropriated unobligated funds. They might have to fix their computer program which has ordered $41 billion of unneeded parts, many of which are obsolete and still being ordered by Hal the computer down there at the Pentagon.

Yet we are saying we are here in a crisis and they need more money so they can keep doing things the way they have been doing them in the past, which is to waste money.

Certainly I support a pay raise for the troops, but it should not be on an emergency basis. It should come in the regular order of things, and it should not come out of the Social Security Trust Fund. We should not set the young people in our military against the senior citizens and the future senior citizens of this country by spending those funds on a pay raise for people in the military today. It should come out of the general fund of the Treasury. It should come out of the Pentagon budget in the next year.

So we should not further restrict the Pentagon from reprogramming. In fact, we should require that the Pentagon reprogram all of the funds for this activity from that $30 billion of unspent funds from programs that they themselves have said they do not want. Let us stick it to a few Members of Congress who have gotten their pork in past bills and getting their pork in this bill and take that money back and spend it on something the Pentagon really needs that supports the troops in the field.

I rise in opposition to H.R. 1664, making emergency supplementary appropriations for military operations in Kosovo. The Department of Defense (DOD) has over $30 billion in unobligated and unspent funds that it could reprogram for the Kosovo military operations. It does not need an additional $6 billion. I further oppose this bill because it includes $7 billion in unneeded additional funding for the DOD that has nothing to do with the Kosovo operation.

Last year Congress provided an additional $8 billion in the Omnibus Appropriations bill for the DOD under the guise of military readiness. Most of that funding didn't do anything for military readiness. It was more about campaign readiness. For example, is a study about military uses for caffeinated gum crucial to the readiness of our military? If the DOD needs funding for Kosovo, it should reprogram some of the unneeded funding from that bill. Or perhaps the DOD should look a little harder for the $17 billion that it has lost over the past decade. The Pentagon simply cannot account for $17 billion. It has nothing to show for it, not even an overpriced screwdriver. or perhaps the Pentagon should reprogram the funding for the 7 unrequested C–130Js that Congress provided last year.

This bill contains $7 billion that the President did not request for the Kosovo operations. For example, it contains $1.34 billion for spare parts that was not requested by the President. This is outrageous since the General Accounting Office found that the DOD maintains over $41 billion in obsolete parts. How did that happen? The computer that orders spare parts can't communicate with the computer that knows what spare parts are currently on the shelf. The DOD doesn't need more money for spare parts. It needs to fix the system that orders the parts. If Congress keeps giving the DOD more money to cover up a broken system, the DOD will never fix it and billions more will be wasted.

The DOD does not suffer from a lack of aggregate funding. It suffers from a lack of discipline necessary to function effectively in the post Cold War era. The DOD has over $30 billion in unobligated funding that it could reprogram. But the DOD refuses to make changes and cut unneeded programs. Congress could force the Pentagon to critically examine its spending and cut the waste by refusing to blindly throw good money after bad. Congress could take the first step towards fiscal discipline at the Pentagon by denying additional funding for the Kosovo mission. It is simply outrageous that the Pentagon cannot function effectively with a $280 billion year budget. The Pentagon claims it is prepared to fight two major theaters at once. Yet every time we actually use the military, taxpayers are forced to give the Pentagon more money. It's time to stop wasting billions of tax dollars and force the Pentagon to be more responsible with our money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. SOUDER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SOUDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

□ 1600

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 202. Notwithstanding the limitations set forth in section 1006 of Public Law 105–261, not to exceed $10,000,000 of funds appropriated by this Act may be available for contributions to the common funded budgets of NATO (as defined in section 1006(c)(1) of Public Law 105–261) for costs related to NATO operations in and around Kosovo.

SEC. 203. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 204. Notwithstanding section 5064(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355), the special authorities provided under section 5064(c) of such Act shall continue to apply with respect to contracts awarded or modified for the Joint Direct Attack Munition (JDAM) program until June 30, 2000: *Provided*, That a contract or modification to a contract for the JDAM program may be awarded or executed notwithstanding any advance notification requirements that would otherwise apply.

SEC. 205. (a) EFFORTS TO INCREASE BURDENSHARING.—The President shall seek equitable reimbursement from the North Atlantic Treaty Organization (NATO), member nations of NATO, and other appropriate organizations and nations for the costs incurred by the United States government in connection with Operation Allied Force.

(b) REPORT.—Not later than September 30, 1999, the President shall prepare and submit to the Congress a report on—

(1) All measures taken by the President pursuant to subsection (a);

(2) The amount of reimbursement received to date from each organization and nation pursuant to subsection (a), including a description of any commitments made by such organization or nation to provide reimbursement; and

(3) In the case of an organization or nation that has refused to provide, or to commit to provide, reimbursement pursuant to subsection (a), an explanation of the reasons therefor.

(c) OPERATION ALLIED FORCE.—In this section, the term ''Operation Allied Force'' means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

SEC. 206. (a) Not more than thirty days after the enactment of this Act, the President shall transmit to Congress a report, in both classified and unclassified form, on current United States participation in Operation Allied Force. The report should include information on the following matters:

(1) A statement of the national security objectives involved in U.S. participation in Operation Allied Force;

(2) An accounting of all current active duty personnel assigned to support Operation Allied Force and related humanitarian operations around Kosovo to include total number, service component and area of deployment (such accounting should also include total number of personnel from other NATO countries participating in the action);

(3) Additional planned deployment of active duty units in the European Command area of operations to support Operation Allied Force, between the date of enactment of this Act and the end of fiscal year 1999;

(4) Additional planned Reserve component mobilization, including specific units to be called up between the date of enactment of this Act and the end of fiscal year 1999, to support Operation Allied Force;

(5) An accounting by the Joint Chiefs of Staff on the transfer of personnel and materiel from other regional commands to the United States European Command to support Operation Allied Force and related humanitarian operations around Kosovo, and an assessment by the Joint Chiefs of Staff of the impact any such loss of assets has had on the war-fighting capabilities and deterrence value of these other commands;

(6) Levels of humanitarian aid provided to the displaced Kosovar community from the United States, NATO member nations, and other nations (figures should be provided by country and type of assistance provided whether financial or in-kind); and

(7) Any significant revisions to the total cost estimate for the deployment of United States forces involved in Operation Allied Force through the end of fiscal year 1999.

(b) OPERATION ALLIED FORCE.—In this section, the term ''Operation Allied Force'' means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

SEC. 207. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $1,339,200,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for spare and repair parts and associated logistical support necessary for the maintenance of weapons systems and equipment, as follows:

''Operation and Maintenance, Navy'', $457,000,000;

''Operation and Maintenance, Air Force'', $676,800,000;

''Operation and Maintenance, Air Force Reserve'', $24,000,000;

''Operation and Maintenance, Air National Guard'', $26,000,000;

''Aircraft Procurement, Navy'', $118,000,000;

''Aircraft Procurement, Air Force'', $31,300,000; and

''Missile Procurement, Air Force'', $6,100,000:

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $1,339,200,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 208. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $927,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for depot level maintenance and repair, as follows:

''Operation and Maintenance, Army'', $87,000,000;

''Operation and Maintenance, Navy'', $428,700,000;

''Operation and Maintenance, Marine Corps'', $58,000,000;

''Operation and Maintenance, Air Force'', $314,300,000;

''Operation and Maintenance, Marine Corps Reserve'', $3,000,000;

''Operation and Maintenance, Air Force Reserve'', $6,800,000; and

''Operation and Maintenance, Air National Guard'', $29,500,000:

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $927,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 209. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $156,400,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military recruiting and advertising initiatives, as follows:

''Operation and Maintenance, Army'', $48,600,000;

''Operation and Maintenance, Navy'', $20,000,000;

''Operation and Maintenance, Air Force'', $37,000,000;

''Operation and Maintenance, Army Reserve'', $29,800,000;

''Operation and Maintenance, Navy Reserve'', $1,000,000; and

''Operation and Maintenance, Army National Guard'', $20,000,000:

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $156,400,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 210. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $307,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military training, equipment maintenance and associated support costs required to meet assigned readiness levels of United States military forces, as follows:

''Operation and Maintenance, Army'', $113,200,000;

''Operation and Maintenance, Marine Corps'', $15,200,000;

''Operation and Maintenance, Air Force'', $28,000,000;

''Operation and Maintenance, Army Reserve'', $88,400,000;

''Operation and Maintenance, Navy Reserve'', $600,000;

''Operation and Maintenance, Air Force Reserve'', $11,900,000;

''Operation and Maintenance, Army National Guard'', $23,000,000; and

''Operation and Maintenance, Air National Guard'', $27,000,000:

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $307,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 211. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $351,500,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for base operations support costs at Department of Defense facilities, as follows:

''Operation and Maintenance, Army'', $116,200,000;

''Operation and Maintenance, Navy'', $45,900,000;

''Operation and Maintenance, Marine Corps'', $53,000,000;

''Operation and Maintenance, Air Force'', $91,900,000;

''Operation and Maintenance, Army Reserve'', $18,700,000;

''Operation and Maintenance, Navy Reserve'', $13,800,000;

''Operation and Maintenance, Marine Corps Reserve'', $300,000; and

''Operation and Maintenance, Army National Guard'', $11,700,000:

Provided, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $351,500,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 212. (a) In addition to amounts appropriated or otherwise made available to the Department of Defense in other provisions of this Act, there is appropriated to the Department of Defense, to remain available for obligation until September 30, 2000, and to be used only for increases during fiscal year 2000 in rates of military basic pay and for increased payments during fiscal year 2000 to the Department of Defense Military Retirement Fund, $1,838,426,000, to be available as follows:

''Military Personnel, Army'', $559,533,000;

''Military Personnel, Navy'', $436,773,000;

''Military Personnel, Marine Corps'', $177,980,000;

''Military Personnel, Air Force'', $471,892,000;

''Reserve Personnel, Army'', $40,574,000;

''Reserve Personnel, Navy'', $29,833,000;

''Reserve Personnel, Marine Corps'', $7,820,000;

''Reserve Personnel, Air Force'', $13,143,000;

''National Guard Personnel, Army'', $70,416,000; and

''National Guard Personnel, Air Force'', $30,462,000.

(b) The entire amount made available in this section—

(1) is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)); and

(2) shall be available only if the President transmits to the Congress an official budget request for $1,838,426,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(c) The amounts provided in this section may be obligated only to the extent required for increases in rates of military basic pay, and for increased payments to the Department of Defense Military Retirement Fund, that become effective during fiscal year 2000 pursuant to provisions of law subsequently enacted in authorizing legislation.

AMENDMENT NO. 2 OFFERED BY MRS. FOWLER

Mrs. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mrs. FOWLER:

At the end of chapter 2, insert the following new section:

SEC. 213. (a) ADDITIONAL APPROPRIATION FOR CONTINUATION OF ES–3. AIRCRAFT.—In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $94,400,000 is appropriated as follows:

(1) For ''Military Personnel, Navy'', $29,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft squadron staffing.

(2) For ''Operation and Maintenance, Navy'', $30,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft operations and maintenance.

(3) For ''Aircraft Procurement, Navy'', $31,500,000, to be used for procurement of critical avionics and structures for ES–3 aircraft.

(4) For ''Aircraft Procurement, Navy'', $3,900,000, to be used for procurement of critical avionics spares of ES–3 aircraft.

(b) EMERGENCY DESIGNATION.—The entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985. Such amount shall be available only to the extent that an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in such section 251(b)(2)(A), is transmitted by the President to the Congress.

(c) STUDY.—The Secretary of Defense shall conduct a study to examine alternative approaches to upgrading the ES–3 aircraft sensor systems for the life cycle of the aircraft. The study shall include comparative costs and capabilities, and shall be submitted to the Congress by October 1, 1999.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentlewoman's amendment.

Mrs. FOWLER. Mr. Chairman, I am putting forth this amendment for the purpose of entering into a colloquy with the chairman of the Subcommittee on Defense, after which time it is my intention to withdraw the amendment.

Mr. Chairman, I introduced this amendment because I am gravely concerned about the status of our airborne signal intelligence capabilities and, in particular, about the Navy's decision to terminate the ES–3 program by the end of fiscal year 1999.

The 16 ES–3s in the Navy's inventory cost us some $500 million to acquire and only made their first deployment in fiscal year 1994. The aircraft represents the only carrier-capable signal intelligence aircraft in the Department of Defense inventory, and it also constitutes some 20 percent of our carrier air wings' in-flight refueling capabilities. Moreover, I would note that a comprehensive DOD analysis of our signal intelligence needs only 2 years ago called for retaining and upgrading the ES–3.

Despite these important considerations, the Navy has opted to disestablish its two ES–3 squadrons for budgetary reasons.

Now I am greatly disturbed by this decision. Only last Friday the Washington Post ran a front-page article featuring comments by General Richard Hawley, the commander of Air Combat Command, who lamented that the air campaign over Kosovo had made clear the desperate shortage of intelligence gathering, radar suppression, and search-and-rescue aircraft in the DOD inventory.

In fact, with the requirement to provide 7-day-a-week, 24-hour-a-day coverage in the Balkans, which I remind my colleagues is not one of the two major regional contingencies in our military that we had planned for, our Nation is currently facing a serious shortfall of signal intelligence capability. There are gaps today in our coverage in other key locations around the world.

Under these circumstances the Navy's decision to terminate the program seems extremely questionable to me.

I believe that our signal intelligence shortfall represents a critical readiness deficiency that merits consideration in the context of this supplemental. However I appreciate the gentleman's desire to move a clean bill through the House in order to get the conference with the other body as soon as possible and to meet our urgent readiness requirements.

So I would just ask the gentleman if he would be willing to get a complete brief from the Department of Defense and our intelligence community regarding our current SIGINT deficiencies and look into the issue of proceeding with ES–3 program termination under the current circumstances. If he finds himself in a situation in conference where a compelling argument to accommodate these concerns in the context of conference arises, I would greatly appreciate it.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from California.

Mr. LEWIS of California. Let me respond first by expressing my deep appreciation to the gentlewoman for the professional way she is not just handling this matter, but the effective service she always provides in the authorization committee connected with our work. I would be pleased to look into this matter, and I appreciate the gentlewoman bringing it to my attention.

As the gentlewoman may know, I was previously the chair of the Subcommittee on Technical and Tactical Intelligence, and I continue to serve on the Permanent Select Committee on Intelligence, so I am very much aware of and concerned about our signal intelligence shortfalls. In light of the current conflict in the Balkans and the requirements it has imposed, I do agree that a further review of this matter is appropriate at this time, and I would look forward to working with the gentlewoman between now and conference.

Mrs. FOWLER. Mr. Chairman, I appreciate the gentleman's comments.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The CHAIRMAN. The amendment of the gentlewoman from Florida is withdrawn.

The Clerk will read.

The Clerk read as follows:

CHAPTER 3

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for ''International Disaster Assistance'', $96,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT OFFERED BY MS. PELOSI

Ms. PELOSI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. PELOSI:

On page 22, line 16, after ''$96,000,000'' insert: ''(increased by $67,000,000)''

Ms. PELOSI. Mr. Chairman, I offer this amendment in order to increase the amount of humanitarian assistance that is available for the refugees in the Balkans. We have disagreements in many areas here, but one thing we all agree on and the American people are interested in is to provide humanitarian assistance to the refugees.

With the passage of the Latham amendment we have some breathing room, some headroom in the foreign operations programs, and my amendment takes $67 million from the Latham amendment activity and adds it to the AID disaster assistance account in order to meet the emerging needs in Kosovo including the provision, and emphasizing the provision, of food. As my colleagues know, both the Obey amendments had a provision for $175,000 for additional humanitarian assistance, and Mr. Hall's amendment had $150 million for additional food. Neither of these prevailed; the amendment offered by the gentleman from Wisconsin (Mr. OBEY) did not pass, the amendment offered by the gentleman from Ohio (Mr. HALL) was not made in order. However, I want us to just stipulate to the fact that there is general agreement that more food is needed.

Many of us, including the distinguished chairman of the full committee, were in the Balkans and we saw people waiting in line for hours for food. We saw little babies who had crossed the mountains and through the forests have only cold tea for 2 weeks of their very young lives. The refugee problem is a greater one than was anticipated.

If we do not increase the humanitarian assistance, Mr. Chairman, I believe we will have a second humanitarian disaster. Therefore in this amendment I will submit more information for the RECORD, but in the interests of time I urge my colleagues to support this amendment which increases the humanitarian assistance in the bill by $67 million and with a special focus on food programs.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I compliment the gentlewoman on the amendment and I say that I agree to accept the amendment, and I might remind her that during this entire process in our conversations with the President and our conversations with the Department of State, the Secretary of State, that I have repeatedly told them in the beginning they are not asking for a sufficient amount of money to handle the true needs of the refugees that we are going to need for the next several months.

The response was, as I understood it, Mr. Chairman, that they felt like this would at least get them through June or July, and maybe they could come back for another supplemental during that period of time. But we are going to be very busy during that period of time with the other appropriations bills, and I think it was not wise for the administration not to accept a sufficient amount of money.

So I compliment the gentlewoman from California for bringing the level of funding back up, with her amendment, to the $566 million that the President initially requested, and I would accept the amendment.

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman for accepting the amendment and for his comments, and I want to commend him because indeed he has at every opportunity, impressed upon the administration that more funding would be necessary. That is why this is a great opportunity for us. It takes some of the pressure off of our foreign operations bill where we may be asked to provide even more humanitarian assistance. But at least today we can get the $67 million especially to focus on the food needs within the disaster assistance account.

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply want to say on this side we agree with the amendment and accept it.

Ms. PELOSI. Mr. Chairman, I just want to respond to the gentleman. The administration had intended to use the existing P.L. 480 title 2 resources and surplus commodities from the section 416(b) program to meet the needs in Kosovo. As we know, the needs have exceeded in terms of numbers of refugees and the duration in the camps, and I just respond to the issue that the gentleman had brought up.

I want to thank the distinguished gentleman [Mr. CALLAHAM] for his leadership, the distinguished ranking member [Mr. OBEY], the distinguished chairman of the full committee [Mr. YOUNG] for his cooperation, and I urge my colleagues to support this amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to thank the gentlewoman from California for offering this amendment. I had an amendment that would have also used the $67 million, but obviously, being the ranking member of the committee, hers in the prioritization came first. But it is unfortunate that we would be looking to use the money for one thing and cannot get to the other. The money that I was hoping to use it for would be for the construction of refugee camps.

I was part of the Armey delegation that just got back from Macedonia and Albania along with the presiding Speaker, and 19 of us were there and heard it was unanimity. Everybody we talked to, from the two star General to the AID people, that they desperately needed to build two more refugee camps in Albania to accommodate 20,000 people each.

As my colleagues know, we got to remember there are, according to General Wesley Clark, 820,000 internally displaced people and more than 700,000 people who have exited the borders and are now officially called refugees, an enormous number of people, and unfortunately, because of budget caps and things of that kind, we are unable.

Last night I went to the Committee on Rules and respectfully asked that I be able to offer $100 million additional moneys for the construction of those two refugee camps. They are $50 million a pop, and, like the gentleman from Ohio (Mr. HALL) and his food aid amendment, I was turned down, and that is most unfortunate.

□ 1615

Let me just say, when this gets into conference, it is my desperate hope, because we are looking at the possibility of cholera and other contagious and infectious diseases, we need to stabilize this situation and the military, no one does it better when it comes to constructing these camps.

I would like to ask our very distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, the gentleman from Alabama (Mr. CALLAHAN), if he will help us, because I know his heart.

He added $70 million to the refugee camp account over and above what the President requested and did make that appeal to the President to be more generous, not less.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I will be more than happy to convey your message to the conference committee as we convene to try to find some resolve to the concern of the gentleman.

I would like to compliment the gentleman from New Jersey (Mr. SMITH), as well as the gentlewoman from California (Ms. PELOSI), and the gentleman from Ohio (Mr. HALL), the gentleman from Illinois (Mr. PORTER), the gentleman from Virginia (Mr. WOLF), and others who take the time and the effort to visit the refugee camps in situations such as this and come back and inform us of the true needs.

Refugee camps, however, have generally, historically, been constructed by the Department of Defense. I think that the gentleman from California

(Chairman LEWIS) certainly would be interested in seeing that they have a sufficient amount of resources to provide the camps that are necessary to house these people that are suffering.

Yes, certainly during this process I will encourage the gentleman from Florida (Chairman YOUNG) and the gentleman from California (Chairman LEWIS) to recognize the needs of the Department of Defense to have the necessary monies to build the needed and required refugee camps.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I, too, want to join my distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs in commending the gentleman from New Jersey (Mr. SMITH) for his leadership on this issue. As I said last night, I support his amendment.

We can all agree to the need for those camps from the standpoint of sanitation and hygiene and meeting the needs of these refugees who have been dislocated or are grieving or malnourished and the rest.

I would hope that the distinguished chairman of the Subcommittee on Defense, I understand there is about $100 million unprogramed there that can be used for this purpose, and I would support the gentleman's appeal to the conference committee with that.

I want to again acknowledge the leadership of the gentleman from New Jersey (Mr. SMITH). To be in his company and that of the gentleman from Ohio (Mr. HALL), two leaders on child survival issues throughout the world, is indeed an honor; and I once again commend them.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentlewoman. The feelings are mutual.

This is a bipartisan effort and I do believe that the money is there if we have the priority to get it.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am very happy to discuss this with my colleague, for there are a number of Members on both sides of the aisle who have expressed a great interest in this area. Indeed, it is my view that the American public are themselves focusing at this moment on refugees by way of television cameras that are depicting this picture, which is the worst of the fallout from the Milosevic effort here of ethnic cleansing.

Indeed, already the Air Force has spent $25 million for one refugee camp. There is little doubt that there is much more to be done. As we go forward I am sure the committee, as well as the body, will do everything they can to be responsive to the gentleman's interests; and I appreciate him bringing the matter to our attention.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, in mentioning all of the people that have done so much, I forgot to mention my colleague, the gentlewoman from New Jersey (Mrs. ROUKEMA), because she, too, has been one of the stalwarts and one of the people who have worked so very hard in this respect.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to applaud the Pelosi amendment and to applaud the dialogue and debate that I have heard on the very issue dealing with humanitarian need.

Last Thursday a week ago, I voted on the floor of the House to support the effort to eliminate the terrible devastation that Slobodan Milosevic has created in the Balkans; in particular, to support the air strikes and to recognize that this war, this conflict, is defined. The definition is to end the ethnic cleansing that is going on in that region.

By traveling this past weekend with my colleagues, such as the chairman, as well as the gentleman from New Jersey (Mr. SMITH), the gentleman from Ohio (Mr. HALL) and the majority leader, the gentleman from Texas (Mr. ARMEY), I can say that this is a defined conflict.

It is a conflict to save the amount of human tragedy that is occurring in that area, and it is an issue that we should be very clear about.

I am unsure when someone says that it is undefined, but it is to eliminate the brutality and to ensure that our troops are safe but as well to ensure that the refugees have a place to return home.

As I did in Bosnia, I was able to visit with the people; and we traveled in the camps. We talked to the refugees, who indicated they had seen atrocities. They had seen women raped. They had seen intellectuals killed. They had seen their homes being burned. In these refugee camps, although they were very grateful to be safe, there is no running water, there is no electricity, there is no sewer, and there are long lines for food.

In talking about the military preparedness, let me say in my conversations with General Clark, he was very assuring that he had the skills, the tools and the resources to carry on. He was very sure of the definition of this conflict and that is, of course, to make sure that the refugees have a right to return home.

I would like to support the Pelosi amendment to increase the amount of food emergency assistance but, as well, I join in with the words of the gentleman from New Jersey (Mr. SMITH) to indicate that there is a need to assist in the building of refugee camps. Because in the one that we visited in Macedonia in particular it was built for 20,000 people and yet it has 32,000 people.

I supported the Obey amendment because it included concerns that I had about making sure we supported the military operation. It had monies to increase military pay and, as well, it dealt with the issue of emergency food assistance.

If we can make this legislation better, I am sorry to say that the Obey amendment did not pass, we should really emphasize the fact that we need more aid for the humanitarian crisis. We need more aid to build these refugee camps that are in need, even though we see more and more of the refugees leaving to go to other countries. It is extremely important that we focus on that.

I want to thank the gentleman from Ohio (Mr. HALL), who I know as well attempted to get his amendment in on emergency food assistance. I would only take comfort in the representations by the chairman and ranking member that they will work in conference to get us the dollars that we need to build humanitarian camps and, as well, they will give us the dollars to ensure that we have the monies for more food assistance.

I only hope, as I have written to the President and in light of the great success that Reverend Jackson had over the last weekend in releasing our POWs, I hope that we will have a pause in the bombing so that we can sit down to the table and get a negotiated settlement and that Milosevic will agree to all of the points that NATO has raised. I think this can be done in light of last weekend, as well as proceed with the idea of funding for humanitarian aid.

I would only hope that we reconsider the form of the Obey amendment and ensure that we have that kind of fair representation in that effort.

Mr. HALL of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes, but I do want to stand up with great approval and excitement and encouragement for this amendment offered by the gentlewoman from California (Ms. PELOSI). It is a good amendment. The $67 million will help.

As I read the amendment, it goes to the section relative to disaster assistance, but especially in this particular emphasis it will be for the Balkans. It does two things. It not only will add to the fiscal year 1999 appropriation for the Balkans and that pot of $200 million, but, because we are adding more money, it will help in some of the trouble spots that we have around the

world. We are now facing catastrophes and crises and great needs in Sierra Leon, Sudan, Cambodia, North Korea, Indonesia, East Timor, a lot of different places. So this amendment goes a long way.

I hope that this is not the end of our help relative to humanitarian aid. I hope the gentleman from Florida (Mr. YOUNG) and all the Members of the Committee on Appropriations look at certainly a lot more money for food. We really need it because we came up very short relative to the humanitarian aspect of this bill.

Again, I want to say to the gentlewoman from California (Ms. PELOSI) this is a great amendment, and I applaud her and really appreciate the work that she does. I want to thank the gentlewoman from New Jersey (Mrs. ROUKEMA) for sponsoring our amendment together; the gentleman from New Jersey (Mr. SMITH), the gentleman from Virginia (Mr. WOLF) and the gentleman from Alabama (Mr. CALLAHAN) for accepting it.

Mr. FLETCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment and certainly congratulate the gentlewoman from California (Ms. PELOSI).

I also rise to speak about this supplemental in general. Obviously, it is very important; and I do applaud the increase and support the humanitarian needs and the needs of those refugees; and I am glad to see that we are doing that.

I am also very concerned because the supplemental should not be a partisan issue, as this humanitarian effort should not be a partisan issue, because it is about the well-being of our troops. It is about the security of our Nation. It is about looking at risks that we have across this world, including the conflict that we are currently in.

As I looked at the papers this morning and saw a crash, an Apache helicopter crash, I thought of the two young soldiers that were killed there, their families. I was reminded of an era not too long ago when we tried to attempt to get some hostages out of Iran, when it was a similar time, when military funding was low, when spare parts were hard to come by, when cannibalization of other aircraft was taking place, when maintenance was a problem, morale was very low, and retention was a problem, and we had problems with readiness.

We had problems implementing that rescue, and I believe it was because of the very conditions that we have that exist today.

I do not know if the decreased funding that we have had for our military in the last few years resulted in that crash yesterday, but, believe me, do not underestimate how much military morale, maintenance and the experience of those that work directly on the aircraft, how much influence that has on our military readiness and the ability of our pilots and our troops over there to fly safe missions and accomplish what they are setting about to do.

I also read in the paper, there was a Pentagon officer that said, I believe he said, that about 10 years ago this battalion of Apaches could have arrived to the station on Monday, flown reconnaissance missions on Tuesday and Wednesday, simulated attack runs on Thursday, live practice runs on Friday and been deployed on Saturday.

They have been there for 20 days and still not ready, and they are asking for more train-up time.

I have every bit of confidence in our troops, but I think as we reduce spending, as has been done over the last few years, or hold it straight, not provide the kind of funding, we reduce our troops' ability to act and to act rapidly as it is needed in this world and in this conflict.

I think it is very important that we look at this again, that we do not underestimate the effect this supplement will have, the message it will give.

As I remember my time in the service, I remembered when military spending was cut, when we were not getting the kind of maintenance, when retention was poor, of what effect it had on morale and our ability to get aircraft off the ground.

So this is an emergency supplement, not just the direct that has been asked for by the President but also those to increase the pay, to give a message to our troops there that we are fully behind them.

Believe me, I have had a lot of conflict personally over this in Kosova because I do not believe that it was prepared properly. I do not believe we had an entry strategy that we needed, an exit strategy, but now that we are there and we have seen the problems we need to make sure that we give the kind of support to make sure that we accomplish our goals in this conflict.

We have troops all over the world. There have been 33 U.S. deployments across the world, and yet we have not adequately funded our troops. In the period of 40 years before that, there were only 10 deployments. We have 265,000 American troops in 135 countries. This administration's defense policy simply does not make sense: decreased funding and increased deployments.

I believe it is easy to see the problems created by this lack of funding. The U.S. Air Force will be 700 pilots short for fiscal year 1999, 1,300 short by 2000. The Navy will be 18,000 soldiers and 1,400 recruits short in 1999. The Army will be 140 Apache pilots short for 1999. In the last 14 months there have been 55 Air Force crashes during noncombat situations. The USS Enterprise went to sea short 400 personnel. The Army's budget for new weapons is the lowest since 1959. Since the Gulf War, our military has shrunk by about 40 percent.

Now recently and yesterday, we on the policy committee heard from former Secretary Caspar Weinberger. He spoke beyond politics about our threats, other threats, our military readiness; and he expressed concerns about what would happen if we do not immediately start rebuilding our forces.

So I ask for support, and I thank the chairman for the supplement. In addition to the supplement for humanitarian needs, we need to support this amendment and this supplement in order to begin the necessary rebuilding.

□ 1630

Mr. KIND. Mr. Chairman, I rise in support of the amendment. I want to commend the gentlewoman from California for offering it. I think it is clear that the American people expect us to do everything possible in our power to alleviate the suffering that the Kosovar refugees are enduring right now, and I might add that our NATO allies are contributing their fair share to a bulk of the refugee assistance as well, so it is not as if we are doing this alone.

I also want to rise in support of the emergency supplemental bill before us today to support our young men and women in American uniform who are being asked, yet again in this century, to restore the peace and stability and to bring back some humanity to Europe.

But I have to be honest, I am conflicted in supporting final passage of this emergency spending bill. I am just in my second term representing western Wisconsin in this great institution, Mr. Chairman. I do not serve on the Committee on Appropriations or the Committee on Armed Services or Committee on International Relations, so I am not intimately familiar with the details of the specified purposes of the listed items in this spending bill.

I am not sure whether all the listed items in this spending bill are truly for an emergency purpose. I do know, however, that our military advisers have made a request to the American people through the Administration for $6 billion to carry out the campaign in Kosovo. But once Congress got its hands on this, it suddenly became a $13 billion emergency spending bill rather than the $6 billion that our military advisers were requesting.

I am not sure whether a $35 million operation and control center on Bahrain Island in the Gulf is necessary for this operation, or $4 million for barracks renewal in Bamberg, Germany, or $3 million for an indoor shooting range in Stuttgart, or $12 million for three additional fire stations in

Ramstein Air Force Base in Germany, if these are all emergency items; or if $3 billion for military construction projects that will take years to complete because they are not even on the Pentagon's 5-year development plan are true emergency items.

But I do know that I am the representative of one of the two pilots who gave their lives two days ago in their training mission with the Apache helicopter in Albania, Chief Warrant Officer Kevin Reichert. Officer Reichert was a loving husband and father of three little kids. He and his co-pilot, Officer David Gibbs from Ohio, served their country with honor and pride, and made the ultimate sacrifice. My thoughts and prayers are with them and their family at this time.

I also know that it would not be right to our troops if voting against final passage of this bill would delay for even a little bit the utilization and distribution of the resources and supplies that our men and women who are carrying out this dangerous operation need in order to perform their duties in as safe a manner as possible.

I would just hope that this Congress would have the decency when it comes to issues of war and peace, life and death, to play this straight, without taking political advantage of the situation to bypass the normal authorization and appropriation process, where these items can be debated openly and thoroughly and fairly and within the context of fiscal discipline. It is a sad day in this Congress if there are some who would take advantage of this emergency situation for their own political agenda.

Lieutenant General John Hendrix, commander of the Apache Task Force Hawk, stated, when asked about the loss of these two brave young men, that "We cannot eliminate the risk from this mission." That is true. In cases of war, the training and the deployment of troops are inherently going to be risky, but this Congress can do our part in reducing that risk as much as possible.

That starts today. That is what this bill should be all about, the troops, and ultimately the welfare of the troops. That is why I am going to give my support for final passage of this bill, so the rest of our troops who are deployed in the Balkans can carry out their mission as safely as possible, and be returned to their families as soon as possible.

Mr. CALLAHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in accepting this amendment, I thought seriously that we would be able to accept it and move on with business, since we fully fund the request of the President, and we respond also to the concerns of the gentlewoman from California.

While we do not want to deny anyone the opportunity to speak on this very important issue, I think, Mr. Chairman, that it is time that we move on with the vote on the amendment of the gentlewoman from California (Ms. PELOSI).

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. PELOSI).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund", $105,000,000, to remain available until September 30, 2000, for assistance for Albania, Macedonia, Bulgaria, Bosnia-Herzegovina, Montenegro, and Romania, and for investigations and related activities in Kosovo and in adjacent entities and countries regarding war crimes; *Provided,* That these funds shall be available notwithstanding any other provision of law except section 533 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further,* That the requirement for a notification through the regular notification procedures of the Committees on Appropriations contained in subsection (b)(3) of section 533 shall be deemed to be satisfied if the Committees on Appropriations are notified at least 5 days prior to the obligation of such funds: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

For an additional amount for "Assistance for Eastern Europe and the Baltic States", $75,000,000, to remain available until September 30, 2000, of which up to $1,000,000 may be used for administrative costs of the U.S. Agency for International Development: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and Refugee Assistance", $195,000,000, to remain available until September 30, 2000, of which not more than $500,000 is for administrative expenses: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for the "United States Emergency Refugee and Migration Assistance Fund", and subject to the terms and conditions under that head, $95,000,000, to remain available until expended: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISION—THIS CHAPTER

SEC. 301. The value of commodities and services authorized by the President through March 31, 1999, to be drawn down under the authority of section 552(c)(2) of the Foreign Assistance Act of 1961 to support international relief efforts relating to the Kosovo conflict shall not be counted against the ceiling limitation of that section: *Provided,* That such assistance relating to the Kosovo conflict provided pursuant to section 552(a)(2) may be made available notwithstanding any other provision of law.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA:

After chapter 3, insert the following new chapter:

CHAPTER 3A

DEPARTMENT OF AGRICULTURE

FOREIGN ASSISTANCE AND RELATED PROGRAMS

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

For an additional amount for "Public Law 480 Program and Grant Accounts" for humanitarian food assistance under title II of Public Law 480, $150,000,000, to remain available until expended: *Provided,* That the Congress hereby designates the entire such amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further,* That such amount shall be available only to the extent of a specific dollar amount for such purpose that is included in an official budget request transmitted by the President to the Congress and that is designated as an emergency requirement pursuant to such section 251(b)(2)(A).

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. OBEY. Mr. Chairman, reserving the right to object, I reserve a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Wisconsin (Mr. OBEY) object to suspending the reading of the amendment?

Mr. OBEY. Yes, Mr. Chairman, because we do not have a copy of it, and I have no idea whether it is permissible under the Rules or not. We have no idea what the content is. I would like the amendment read.

The CHAIRMAN. Does the gentleman insist that the amendment be read?

Mr. OBEY. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk continued reading the amendment.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) reserve a point of order on the amendment.

The Chair recognizes the gentlewoman from New Jersey (Mrs. ROUKEMA) on her amendment.

Mrs. ROUKEMA. Mr. Chairman, I thank the chairman of the committee.

Mr. Chairman, this amendment clearly compliments the so-called Pelosi amendment we just passed, but it clearly is a recognition that more needs to be done. As well received as the Pelosi amendment was and should have been, more needs to be done.

Yesterday the gentleman from Ohio (Mr. HALL) and myself offered an amendment in the Committee on Rules, this amendment in the Committee on Rules, and unfortunately, the Committee on Rules did not make it in order. But the gentleman from California (Mr. LEWIS), our chairman here, spoke strongly in the Committee on Rules to work and add this vital funding in the conference.

I certainly look forward to working with the gentleman from Florida (Chairman YOUNG) and the Committee on Appropriations to ensure that the food aid is included in the conference.

As we all know, there is a great human tragedy unfolding in the Balkans. There is no question but that the United States and NATO have taken on the challenge of stopping a ruthless aggression. Members of Congress may disagree on the merits of this policy, but there must be no disagreement, and I stress this, no disagreement on the necessity of caring for the basic needs of the thousands of refugees who have been forced from their homeland. They are innocent victims of a terrible, terrible plight.

Mr. Chairman, I have been, as has been recognized here with a number of my colleagues, a long advocate of fighting hunger across the world. The gentleman from Ohio (Mr. HALL) attended the recent trip, accompanying majority leader, the gentleman from Texas (Mr. ARMEY), and he and I have conferred on the problems that they saw among the refugees and the needs that they have firsthand. He and I have worked for a long time on hunger issues, whether in Ethiopia, the Sudan, or visiting the Kurds, the refugee camps for the Kurds in the mountains.

I will tell the Members, if they have ever seen starvation up close and the hollowed eyes of a starving child, they will never forget it. That is exactly what we are dealing with here today.

Mr. Chairman, I might make reference to the fact that we even brought the problem back to President Reagan at the time, and he helped us provide safe passage for food to refugees. This is not a partisan issue. Republicans and Democrats, all of us should be pulling together.

We recognize that it is mainly the children who suffer. Many families have been torn apart by this violence, and they have lost their homes and many times they are separated from the children, the children from the families. It is our responsibility to accept this, because if we do not in this Congress, who will accept the full responsibility?

I must repeat to my colleagues here the Biblical admonition of our Lord Jesus in Matthew 25:40, ''Whatever you do for the least of one of these of our brethren, you do it for me.''

We must provide these funds, and if Members have any doubt about it, they should know the people, the groups, the religious and community groups that are supporting this amendment and this effort, whether it be Catholic Relief Services, Save the Children, Red Cross, Doctors Without Borders, Mercy Corps, et cetera, numerous groups are supporting this effort.

The food package, as has been stated, would give $150 million for this effort, and that is only the equivalent of barely 1 percent of this committee's funding bill. I will tell the Members, it will last a long time, for years, in helping these refugees.

Mr. Chairman, I must urge, and again quoting our president, President Ronald Reagan, a hungry child knows no politics. I think that should be our guiding light here today. I thank the chairman of the committee for this opportunity to discuss this issue, and would hope that we could have the gentleman's cooperation.

Mr. Chairman, the Kosovo supplemental provides some additional humanitarian aid, but does not cover the most basic of humanitarian needs . . . food aid for the 1.4 million Kosovar refugees. This complements the Pelosi amendment just passed, but more needs to be done.

Yesterday Representative HALL and myself offered an amendment in Rules that would have added $150 million in humanitarian food aid through title II of the PL–480 ''Food for Peace'' program. Unfortunately, the Rules Committee did not make the amendment in order.

Representative LEWIS spoke strongly at the Rules Committee to work and add this vital funding in the Conference. I look forward to working with you Mr. YOUNG and the Appropriations Committee to ensure that food aid is included in the Conference.

As you all know, there is a great human tragedy unfolding in the Balkans. The United States and NATO have taken on the challenge of stopping the ruthless aggression.

Members of the Congress may disagree on the merits of this policy but there must be no disagreement on the necessity of caring for the basic needs of the hundreds of thousands of refugees who have been forced from their homeland. They are the innocent victims of this terrible situation.

I have long been an advocate of fighting hunger across the world. Mr. HALL attended the recent trip of Members to the Balkans led by the Majority Leader ARMEY. Those Members saw the refugees and the need first hand. Shortly, I hope to also visit the Balkans. I have visited Ethiopia, the Sudan, the Kurds isolated in mountain refugee camps and have seen starvation up close. I have seen the devastation of hunger in the hallow eyes of a starving child. That is something none of us want to see in the refugee camps surrounding Kosovo.

In the eighties, I sat down with President Ronald Reagan to convince of the need to fight hunger around the world: And with his kind reasoning, he made the strong decision to do all we can to fight hunger and provide safe-passage for food supplies to refugees.

It is, after all, mainly the children who are going to suffer. So many families have been torn apart by this violence, so many have lost their homes and means to survive. These poor people have no one to turn to. We must accept the responsibility because if it is not us . . . the who? It is our moral obligation to care for those who need the most. As the Lord Jesus says in Matthew 25:40, ''I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me.'' This is the Biblical admonition.

We must provide these funds in Conference to take care of their most basic food needs. The coalition of humanitarian organizations that are working with Kosovar refugees—Catholic Relief Services, Save the Children, World Vision, CARE, Mercy Corps, the Red Cross, Doctors Without Borders—all support this adding the funding.

This food-aid package that would get 1.4 million refugees through the end of 2000 would cost what we're spending in just one week fighting this war ($150 million versus $718–$990 million per month). The amount we are asking for represents just barely 1 percent of this bill's total funding.

If there is any emergency in Kosovo it is ensuring that the refugees do not starve. The situation in these camps is already tragic with the refugees fending off depression, poor sanitation, and questionable living conditions. Hunger will amplify this situation into a catastrophe.

I urge the Appropriations Committee to work in the spirit of President Ronald Reagan's famous quote. ''A hungry child knows no politics.'' The issue of a hungry child is never debatable. I look forward to working with you to add the needed $150 million in food aid and I greatly thank the Chairman, and the entire Committee.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I want to thank the gentlewoman for bringing this to our attention. She has done a tremendous amount of work on this issue for the many, many years she has been here in the Congress. I want to assure the gentlewoman that we will give her proposal every consideration as we proceed to conference with the Senate.

However, Mr. Chairman, I must insist on my point of order.

Mrs. ROUKEMA. Mr. Chairman, do I understand of the gentleman that there would be an intention to raise the subject in the conference?

Mr. YOUNG of Florida. If the gentlewoman will continue to yield, yes, we would be more than happy to raise the subject in the conference, and we will be pleased to work with her and Mr. HALL in the coming days. As the gentlewoman knows, we can never predict what a conference might or might not do. We will certainly make sure the issue is considered.

Mrs. ROUKEMA. I was hopeful for a commitment of conference, but I do understand that the gentleman does not have control of the conference. There is no doubt but that the need is obvious and there. I thank the chairman.

Mrs. ROUKEMA. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CHAPTER 4

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

For an additional amount for ''North Atlantic Treaty Organization Security Investment Program'', $240,000,000, to remain available until expended: *Provided*, That the Secretary of Defense may make additional contributions for the North Atlantic Treaty Organization, as provided in section 2806 of title 10, United States Code: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for $240,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

GENERAL PROVISION—THIS CHAPTER

SEC. 401. In addition to amounts appropriated or otherwise made available in the Military Construction Appropriations Act, 1999, $831,000,000 is hereby appropriated to the Department of Defense, to remain available until September 30, 2003, as follows:

''Military Construction, Army'', $295,800,000;

''Military Construction, Navy'', $166,270,000;

''Military Construction, Air Force'', $333,430,000; and

''Military Construction, Defense-wide'', $35,500,000:

Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for $831,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 1 OFFERED BY MR. DEUTSCH

Mr. DEUTSCH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in the CONGRESSIONAL RECORD offered by Mr. DEUTSCH:

After chapter 4 of the bill, add the following new chapter:

CHAPTER 4A

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For an additional amount for ''Salaries and Expenses, Enforcement and Border Affairs'' to support increased detention requirements for Central American criminal aliens and to address the expected influx of illegal immigrants from Central America as a result of Hurricane Mitch, $80,000,000, which shall remain available until expended and which shall be administered by the Attorney General: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $8,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $5,100,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $7,300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,300,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $1,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $69,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $16,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $8,800,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $46,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for ''Overseas Humanitarian, Disaster, and Civic Aid'', $37,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''International Disaster Assistance'' for necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance, pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY

DISASTER RECOVERY FUND

Notwithstanding section 10 of Public Law 91–672, for necessary expenses to address the effects of hurricanes in Central America and

the Caribbean and the earthquake in Colombia, $621,000,000, to remain available until September 30, 2000: *Provided*, That the funds appropriated under this heading shall be subject to the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and, except for section 558, the provisions of title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further*, That up to $5,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development'', to remain available until September 30, 2000, to be used for administrative costs of USAID in addressing the effects of those hurricanes, of which up to $1,000,000 may be used to contract directly for the personal services of individuals in the United States: *Provided further*, That up to $2,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development Office of Inspector General'', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading shall be subject to the funding ceiling contained in section 580 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in Division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)), notwithstanding section 545 of that Act: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Debt Restructuring'', $41,000,000, to remain available until expended: *Provided*, That up to $25,000,000 may be used for a contribution to the Central America Emergency Trust Fund, administered by the International Bank for Reconstruction and Development: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

RECONSTRUCTION AND CONSTRUCTION

For an additional amount for ''Reconstruction and Construction'', $5,611,000, to remain available until expended, to address damages from Hurricane Georges and other natural disasters in Puerto Rico: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That funds in this account may be transferred to and merged with the ''Forest and Rangeland Research'' account and the ''National Forest System'' account as needed to address emergency requirements in Puerto Rico.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) reserves a point of order on the amendment.

The gentleman from Florida (Mr. DEUTSCH) is recognized for 5 minutes on his amendment.

Mr. DEUTSCH. Mr. Chairman, this amendment would put in the emergency supplemental that we passed earlier this year, House bill 1141, as an amendment onto this emergency supplemental bill, and specifically, the reason for that is there is a very true emergency going on right now that appropriately this House and the Senate both passed legislation to deal with.

It is interesting, following the comments of my colleague, the gentlewoman from New Jersey (Mrs. ROUKEMA) about hungry children, there are not only hungry children today in the Balkans, but there are literally tens of thousands of hungry children in Central America, much closer to our shores, much more directly impacting the United States.

□ 1645

And, in fact, the hurricane that occurred in October was of incredible proportions. I had the opportunity to travel to Central America, to Nicaragua, with the President and had a chance actually to view firsthand some of the destruction, where literally entire villages were wiped out.

I remind my colleagues, and, again, this House passed 1141, but I remind my colleagues of what is happening in Central America. Up until the hurricane, a lot of very good things were happening: Economies were growing, had been growing, through the dynamic progress of a capitalistic, democratic, emergent democratic society; there were vigorously contested elections and vigorous opportunities in terms of an economic future. Right now that is on hold, and it has been on hold effectively since October.

We have no choice, and not just because of the humanitarian reasons, but I think, really, for America's national security reasons. Many in this Chamber remember a different Central America, where the United States was spending far in excess of $1 billion for issues other than humanitarian aid, and I would hope and I would pray that that does not happen again.

Without this aid package that we have approved, to do things like build infrastructure, to do things like deal with potential immigration problems to the United States of America, I am not sure what the future holds for Central America.

And if the chairman of the committee would enter into a colloquy with me, I would appreciate knowing if my understanding is correct that the Senate's desire is to merge the two bills, the two emergency supplementals.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. Mr. Chairman, let me explain where we are here. The House expedited the consideration of that first supplemental, and I will concede there has been some undue delay in going to conference on that bill. I want the Members to know it is not the fault of the leadership of the House, and it is not the fault of the Committee on Appropriations, but I will not go any further than that.

The answer is, yes, we do expect that the leadership will sign off on a plan that would allow this bill that we will vote on today and the original supplemental to be considered in conference at the same time.

Mr. DEUTSCH. Mr. Chairman, I know the gentleman from Florida was very supportive, obviously, of the early supplemental, but is it fair to say the gentleman's current position is to be supportive and to include the Central American aid package, House bill 1141, as part of the final product that will come with this?

Mr. YOUNG of Florida. If the gentleman will continue to yield, that is correct, yes.

Mr. DEUTSCH. Mr. Chairman, I ask unanimous consent that the amendment be withdrawn; and I thank the gentleman for that assurance.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have now had a number of amendments brought to the House floor which the authors understand are not in accordance with the House rules and which the committee understands are not in accordance with the House rules. I had been under the impression that we were going to recognize that a lot of Members have

other time obligations and we would not be debating issues which we do not have the right under the rules to debate.

So what I would simply ask of the gentleman from Florida is this: I wonder if we could have an understanding that if there are any further amendments that are offered that are clearly subject to points of order that we will immediately make those points of order unless the sponsor of the amendment agrees to limit the time they want to discuss them to 1 minute. Otherwise, we are going to inconvenience many Members.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for raising the issue, and we do have a time problem. I had set the goal of being completed by 4:30 today. Obviously, we did not make that.

I wanted to assure all the Members that they would have an opportunity to have full and open debate, as we had promised an open rule, which we did. But I think the gentleman makes a very good point, and I would hope that those where a point of order does lie would be willing to limit the time they would use in describing that amendment to the 2 minutes the gentleman has suggested. Otherwise, we could go straight to the point of order and eliminate any conversation.

Mr. OBEY. Mr. Chairman, reclaiming my time, I would like to have an understanding that unless the sponsor of an amendment which we know is out of order agrees to a 1-minute discussion of it, we will immediately move to make the point of order.

Mr. YOUNG of Florida. If the gentleman will continue to yield, I am happy to join him in that announcement and also to say we have about 10 more amendments that we need to consider here this evening, about half of which a point of order will lie against.

So I agree with the gentleman, and I think it is proper we put the Members on notice.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL PROVISION

SEC. 601. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 602. It is the sense of the Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISTOOK:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated by this Act shall be available for the implementation of any plan to invade the Federal Republic of Yugoslavia with ground forces of the United States, except in time of war.

Mr. OBEY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. ISTOOK. Mr. Chairman, I might mention that this amendment is identical to one that has previously, under the precedence of the House, been held in order, and that was an amendment that was filed in 1967 during the time of the Vietnam War. The language is identical in this case, only changing the words North Vietnam to Federal Republic of Yugoslavia.

Mr. Chairman, I first want to compliment our chairman on this bill that meets some very vital and important needs of the United States Armed Forces. I support this bill. I intend to support the bill whether this amendment is approved by the House or not.

Our military has been depleted; it has been overused. This bill is intended to replenish our military. This bill is intended to restore strength and vitality that has been taken from our military. This bill, as I believe most proponents say, is not, however, intended to expand the war that currently is being waged in Yugoslavia, which has not been declared as a war by the Congress of the United States. This bill is to replenish our military but not to expand past the air campaign that currently is under way.

We cannot take up a more serious issue in this House than committing the men and women of our Armed Forces into combat and the potential of having them sent in a hostile environment into Yugoslavia. The President of the United States has said he does not intend to do so, but, nevertheless, he is having plans drafted for the contingency of doing that.

Mr. Chairman, that cannot occur; that must not occur under our system of government, under our Constitution, unless the Congress of the United States so specifies. That is what this amendment says, that no ground forces of the United States can invade Yugoslavia absent a declaration by this Congress to do so.

I should mention, Mr. Chairman, the significance of this issue. The great import of this issue is such that in 1991, when the Persian Gulf War, Desert Shield and then Desert Storm, was being put together, the President of the United States, George Bush, thought it crucial to make sure that he sought not only consultation but approval of the Congress at that time.

Then Senator William Cohen of Maine, now the Secretary of Defense, at the time that the Persian Gulf campaign was being contemplated took to the floor of the United States Senate, the other body, and made it clear that our Constitution would not permit that campaign to go forward unless Congress approved.

In fact, in the CONGRESSIONAL RECORD of January 12, 1991, Mr. Cohen stated, and I quote him, ''The President has said that he has the authority to go forward without congressional consent. I disagree with that particular position. He has also said that even in the face of opposition from Congress, he will go forward. I think that not only is a constitutional error but a tactical one as well.''

What does the administration say and do? They said, well, we will talk to Congress, but we will not agree that we will not send our troops into the ground in Yugoslavia in a hostile environment unless Congress approved it.

This amendment seeks to honor what the House voted last week by 249 to 180, that, absent congressional action, no ground forces were to be sent in. Without this amendment, Mr. Chairman, the press and the public will claim that we have voted this money, this $12 billion, to widen this poorly conceived military effort.

I do not think that is the intent. I do not think that is the intent of the chairman in bringing this bill forward. I do not think that is our intention, to enlarge this war. But we want to make sure it does not deplete the resources of our military.

Does this amendment pull us out of what is going on now? No. Does it endorse the air war? No. Does it stop the air campaign? No. Does it prevent peacekeepers from going in should peace break out? No, it does not. Does it prevent rescue of our forces? Of course not. But it does make it clear that we are not going to send any ground troops in in an invasion unless it becomes a time of war, which under our Constitution can only be declared by the Congress of the United States.

It does not undercut our strategy. The President has said ground troops are not our strategy. It does not undercut our Armed Forces. It clearly is following the Constitution on who makes decisions of this tremendous import.

Mr. Chairman, I offer this amendment; and I urge its adoption.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. OBEY. Mr. Chairman, I continue to reserve my point of order, and under my reservation I ask the gentleman a question.

The CHAIRMAN. The gentleman will suspend. The gentleman from Wisconsin (Mr. OBEY) does not have time under his reservation of a point of order. The gentleman may make his point of order or withdraw his point of order or continue to reserve his point of order at this point.

Mr. OBEY. I am continuing to reserve my point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman move to strike the last word while continuing to reserve his point of order?

Mr. OBEY. Well, I continue to reserve my point of order; and I would

ask if the gentleman from Florida (Mr. YOUNG) would yield.

The CHAIRMAN. The gentleman from Wisconsin continues to reserve his point of order.

For what purpose does the gentleman from Florida rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would ask the gentleman from Oklahoma if he could explain to us what the words in his amendment ''in time of war'' mean? Is that a declaration of war or is it something else?

Mr. ISTOOK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Chairman, in answer to the gentleman from Wisconsin, this means, of course, the same as has been established in the precedence of the House with this particular language. I mean it, of course, to mean a declaration of war or any act by the Congress that would be any equivalent approval of a declaration of war.

Congress, of course, has not given any authorization for such a commitment of our forces.

Mr. OBEY. Mr. Chairman, if the gentleman will continue to yield, that means it would not apply to Kosovo?

Mr. ISTOOK. When the gentleman says it does not apply to Kosovo, Kosovo is part of the Federal Republic of Yugoslavia, so certainly it applies to Kosovo.

Mr. OBEY. But the gentleman is saying there must be a declaration of war for a time of war to exist, or is he saying there are other conditions which might pertain?

Mr. ISTOOK. There is no condition under our constitution which constitutes an official war absent an official action by the Congress of the United States. That is Article I, Section 8, of our Constitution.

Mr. OBEY. Well, Mr. Chairman, I thank the gentleman for yielding under his time.

Mr. YOUNG of Florida. Mr. Chairman, reclaiming my time, I continue my opposition to the amendment.

The House has already voted on this issue. Every Member has had a chance to be recorded, and I think all of us agree that we would hope American ground troops would not be deployed anywhere unless the very direct security interests of the United States is threatened.

□ 1700

But here is why I oppose this amendment today. This is real. This is an appropriations bill. It is real. I just do not think Congress should micromanage any kind of military activity, number one.

Number two, it is a mistake to tell an enemy what we will do and what we will not do in a military situation. If we tell Milosevic that we are not going to send any ground troops to the area, Milosevic then only has to focus on the air war. He can put all of his attention on the air war. If we do not give him any direct answer one way or the other on ground troops or anything else, then he has got to plan for all kinds of contingencies, he has got to make his preparations very diverse, and it is not easy for him to do that. It is easy for him to focus just on the air war.

So I think we would make a big mistake by adopting this amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the one thing the administration has asked us to do is expedite this supplemental, to get it done so they can get the money so we can do the rearmament on things like JDAMs that are critically important.

This will ensure a veto of this bill and that, therefore, we are going to slow this process down. It is going to mean it is going to have to come back to this body. I would hope that the House would agree with our chairman and defeat this amendment.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman makes a very good point. I think it is ill-timed at this point, and I would hope that the House would reject the amendment.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. LEWIS of California. I appreciate the chairman being flexible here in terms of yielding.

I think he made a very important point at the beginning that needs to be repeated. That is, we already had a vote on this amendment. There is an authorizing committee that is alive and going forward, but it does not interfere with the appropriations process. This bill needs to move forward quickly. We do not need to be threatened with a veto. It is unnecessary at this time.

Mr. OBEY. Mr. Chairman, I withdraw my point of order, and I rise in opposition to the amendment.

Mr. Chairman, as Franklin Roosevelt said once, I hate war. And I am sure everybody in this room does. But I have to tell my colleagues that I think this amendment, while it may be well-intentioned, I think would have very pernicious results.

Back in 1982 when my son was a student in Germany, I went to the University of Friedberg and I gave a speech to the student body right after Germany had recognized Croatia. What I said was essentially this: I said,

> Look, your country has just recognized Croatia, against the wishes of the United States Government. I said, the United States in 1948 recognized Israel; and when we did that, we incurred a permanent obligation to defend their security.

And what I said to them was that,

> You may not like it, but the fact is that when you recognize Croatia the way you did, you triggered certain events; and Mr. Milosevic is not going to stand by and watch Yugoslavia slowly fall apart. He will be taking serious military action. And in fact, in the end, we will have to be involved militarily and so will you.

Now, when I said that to that German audience, they booed. They did not like what I said. But the fact is that I believe I was correct, and I think events have borne that out.

I am convinced that if we had bombed Milosevic immediately after he began his first ethnic cleansing campaigns, that within a week he would have been out of power because there was a strong political opposition to Mr. Milosevic at that time. But the West temporized for 10 years; and so literally we have had the number of people die because of Mr. Milosevic's actions which are equivalent to more than half of the population of my congressional district.

Now, they were not Americans, so maybe we are not all that concerned, but I think we should be. I think we need to have meant it when we said about Europe after Hitler in World War II ''Never Again!'' And I think when the President walked into this problem and we saw what was happening in Yugoslavia, that we had an obligation to try to stop it.

Now, if this Congress had an objection to that action, then it should have stated so when we were at the beginning of the war. The Senate did take action in supporting what the administration was doing. This House did not act.

Now that we are in this situation, I think we have an obligation not to make it worse. I think we make it worse for the refugees. I think we make it worse for our troops whose lives are now on the line, including those Apache helicopter pilots. I think we owe it to them to support policies that can get us out of this war as quickly as possible.

I do not know whether we should use ground forces or not militarily. That is a military judgment which ought to be made by our military commanders with the agreement of the Commander in Chief. That is the way the Constitution is set up. The Congress has the power to say whether we should or should not be in a war. But if we are in it, we do not have the power to micromanage it, in my view. And we certainly do not have the talent to or the information to.

And so it seems to me that the best way that we can try to assure that the air war succeeds, and I have grave doubts about that, I come much closer to JOHN MCCAIN on that than I do anybody else in this Congress, but the best chance we have to make that air war to succeed is to let Mr. Milosevic think that he may be facing a ground attack if it does not.

If we want the Russians to play with this issue for real rather than just around the edges for domestic consumption, we also need to let them know that if their efforts at negotiation do not succeed, they may very well see a ground situation. That is, in my view, the best way to try to assure that the air war will achieve its desired ends.

I respect the opinion of every single person in this institution, but I would urge them not to take this action and support this amendment because I think it will be immensely counterproductive and could in fact lead to the loss of more lives.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. PAUL. Mr. Chairman, I rise in support of the Istook amendment. I think that this would send a strong message that we do not endorse this war. It was said that this is the same vote that we had last week, but last week's vote is sitting on the table and it is going to sit there.

This one may well go someplace and have an effect. So this is a much more important vote that we had last week. It is very important that we vote the same way as we did last week.

I think it is interesting, I think we have an interesting constitutional question here, because I agree with the chairman of the committee and the gentleman from Wisconsin (Mr. OBEY) that it is not the prerogative of the Congress to micromanage a war. That is correct. It is the job of the Congress to declare the war. But here we have a Congress involved in diplomacy and micromanaging a war that has not been declared. That is the issue. The issue is not the micromanaging.

I can support this amendment because the war has not been declared. The issue is how do we permit the President to wage a war without us declaring the war. Once we declare the war, it is true, we should not be talking about whether or not we use airplanes or foot soldiers or whatever. We do not micromanage. We do not get involved in diplomacy maneuvers.

But today we have things turned upside down. We have the President declaring where and we say nothing and the Congress micromanaging the war that should not exist. We need to consider that. And we can straighten this mess out by rejecting these funds.

It is suggested that this amendment would go a long way to doing it. I am not all that optimistic. For us to say to the President ''thou shalt not use these funds for the ground war,'' well, he has not had the authority to wage his air war. Why would he listen to us now?

Can we trust him and say that he is going to listen to what we tell him? Of course not. He is already fighting his air war and he will continue to. And he has set the standard, and not he alone, all our Presidents from World War II have set the standard that they will do what they darn well please.

This is why I have been encouraged in the last couple weeks that this debate has been going on, because it is an important debate. I have finally seen this Congress at least addressing the subject on whether or not they should take back the prerogatives of war and not allow it to remain in the hands of the President.

This is very, very good. I have come to the House floor on numerous occasions since February, taking this position that we should not be involved. As a matter of fact, we had a couple dozen, maybe three dozen Members in this Congress who signed on a bill in February, a month or so before we even saw the bombs dropping in Yugoslavia, that would have prevented this whole mess if we would have stood up and assumed our responsibilities.

It is said that we must move in now to help the refugees. Have we looked at the statistics? How many refugees did we have before the bombing started? Others say, well, we must move in because Milosevic is so strong. Prior to the bombing, Milosevic was weak.

Talk about unintended consequences. They are so numerous. What about the unintended consequence of supporting the KLA who are supported by Osama Bin Laden? How absurd can it get? Osama Bin Laden was our good friend because he was a freedom fighter in Afghanistan and we gave him our weapons and supported him. But then we found out he was not quite so friendly, so we captured a few of his men and he retaliated by bombing our embassies. Of course, we retaliated by bombing innocent chemical plants as well as people in Afghanistan that had nothing to do with it.

So where are we now? We are back to supporting and working hard and just deliberating over whether we should give weapons to the KLA. I mean, the whole thing is absurd.

There is only one thing that we should do, and that is stop this funding and stop the war. My colleagues say, oh, no, we are already too far in that we cannot. It is not supporting the troops. Well, who wants to get down here and challenge me and say that I do not support our troops? I support our troops. I served in the military for 5 years. That is not a worthwhile challenge. We all support our troops.

They say, well, no, they are in a quagmire and we have to help them and this is the only way we can do it. So the President comes and asks us for $6 billion and then, in Congress's infinite wisdom, we give him $13 billion. And yet, we do not declare war.

This appropriation should be defeated.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, last week I called our friend Tom Foglietta, who is the Ambassador to Italy, and I said, ''Mr. Ambassador, tell me what the reaction in Italy is to the debate going on in the United States Congress.'' And the Ambassador called me back 2 days ago and he said,

> The Italian papers in their editorial section said we do not have to worry about the communists. We do not have to worry about the Greens. We have to worry about the United States Congress destroying the NATO allies, the alliance.

Now, that was in reaction to the fiasco we had last week. We have two ways that we can limit the President. One is, by a two-thirds vote we can override his veto. The other way is to limit the funds that the President has to use for readiness.

For 5 years we have limited the funds of the President for readiness because for 2 years this Congress, this House, insisted we offset the money that the President asked for in his emergency money for Bosnia because there were a number of people that asked for those funds or a number of people who opposed that position of us being in Bosnia.

□ 1715

We were not successful in getting out of Bosnia, but we did limit the readiness money. Our troops are now at a precipice of readiness.

I went aboard the *Abraham Lincoln*. The *Abraham Lincoln* has 5,000 troops normally. It was 800 people short. If Members think they are hurting anybody but the troops, they are wrong. They are hurting our American servicepeople when they limit the money. If we do not have a two-thirds vote on the floor of the Congress of the United States, in both Houses, we cannot override a veto, and we know the other body has already voted to go along with what is happening.

So what we are doing is sending a message to Milosevic, and we are saying to him, ''We're divided.'' We are playing into his hand. We are making him think we are divided as a country, and we will never solve the problem. As the refugees stream out of Kosovo, as they stream into the refugee center with mud and no facilities, we are helping them with that.

Unless we see a two-thirds vote, the only recourse we have is to limit the funds that are available to the President. We have done that, and we have reduced readiness substantially. Everybody here knows that. Everybody

knows that the carriers are short, the destroyers are short, the Army is short 12,000 people, the Navy is short 7,000 people. The infantry fighting vehicles do not have any infantry in them. They only have the driver and the commander.

I would ask my colleagues to think very hard. This amendment will cause a veto of the bill. It will slow down money we need to have by Memorial Day for the troops that are overseas. If Members support the troops, I ask them to vote against this amendment and then vote for passage of the bill, of the $12.8 billion for the troops that are serving in harm's way in the Balkans.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Let me just say to my esteemed colleague, when the President sent our troops into Bosnia, he said they would be out in 6 months. It has now been over 3 years, and we have spent billions of dollars. That is why many of us were very concerned and are still concerned.

Now, we all want to support our troops. We all want to put additional funding into the hollowed-out military that has been hollowed out to such a degree that we cannot deal with the crises around the world. But let me just give my colleagues a fact. The fact is, from 1950 to 1990, military operations, we had 10 of them. In 40 years, we had 10 of them. In the last 7 years, we have had 25 deployments without the Congress being involved, unilateral actions taking place by the administration, by the President.

Now, let us take a look at what happened when George Bush was President. The Democrat Congress, in 1991, insisted that we have a vote on whether or not we go to war in the Persian Gulf. There was proper planning. We had 550,000 troops. General Schwarzkopf was in charge. We planned it fully before we did anything. But still the Congress insisted that George Bush come before this body before we started any military operations. I remember Lee Hamilton standing right there debating against that operation. But it passed both the House and the Senate.

Mr. MURTHA. How did I vote?

Mr. BURTON of Indiana. I do not know how the gentleman voted.

Mr. MURTHA. I led the fight.

Mr. BURTON of Indiana. That is great. I am glad he did.

But the point is we have got a similar situation today, and they do not want a vote of the Congress of the United States. Why? Why is it that it was important back then and it is not important now? We are going to be taking young Americans' lives and putting them at risk in Kosovo in a ground war, in a mountainous area that is not like what we faced in the Persian Gulf.

The fact of the matter is that the Congress of the United States and the American people need to be on board if we are going to send our troops into harm's way in a ground war. They have said that they would need as many as 300,000 troops if we had to go in there. Do Members want to commit them without the people's voice being heard through their elected representatives? I think not. We need proper planning.

Let me just say one more thing to my colleague. When Mr. Tudjman in Croatia killed 10,000 people and ran 750,000 out of that country with an ethnic cleansing, what did this body do? What did we say? Not a darned thing. But now we are talking about possibly giving this man unilateral authority to send in ground troops in Kosovo. It is an insane policy.

The American people ought to be heard through the people they elect in this House and in the other body. It is no different, Mr. Chairman, than it was in 1991 when we went into the Persian Gulf. They insisted on a vote then, and I insist on a vote now.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words; and I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, the gentleman is missing my point. We have two ways to stop it, reducing readiness by reducing money available or having a two-thirds vote, or allowing Milosevic to see we are divided. That is the point I am making.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. I appreciate the gentleman yielding.

I would just like to make this case to the gentleman from Indiana. There is nothing in this bill that would authorize any money to be used to deploy ground troops into Kosovo, to invade Kosovo or anything else. There is nothing in this bill for that purpose.

Mr. ENGEL. Mr. Chairman, I was one of those Democrats in 1991 that voted to support President Bush. President Bush was right in the Persian Gulf War and President Clinton is right today. In fact, when President Bush did come before us, he had all his ducks lined up. That is true. But it was basically a fait accompli. The troops were there, and we voted to support the President. We should not pull the rug out from under the President now.

A lot of my colleagues say, ''We shouldn't fight this war with one hand behind our back. Vietnam was fought with one hand behind our back. We shouldn't let the politicians control the war. We should let the military people fight the war.''

Then let us let the military people fight the war. All options should be on the table. We do not announce to a tyrant like Milosevic what we will do and what we will not do ahead of time. The only thing he understands is force, and the only thing he understands is unity. This man is an absolute tyrant. And so we need to have all options on the table, in my estimation, including the use of troops on the ground.

I hope the bombing campaign will work. I have my doubts, but I hope it will work. But isolationism is not the way to go. Unfortunately, Mr. Chairman, there is a sense of isolationism in this Chamber in some quarters, and that is why this amendment should be absolutely defeated. The votes in my estimation last week were irresponsible not to support the bombing war, irresponsible to want to micromanage every aspect of the war. We should not be doing that. It is absolutely wrong.

Now, ethnic cleansing. This is not a civil war. People say it is a civil war. This is ethnic cleansing. This is genocide. This is a tyrant like Milosevic killing people because of their ethnicity, driving them out because of their ethnicity. This should not be allowed.

I hear my colleagues talk about the KLA and Bin Laden. There is no evidence, believe me, from the highest sources, there is no evidence that Bin Laden or any of those Islamic fundamentalists have infiltrated the KLA. That is a smear, just because the Albanians happen to be Muslims; and, frankly, I resent the smear because it is not what we should be doing. This is about ethnic cleansing. This is what we really ought to be concerned about.

I had an amendment which I am not offering which would give more money to the Economic Support Fund because I believe that the countries in the area like Albania, Macedonia, Bulgaria, Romania and Montenegro need our help and we are going to need to come there and help. Because this is, again, a crisis of paramount proportion.

In my estimation, we should be aiding the KLA. They are the only counter to the Serbs on the ground. When we bombed in Bosnia, we were successful, in my estimation, because the Croatian army was on the ground as a counter force to the Serbs. We ought to be helping. If we do not want NATO troops on the ground or U.S. troops on the ground, then we ought to be helping the people that are on the ground and that is the KLA. I think we should be dropping antitank weaponry to them. The gentleman from South Carolina (Mr. SANFORD) and I have a bill that would arm and train the KLA as MITCH MCCONNELL and JOE LIEBERMAN have in the Senate.

We cannot have our cake and eat it, too. Ultimately, the situation for Kosovo I believe is independence. I think that the Serbs have ceded any moral authority to ever govern the ethnic Albanians again. There is no future for the ethnic Albanians under Serbian rule.

Kosovo ought to be independent. There ought to be no partition of

Kosovo. We should not reward Milosevic for his campaign of ethnic cleansing.

Saying that somehow the bombing brought on ethnic cleansing, Mr. Chairman, this ethnic cleansing against the Albanians has been going on directed by Milosevic for years and years. I called it slow ethnic cleansing and quiet ethnic cleansing, and 3 years ago I took to the floor and I said what Milosevic is doing to the Bosnians, he will do to the Kosovars and make Bosnia seem like a tea party. He will drive a million over the border and try to kill another half million.

I was right about the million over the border. I hope I am wrong about the half million. But when we finally get into Kosovo and we see the mass graves, we are going to see tens of thousands if not hundreds of thousands of people being butchered by this butcher, Milosevic.

I commend President Clinton for having the courage to stand up and say no. It would have been politically easier for him to sit back and do nothing.

Mr. Chairman, this amendment ought not to be supported. All options ought to be on the table. I am going to vote for the finished product of this bill even though it is laden with pork, but we need to be firm, and we need to be united.

Mrs. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. My reasons are different from some of those that have been expressed on the floor this afternoon, because, as many of my colleagues know, I was opposed to this air war that the President and his advisers started without coming to the Congress for consultation, and I have definitely been opposed to any expansion of it on the ground.

As a result of my concerns, I introduced H.R. 1569 the last week, on April 28, which passed by an overwhelming majority of the Members of the United States House of Representatives. 249 Members of this body voted in favor of that bill. That bill sent a very clear message to the President. It was not micromanaging, because the wording in that bill was very different from the wording in the amendment before Members today.

I want to make clear that the people who voted for my bill last week understand that there is a difference. Because in order to make this amendment germane, the gentleman from Oklahoma had to change the wording of his amendment. So Members need to look carefully at the wording of this amendment and the wording that they voted on a week ago, because there is a difference.

Last week, the bill that passed by this House, bipartisan vote, 45 Democrats voted for it, said that none of the funds appropriated, I am going to skip over, could be used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless such deployment is specifically authorized by law enacted after the enactment of this act. So it talked about deployment of forces and it could not be until after the enactment of a law.

This amendment before Members today refers to none of the funds being appropriated in this act shall be available for the implementation of any plan to invade the Federal Republic of Yugoslavia with ground forces of the United States except in the time of war.

There are major differences in the wording and the meaning of each of these. We need to understand that. Those of us who believe in Article I, Section 8, of the Constitution and believe that the President should come before this body, as I do, before ever starting a war, should have done that before starting the air war, much less commit them on the ground, this amendment today is not the way to express that. We expressed it last week when we passed H.R. 1569.

I am urging the Senate now to take it up. We need to each urge our Senators, because the Senate needs to act on that bill, because the President I think would have to sign that bill. Because that bill, as a result of that bill, the afternoon of the vote, the President sent a letter to the Speaker, I want to submit this letter for the RECORD, in which the President committed to the Speaker of the United States House of Representatives, he said, ''Indeed, I would ask for congressional support before introducing U.S. ground forces into Kosovo into a nonpermissive environment.''

That was a result of that bill being on the floor and a result of that vote being taken.

I am hoping the President meant it. We are going to put this in the record, on the official record, that he did. Because I do not think the President would dare now, after a majority of the Congress vote, to send our forces on the ground without coming to this Congress.

But this is not the place. This bill today is about the readiness of our Armed Forces. We are at a critical time. We have got to get this emergency funding, because the President is going to continue to spend it. It is coming out of the hide of our troops right now.

When I have got 16 P–3s on the tarmac at my Jacksonville Naval Air Station that will not fly because they cannot get the parts, they cannot get the engines because the money is being taken and sent to the Balkans, we have got to get the money in now. We cannot let this bill get hung up.

I would hope the gentleman from Oklahoma would withdraw his amendment; but if he will not withdraw it, I want to urge my colleagues to vote against the amendment and then to vote for this bill. We need to send a message to our troops that we do support them, but we are certainly not going to let them be sent on the ground without the President coming back to us.

Mr. Chairman, I include the following letter for the RECORD:

THE WHITE HOUSE,
Washington, DC, April 28, 1999.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I appreciate the opportunity to continue to consult closely with the Congress regarding events in Kosovo.

The unprecedented unity of the NATO Members is reflected in our agreement at the recent summit to continue and intensify the air campaign. Milosevic must not doubt the resolve of the NATO alliance to prevail. I am confident we will do so through use of air power.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for Congressional support before introducing U.S. ground forces into Kosovo into a non-permissive environment. Milosevic can have no doubt about the resolve of the United States to address the security threat to the Balkans and the humanitarian crisis in Kosovo. The refugees must be allowed to go home to a safe and secure environment.

Sincerely,

BILL CLINTON.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Istook amendment. As one of the people that helped construct the amendment last week, I believe sincerely that this amendment is absolutely consistent with what we did last week. I think if Members voted last week to send a message to the administration that they did not want to escalate this war, I believe they should come to the floor and support the Istook amendment.

□ 1730

I have heard some discussion out here about the role of the Commander in Chief, the President of the United States. Well, let us make it very clear. Our Founders did not believe that one individual and an click that surrounds the President of the United States ought to be the one to carry out warmaking in America. In fact, our Founders believed that it was essential for the House and the Senate to have their say. Why? Because the Founders really believed that it was absolutely essential that the people have their say, and the people can have their say best by expressing their opinions through their representatives in the Congress of the United States.

In fact, in a poll just this week in one of the national newspapers the indication was the people were far more comfortable having the Congress of the

United States direct this war and where we head than they were with the President. Why? Because frankly I believe they are very dissatisfied with where we are.

Why is it that we would come to the floor and support an amendment that says that we should put no one on the ground? Well, for fundamentally three reasons. One is, and these are not confusing, they are simple, and we ought to follow them all the way through: Does America have a direct national interest in Kosovo? Well, the answer is no, we do not have a direct national interest in Kosovo.

But as my colleagues know, is it possible that America ought to intervene in conflicts where we do not have a direct national interest, and the answer to that is certainly yes. However, we should not intervene in conflicts where we have no direct national interest if we do not have an achievable goal that is accompanied by an exit strategy.

Now, for those that have studied this region, the region in Kosovo, there has been ethnic and civil war and religious civil war going on in Kosovo bordering on six solid centuries. There was a time, in fact, when the Turks had invaded Kosovo and were brutalizing the Serbs, and their administrators were the Albanians. The fact is in that part of the world there has been ethnic and religious fighting for centuries, and the idea that the United States and its friends can fly into this region, and drop bombs and think that that is how we are going to solve this, it borders on arrogance and represents a misunderstanding of this region. In addition to that, the notion that now that we are dropping bombs, that the solution lies in escalating a bad policy, is really wrongheaded.

So what I would suggest to all of my colleagues in light of the fact that there is no national interest, in light of the fact that dropping bombs is not going to solve the problems that have been raging here for six centuries, and in light of the fact that escalating the war does not make any sense because starting this war did not make any sense to begin with; frankly, we should have used the economic incentives that we had to strangle Milosevic. He is not a popular man at home. He should have been isolated and toppled, and the United States should have been involved in that.

Well, what do we do today? Well, we have started this policy of bombing. Last week I voted against pulling troops out precipitously because I believe we must keep the pressure on Milosevic. But I urged several weeks ago that we enter into mediation, that we call on the G–8, the President, to convene a special G–8 conference to get our allies together, particularly involving the Russians. As my colleagues know, we have alienated the Russians. We worked hard to bring them into our orbit, and we have now alienated them, we have gone backwards.

I believe what we need to do now is keep the pressure on and keep our eyes on the goals. What are the goals? Return the refugees, withdraw the military forces of Milosevic, have an international force that can provide protection to the refugees that return and build liberal democratic institutions in the region. The fact is we ought to be looking for opportunities to mediate a solution, and stabilize the region, and rebuild our alliances, not looking for opportunities to escalate this war, and I am happy to say today that there appears to be some progress through the G–8.

There appears to be some movement to involve the Russians and I hope ultimately the Greeks in being able to stabilize this region and accept our goals, accomplish our goals, but preconditions and dictating our way through this will not reach our goals. We will not have a successful conclusion like we can in my judgment if we search for peace, search for mediation, keep the pressure on. At the end of the day I think we will be successful.

Let us support Istook. It does not allow us to escalate this any more.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Istook amendment. Last week Congress, all of us, took some stands publicly. Basically Congress was posturing last week. We postured for the public. We let the public know apparently what we believe.

This is where we make it real. This is the real vote. This is when we determine what we were sent here to determine, what the future of the United States of America will be, not just posturing, not just saying what we would like it to be. We are here to determine what the actual policy of our country is.

This legislation, the base legislation that we are describing, is designed to do what? We are here trying to upgrade the readiness of America's military forces, of our Armed Forces. That is the purpose of this amendment or this legislation. Frankly, if this amendment does not pass, we are striking yet another blow to undermine the readiness of the American military. Throughout the world we will make our country vulnerable. In all these other regions we are depleting those forces in order to fight a battle in the Balkans that has nothing to do with our national security. It is up to us to determine right now whether or not we agree with that policy, that money should be spent in the Balkans when there are threats elsewhere in the world to our national security.

The President's threat to veto our efforts if we do not continue to pour money down this rat hole in the Balkans, is an insult to this Congress. For 6 years this President has starved our military, and he has abused those people in our Armed Forces by sending them on all kinds of military missions that were not important to our national security, and in doing so he has brought us to a state of unreadiness. Now if we continue this operation, we will be in jeopardy in Asia, in jeopardy in the Persian Gulf; tens of thousands of American troops in jeopardy because of the President's strategy for these 6 years, and now we are not up to facing this challenge.

Mr. Chairman, that is our challenge right now, that is what we are determining. Are we going to upgrade the readiness of our troops, or are we going to give the President a blank check, a blank check to spend what he wants to spend, further deteriorating our readiness in this Balkan campaign that has nothing do with our national security.

The gentleman from New York (Mr. ENGEL), I have respected him for many years, and we worked together on many human rights issues. Mr. ENGEL offered an alternative that was a good alternative. We need not send American troops all over the world, we need not be the policemen of the world, we need not carry the burden of the Europeans and everyone else in the world. We can arm people like the Kosovars, let them defend themselves.

That is what we did in Afghanistan. How would we have voted had President Reagan sent troops into Afghanistan and then said, ''Well, we're already in. We have got to spend even more billions of dollars.'' That would have been an insane policy, and do my colleagues know why? It would have made us vulnerable throughout the world and the Cold War would still be on.

Today we have another option, and it is the same option that we should have taken in the beginning. Let us work with those people who want to defend themselves, but let us not be the policemen of the world. Let us not send a signal to the Europeans that after we have defended them for 40 years, and bore the burden of the Cold War. Now we will signal them through this vote, through this vote, that America, that Members of Congress, are going to continue to spend our hard-earned tax dollars, put our people in harm's way for their security. Europe is rich enough, Europe is strong enough to defend themselves.

Please do not buy this argument that it is all or nothing, that we have to send our troops in, we have to conduct this air war, we have to spend our tens of billions of dollars or do nothing. That is a false dichotomy. It is false, and it is even worse because not only do we then get ourselves involved in a conflict that we do not need to be involved in, but we deplete those scarce resources that we are trying to replenish today.

What is this legislation all about? Why are we here? We are here because we care about the well-being of our military personnel. The Istook amendment is going to make sure that that is what we care about, that is our number one priority, the national security of our country and the well-being and security of our own military personnel. Because if we do not pass the Istook-Burton amendment, or if we do not pass the Rohrabacher-Kucinich amendment which comes on after this, what we are saying is those forces will continue to be depleted because we are giving the President a blank check. I, for one, will not vote for a blank check for this President.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know Members are anxious for the debate to quit, but in the 8 years I have been here I do not think there is very many things as important as what we are discussing here today regardless of what side colleagues come down on the issue, and I think there is a strange dichotomy for people that basically do not support the military, understand it or even, in some cases, loathe the military. They find themselves in a strange dichotomy. They try to use the vehicle of the military, which they have not supported, for a humanitarian issue, and I understand that. But I think in many cases those decisions have been faulty and inept.

I agree that it is an absolute mistake to tell an enemy that we are not going to use ground troops if we are trying to change his heart and mind, that we are only going to conduct an air war. I mean it is absolutely ludicrous. I spent 20 years planning the invasions of Southeast Asia in European countries. One would never do that. I am against putting in ground troops for other reasons, but to tell one's enemy that they are not going to do that is foolhardy. It limits actions and allows him to prepare for other things and put that aside.

And I have heard that we ought to leave it up to the military. The military, the Pentagon, recommended that we not conduct air strikes in the first place. They said unless we are willing to commit ground troops that we will not stop any of the problems on the ground, that we will actually exacerbate the problems, we will not achieve our goals and we will cause the forced evacuation which people call ethnic cleansing of millions of Albanians.

I would like to tell my friends, first of all, if I was an Albanian and I lived in Kosovo, I would be a member of the KLA. But I also want my colleagues to know if I was of Yugoslavian decent I would be part of that force, and that is the whole problem is understanding both sides of the issue. People to their guts, to the blood of their families, feel that they are right, and unless we understand that, we are never going to arrive at a peaceful settlement in this issue. And to go against the military when they said that we are going to cause ethnic cleansing? And that is exactly what happens. I do not care what kind of spin we try to do it to try and justify a position, the bombings accelerated any ethnic cleansing that was in Kosovo.

There are millions of people. Look at the interviews. Ninety-nine percent of them when they are interviewed say, ''What happened to you?''

I was told to leave my home.

I had 10 minutes or I had 5 minutes.

Or I was told now.

They were not refugees, they were in their homes. The bombing accelerated it, and there are millions of people today suffering.

Look into the eyes of those children. They do not know what is going on. They are not KLA, they are not mujaheddin or Hamas. All they know is that they are being brutalized.

But we are responsible in part for forcing many of those refugees to be refugees; I mean it goes beyond logic to disagree with that because it is a fact.

The gentleman said that Osama bin Laden from the highest source. There are mujaheddin and there are Hamas working with the KLA. Now that same source said, ''Is it a major force?'' We asked, ''Is it a major force?'' He said no, but there are mujaheddin and Hamas working with KLA, and the drug traffic that goes through there, they said it is logical that the drug traffickers are using that to supply arms and weapons because they are sympathetic like they have been in Bosnia and other parts.

□ 1745

The whole point is, unless we draw a termination of this, and I disagree with Jessie Jackson most of the time but I want to publicly thank Jessie Jackson. I think he has had more vision, more insight, not for just bringing the POWs back but for looking for directions for peace instead of everything I hear directions for war.

It is easy to kill. It is very difficult to work to live. That is what I would ask my colleagues, instead of saying, let us bomb, let us put in troops, damning the Serbs or damning the Albanians or whatever it is, there are peaceful solutions to this.

Let the Russians be a part of the solution and the Greeks and the Scandinavians by putting them in instead of the United States and Italian and German troops that neither side trusts, and having withdrawal.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. Mr. Chairman, I would like to get an idea of how many more speakers there are on this subject.

Mr. HOYER. Can I reclaim my time and perhaps the gentleman, on unanimous consent, can do that, spend the time finding that out? I am interested in the question myself. I will not object.

Mr. YOUNG of Florida. Would the gentleman ask the question then, because we have to get an idea of how much longer this is going to take. We had planned to have this conferenced by Tuesday. We may not have this bill finished by Tuesday.

Mr. HOYER. Mr. Chairman, reclaiming my time, my problem is I want to have 5 minutes. If the gentleman from Florida (Mr. YOUNG) can do that on unanimous consent, I will not object.

Mr. Chairman, I want to read a couple of portions of speeches that have been given recently about this issue, and I would hope my colleagues on the Republican side would listen.

I came into the Chamber to make my remarks as the gentleman from Ohio (Mr. KASICH) was speaking. Shortly thereafter, the gentleman from California (Mr. ROHRABACHER) spoke. Both of those gentlemen in 1991 voted on the DURBIN amendment that the President did not have to come to Congress for approval of taking military action. Both the gentleman from Ohio (Mr. KASICH) and, I might add, the gentleman from California (Mr. CAMPBELL) in 1991 took a different position with respect to the President's authority.

Mr. ROHRABACHER. Mr. Chairman, I think the gentleman is wrong about my vote.

Mr. HOYER. Here is the roll call.

Mr. Chairman, this is not, as JOHN MCCAIN said, about Bill Clinton's credibility. This is not about the credibility of this Congress. It is about America's credibility. It is about NATO's credibility.

My colleagues heard me say on this House floor, after that 213 to 213 vote, that it was the lowest point in my congressional career. This Congress, in my opinion, did not stand for the principles for which this country stands at that hour. It did not stand for the kind of bipartisanship that we ought to have when we confront despots abroad.

Let me read from a speech by Margaret Thatcher just given a few days ago. She said this, I understand the unease that many feel about the way in which the operation began but those who agonize over whether what is happening in Kosovo today is really of sufficient importance to justify our military intervention gravely underestimate the consequences of doing nothing.

There is always a method in Milosevic's madness. He is a master at using human tides of refugees to destabilize his neighbors and weaken his opponents.

She went on to say, there are, in the end, no humanitarian wars. War is a serious and deadly business. The goal of this war, she said, is victory.

Let me read another two sentences. Mr. President, in a letter to the President, nothing could be worse than surrendering our principles, values and credibilities because we lack the will to do what it takes to win.

That letter went on to conclude, history, history, my friends, he said, will record that at the end of the 20th century the United States and its NATO allies had the means to defeat a brutal, belligerent but second rate dictator in Europe. The only question, he said, not yet answered is whether history will record that there was the will to do so.

That was a letter written by Bob Dole to the President of the United States just a few days ago.

The rhetoric of confronting a dictatorship, the rhetoric of standing up for human rights, the rhetoric committed to political self-determination is useless, without effect, hypocrisy, if we are not prepared in the final analysis to stand and fight for those beliefs.

This is, as JOHN MCCAIN has said, not about the credibility of Bill Clinton, not about the trust for this President. This is about the credibility of America.

I urge the defeat of this amendment and the support of this bill.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

Mr. MANZULLO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Istook amendment. Let me say, I was reserving the right to object, but I am not the Member who objected. I have tried to cooperate throughout this day in not calling for votes. Even though I was denied an earlier right to vote, though, I could have called for a quorum or an adjournment to get Members over. I have tried to cooperate, but I believe Members have a right to be heard on a question of whether we are going to war, whether we are going to escalate that war and whether we are going to have ground troops in that war.

What we have established so far in the process of the debate in the Committee on Rules yesterday and today's debate is waivers were not granted. When we tried to offer amendments about whether to reach back to previous appropriations bills in order to try to restrict the expansion and escalation of this war, amendments that were proposed to transfer funds that I had to move the war funds, the $3.3 billion to refugee assistance, were ruled out of order.

A point of order was made on an amendment that I originally thought was in order to try to move the war money. A point of order was made, and I withdrew the amendment. I tried to move the $3.3 billion war money over to readiness, because many of us who strongly favor the efforts of both the full committee chairman and the Subcommittee on Defense chairman to increase readiness would like to see more dollars in readiness. We do not favor dollars to war.

The leadership opposed an attempt to try to specify that the President would have to come and designate the funds as an emergency. That was an earlier amendment that I withdrew to try to say that there had to be a specific designation, and that was opposed.

There was an attempt to block a vote on reprogramming, when, in fact, there are billions of dollars pending to come in to reprogramming, at least $700 million pending and an additional $1.2 billion coming for reprogramming funds beyond the nature of this.

So when it came down to real money questions, as opposed to a resolution last week on the ground war and a resolution on the air war, when it came down to real money questions, the fact is that there is $3.3 billion in this bill, that there is reprogramming money in this bill, that there is a $400 million rapid response team that many of us strongly favor, but without a Balkans limitation becomes another $400 million to expand and escalate this war.

There is no protection, substantive protection, on the $6.9 billion even for pay to keep it from being moved because of the way there is the fungibility of funds. That is why it is so essential that at least we make a statement.

My friend, the gentleman from Florida (Mr. YOUNG), pointed out earlier that the language was changed. That is not because the gentleman from Oklahoma (Mr. ISTOOK) wanted to change it. It is because in the Committee on Rules the leadership opposed a waiver for him and the gentleman from Indiana (Mr. Burton) where they could have had the same language on ground war.

So now it is slightly different, but it is the best we can do in this bill.

For those of us who do not want any more blood on our hands, who do not want any more Apache helicopter pilots going down, who realize that, yes, as my friend, the gentleman from Maryland, one of the greatest crusaders for human rights in the world, said earlier, it has been a terrible tragedy. It is not clear why this is not like Vietnam, why we are not hearing the Lyndon Johnsons and the General Westmorelands now telling us just a couple more weeks, just a few thousand more soldiers, it will all change. When we know apparently only the American people are deceived about whether or not we are going to have loss of lives and a ground war, how much the loss of lives will be.

Milosevic knows all of this. He knows the history of Serbia. These underground things that he has in his army were set up by Tito. They have been fighting in this turf for 700 years.

The only people who are not being leveled with are the American people, and it is time they understood that this bill not only funds the current war, it forward funds the war, it potentially escalates the war. And for all the good things in the bill that I will always vote for and for all the refugee money that is so desperately needed that I will vote for and the help for Macedonia and other countries that have been decimated in this process I will always vote for, but I will not vote to spend more money to increase this war.

I will support the efforts of the gentleman from Oklahoma (Mr. ISTOOK) and the gentleman from California (Mr. ROHRABACHER) to at least try to limit those funds.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if the walls could talk, at least twice in this century these walls have heard those familiar strains of isolationism, of America should not get involved with serious problems elsewhere that do not have a direct interest on our country; and they do in this instance. The stability of Europe, the stability of the Balkans, economically, culturally, morally, is important to the United States of America. Oh, if these walls could talk, they would say, we have heard this before.

It is also kind of like the song we used to sing at Boy Scout camp lo those many years ago, and let the rest of the world go by.

We cannot, Mr. Chairman, let the rest of the world go by. This is a very, very important piece of legislation. The purpose of this legislation is to take care of the troops. This is the year of the troops. We must in this Congress reflect what is good and best about us in looking after those young men and young women in uniform. That is what this bill is all about.

The battle on this issue was fought the other day. It has no business here. I certainly hope that we can put this to rest, defeat it soundly and move on and take care of the young men and young women, the troops of whom we are so fond.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Istook amendment; and I rise in strong support of the supplemental amendment.

I listened to the debate in my office, and I just wanted to be sure that the

record was clear when historians went back and looked at what we are doing today.

This activity in the Balkans began in a little village called Vukovar in 1991 where Milosevic sent in his people, and after we later got in we found actually mass graves all over Vukovar.

□ 1800

They went into the hospitals, took the people out, and they shot them. Two hundred fifty thousand people died in Bosnia-Herzegovina in the war. They died at the hands of Milosevic. This is not a recent action. This has been going on for years.

Do Members remember that cold Saturday afternoon when the shell hit in the Sarajevo marketplace, and only then finally did the United States and the West do something there.

Read Peter Moss's book, the Washington Post reporter, Love Thy Neighbor, where he talks about the rape houses; that the Serb forces would come in and rape young girls 14, 15, and 16.

Read the portion where he says that the Serb forces put the gun up against a father's head, and tells the father, rape your daughter. And the father says, no, I can't do that. And then he turns the gun and he puts the gun up to the daughter's head, and then he says to the father. And the father says, oh, no, and he knows what is happening.

This just did not begin 30 days ago or 42 days ago. What we do in this body today, we are setting a precedent for future presidents, hopefully future Republican presidents, but for future presidents. We are also sending a message to the Chinese as to whether or not they will deal with Taiwan and North Korea, whether or not they will deal with South Korea, and many other nations.

I wanted to make sure that everyone knows that Milosevic was not just bad for what he has done for the last 42 days, but he is bad for what he has done for the last years. I, too, for my party do not think that our party should be an isolationist party. We are the party of Ronald Reagan, who down in Orlando called the Soviet Union the Evil Empire. And many people who were liberal criticized Reagan, but Reagan had a vision for the future, to make sure that we did what we could to make the world safe for people.

I rise in strong support of this bill. Let us pass it to help the troops. I rise in strong opposition to the Istook amendment.

Mr. MORAN of Virginia. I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I rise because I want the leadership of the full Committee on Appropriations and the subcommittee to know that there are a number of people, Members, who have consistently and strongly supported this bill, but that if this amendment is attached, will vote against this appropriations bill. I think they know this, and I think they know how much we respect the leadership on the Committee on Appropriations. But I think they also understand what is at stake here.

There are, as I see it, three reasons why this amendment should not be passed and why in fact our action in the Balkans today is justified.

The first is our interest in having a strong and resolute NATO. The second is our past experience with Mr. Milosevic. The third is the strategic location of Kosovo and the Balkans.

Mr. Chairman, it is in our vital national interests, Mr. Chairman, that we have a strong and resolute NATO. This is not a unilateral action, this is a multilateral action. This is a result of 19 democratic, free European nations deciding that they will now take a stand, take a stand for human rights, for democracy, for all the things that Mr. Milosevic and the Communist empire have been opposed to.

We lost 292,131 American soldiers in World War II, and we would not have lost those men and women if we had had a strong and resolute NATO. That is why we invested in NATO. That is why we have put everything we stand for behind NATO, because it is in our vital national security interests.

If NATO yields, if NATO does not prevail in this conflict, NATO will not be worth the paper that its charter is printed on. We cannot let NATO fail in this mission.

Secondly, our experience with Mr. Milosevic. This is the man that is responsible, as my distinguished colleague, the gentleman from Virginia (Mr. WOLF) said, for over 200,000 deaths of innocent civilians; 40,000 women, these were not soldiers who were raped; 2½ million people displaced in the Bosnia war. This is the same man. And because we did not and NATO did not stand up to him, he knows how far he can go.

What is his greatest ally? It is a lack of resolve on the part of politicians. He watches very closely exactly what we do on the floor of this House. Too often we give him comfort instead of reason to fear us.

Thirdly, it must be understood, the strategic location of Kosovo, on the fault line between the Muslim and orthodox worlds. We know what Mr. Milosevic's plan was. It is not any classified intelligence. He amassed his troops to do the same thing he did in Bosnia, to drive out the Kosovar Albanians.

If he went ahead and was able to do that without NATO standing up to him, do Members believe for a moment that the rest of the world would have stood by, the Muslim world? Do Members think that the extremists in the Muslim world would not have gotten engaged? Do Members think the Slavic world would not have gotten engaged? It would have spread throughout the region. It is the same kind of thing that created World War II.

NATO stepped in because they realized what the alternative was. They realized that they were stepping in for the kind of principle that they and we believe in, and it was worth what resources it took. It is worth whatever resources it will take to prevail, not to yield.

Milosevic is an old line Communist. He is head of the Serbian Communist league. He uses people for his own political purposes. He does not believe in human rights and individual freedom and liberty. He controls the media. He has fed the Serbian population toxic lies for over a decade. This guy is bad news. He is representing evil forces. And there are evil forces in the world, and we should be darned proud that we are standing up for principle.

Let us continue to do the right thing. Support this action. Vote against this amendment and pass this bill.

Mr. STEARNS. Mr Chariman, I move to strike the requisite number of words.

Mr. Chairman, I do not have to come down here to yell and scream, I come down here to speak in a more practical sense.

Mr. Chairman, I support the emergency supplemental bill, and I reluctantly oppose the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

Let me just say to all those members on this side of the aisle who are thinking about supporting the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK). This is a crucial question we have to think about. We have already had the vote with the Goodling-Fowler amendment. It was very clear how Members felt when they supported it: No deployment of ground forces, of the United States Armed Forces in the Federal Republic of Yugoslavia, et cetera, et cetera. It is very clear. Members have had their vote on this side of the aisle, so Members do not have to go out and make their strong stand on this, because there is a much larger issue we are talking about.

When we read the Istook language, the Goodling-Fowler has the word ''deployment'' and Istook had implementation. They are very, very similar. Do Members think they have to make another stand on an emergency supplemental appropriations that is going to affect our military?

Mr. Chairman, let me just say, our forces have been engaged in 26 different engagements over the past 8 years, while the U.S. forces had only been engaged in just 10, just 10 from 1961 to 1991.

There has been obviously a dramatic escalation of the number of missions, and it has stretched our military dangerously thin, to the point where our

military's ability to conduct a two-war strategy is now in question and our entire military readiness is in question.

Mr. Chairman, I say to my colleagues on this side of the aisle, if they are going to support the Istook amendment, they must realize that those colleagues like the gentleman from Virginia (Mr. MORAN) and others who are going to vote against the emergency supplemental are going to effectively stop the military from having its resources. In other words kill this funding for the military.

So I do not think the day in court on the deployment or the implementation of forces in Yugoslavia is at this point, at 6:10 tonight, that is not the question. The question is, do we want to support our military.

Mr. Chairman, the Joint Chiefs of Staff, General Shelton, said, ''without relief, we will see a continuation of our downward trend in readiness next year, and extension of the problems that have become apparent in the second half of this fiscal year.'' The Army Chief of Staff talked about the degradation, complete degradation, of our military.

Mr. Chairman, the fight on the budget for our military between us and President Clinton and the administration is not on the Istook amendment tonight. No tonight, it is a vote to support our military.

For those who go back to Ronald Reagan and other great conservatives, they are standing tall this day and for this evening for our military: to provide a clear message that we are going to help increase our readiness, and we are not going to get caught in the technicalities on a vote that we have already voted on by saying we are going to draw the straws and defeat this emergency supplemental because the Istook amendment passed.

I urge my colleagues to look at this matter in a practical sense, in a broad view here. We stand for increased military readiness, and this is a vote on military readiness. It is not a vote on deployment of the troops. We have already had that vote.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding, and appreciate his calmly-made point that is fundamental: The House has had this vote. That is why the Committee on Appropriations rejected another vote out of hand in committee.

This is a money bill that deals with delivering funds needed for the troops. Let us not put those in jeopardy, for we have already had the other vote. I appreciate my colleague making that very important point.

Mr. STEARNS. Mr. Chairman, let me just conclude by saying that our nation's security cannot be ignored, no longer. If Members, my Republican colleagues, decide to support the Istook amendment at the expense of perhaps bringing down the whole entire emergency supplemental appropriations bill, that is not going to be good. If Ronald Reagan was here tonight, I think he would urge my Republican colleagues by saying, let us defeat the Istook amendment. Think of our military and their readiness.

Mr. TAYLOR of Mississippi. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, about 2,000 years ago, this time of year, an angry mob hauled a Jewish carpenter before a Roman governor, a man that he knew to be innocent. The Roman governor, though, let the mob have their way, and to wash away his dereliction of duty he symbolically washed his hands, thinking it would kind of absolve him from what happened. History has proven that it did not.

''On Wednesday, April 28, Congress proved itself unwilling to fulfill or incapable of discharging its own constitutional responsibilities. In two successive votes, the House of Representatives rejected resolutions that would have either declared war or have pulled U.S. troops out of the quagmire in Kosovo. The best the House could manage was a 249 to 180 vote on a nonbinding requirement that Mr. Clinton get their permission before committing U.S. ground troops to combat. Then late in the evening the House demonstrated its ultimate ambivalence in a 213–213 vote whether air strikes should continue.

''But the votes on April 28 made it clear, Congress has now joined the Clinton administration in its failure to devise a clear strategy for ending what is undeniably an undeclared war in the Balkans.''

The latter part of my remarks were written by an unsuccessful Republican candidate for the U.S. Senate. His name is Oliver North, and it appeared in today's Washington Times.

If Members think this vote on the Istook amendment somehow absolves Members of their constitutional duty to declare war and to look out for the benefit of the Army and the Navy, it does not. Members had that vote last week. They had the opportunity to get the troops out of Kosovo last week. The majority of this body did not vote to do that.

They had an opportunity to declare war and do it right. They did not do that, either. They in effect did nothing. They did what Pontius Pilate did. He was not absolved then, and Members are not absolved now.

This is a funding bill for the United States military. It does not need this nonsensical language attached to it. We are at war. Who is kidding who? Ask the kid climbing into an F–16 tonight, ask the kid climbing into an F–15 tonight, ask the kids getting into the A–6s tonight, ask the families of two airmen who died 2 days ago.

We cannot walk away from our job. Members were not anointed to it, they were not appointed to it, they begged people for it. They were elected to this job. I ask the Members to do their job, admit we are at war, fund the war, and let us do this right. And above all, let us be worthy of those kids over there who have sworn to defend our Nation.

□ 1815

Mr. HAYES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just wish to state my support for this emergency supplemental bill and for all the hard work that the chairman and the minority members have done to put this together.

I hear the passion here today, and I appreciate all the effort. I have friends on both sides, and I always support my friends, but I do appreciate the passion here today.

The President has offered a version of this emergency defense bill. That represents a first step. It is just not enough. It is inadequate in meeting the emergency before us.

We owe it to America and our troops to do more than just return the military to its previous unacceptable level of readiness. We have a moral obligation to give our pilots and soldiers and sailors the tools to do their mission. Just as they are doing their duty to protect us, we must do our duty to support them.

Mr. Chairman, we need this emergency legislation. I would hope we would put this amendment aside, bring the bill forward, support it, and vote for it. Let us do it for our troops.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I voted for the Fowler bill. I do not support ground troops in Kosovo, but I do support our leaders in this Congress who have imparted some wisdom here today. Many of them are appropriators and authorizers, and many times I take question with appropriators, but today they have given us fine counsel.

My colleagues, we would trigger a veto by passing this amendment. The money would not get to the troops. As the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. LEWIS), and the gentleman from Pennsylvania (Mr. MURTHA) have stated, we will send unusual signals to Milosevic. That is not the way to proceed.

I am going to vote ''no'' on this amendment for that reason and for the following reason, for anybody else who joined with JIM TRAFICANT in supporting the gentlewoman from Florida (Mrs. TILLIE FOWLER) last week. Clearly, the President must come before us

for authorization, but why should we tie the hands of our military and why should we not make available every option that we have?

Today we are funding. Although funding is policy, let there be no mistake we have yet to address the total policy. In 1986, we were advised that a free and independent Kosovo should be recognized. We failed to do that. Now we reap the harvest of that mistake.

We, today, must provide the money for our military; and we, today, must support the leaders who themselves do not want to see ground troops.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to thank the gentleman for his comments; and I want to just add a paragraph that the President sent us on April 28.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for congressional support before introducing U.S. ground forces into Kosovo into a nonpermissive environment.

I think that says it all, and I thank the gentleman for yielding to me.

Mr. TRAFICANT. Reclaiming my time, Mr. Chairman, I want to support the statement of the gentleman from Missouri (Mr. SKELTON) as well. I think today we have to stand up to provide the money for our troops that are in harm's way, and I want to congratulate the Members who have made such a tough decision in light of the popularity, the low popularity of ground troops going possibly into Kosovo.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment.

The author of the amendment is a good friend of mine. I might even express some genuine appreciation for the sentiments that has prompted him to bring this amendment here. But it seems to me we have to keep a focus on what it is we are trying to do today.

I asked myself this question on so many occasions: What is this about? This bill is about funding our military.

Our colleagues on the Committee on Armed Services, people like the gentleman from Virginia (Mr. NORM SISISKY), people like the gentleman from Missouri (Mr. IKE SKELTON), people like the gentleman from California (Mr. DUNCAN HUNTER), and the distinguished chairman of the committee have been telling us for some time how seriously hollowed out is our defense readiness, what a strain it puts on the nerves and the lives of our brave young men and women in uniform, what a hazard it is seen by their families.

Many of us have heard testimony from wives of service people who have said, my husband is not safe. He is not properly trained. He does not have the equipment, the time to train properly for a mission.

I suppose we have all had a sense of the accuracy and the need for that, perhaps in the abstract, but this deployment, this deployment, I think, has made us all come to a sharp understanding of this.

We have moved aircraft carriers from other appointed positions where we thought they were needed to support this mission, and we have seen them move 400 sailors short. We see deployments of people who are exhausted from being away from their family. We see the sense of urgency and the fear for shortages of materials. We see the sense of deprivation by people stationed in other theaters where the concern and the danger and the threat is great and they feel themselves somewhat less prepared to meet with the threat that might emerge.

We have had our debates, and, quite frankly, good decent, honorable debates of different points of view regarding the question of should we be involved here, should we have this deployment, should we be engaged. We have discussed that. How did the decision get made and were we properly consulted. We have discussed that. We laid down a marker saying please do not escalate this involvement or change its definition or direction without coming back and consulting us. We have made that point.

Throughout all of those debates, we have always understood one very critical reason: If we are going to ask these people to serve, if we are going to have them out there, indeed as we see here in the Balkans, in harm's way, then we have a moral obligation to get them funded and get them funded now.

When the President sent up his request, we said it may be enough for this operation at this time but it is not enough to fulfill the overreaching need of a hollowed-out military where servicemen and women are beginning to worry and even, in fact, despair for shortages they face. So we said we must do more.

We were right. We were good to see that need and respond.

And now we have brought a bill, a bill the purpose of which is to fund the needs of our military for readiness now in this theater and in every other theater where this great Nation is committed to defending liberty and freedom.

What will happen to the urgency of that? Do we really believe that we must do this and do it now as a moral obligation of this body to the brave young men and women that serve? We should ask ourselves, what will be the consequence of passing this amendment here tonight? The consequence can be spoken of in one word and one word only: delay. It will not change whether or not the mission goes forward. It will not answer the question of some future redefinition of the mission. It will only delay the process.

We will say to these young men and women, yes, we know the urgency of your need; yes, we know the breadth of the need; yes, we know the depth of the need; yes, we know we must act now, but only within the context of this statement which says we know it must be done now, but later is okay, too.

No, I am afraid that we must understand our duty is broader than this statement made by this amendment. Our duty is more urgent. We must vote this amendment down. We must vote this money. We must get the men, materiels, preparation and readiness in the hands of these brave men and women.

I was there last weekend. I talked to a lot of these servicemen at all rank, and I will tell my colleagues something, they did not complain. They take their duty to this great land and they vow and commit to do their duty.

Let us tonight honor that. Let us say to each and every young man and woman in uniform on behalf of this Nation's commitment to freedom and dignity in the world that they have a right to understand that they will be equipped by this Congress now to perform whatever mission they accept with the highest possible degree of effectiveness and speed and at the highest possible degree of personal safety.

Any action that we take less than that tonight will be, in fact, an action that we will regret for a lifetime.

Mr. KUCINICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have heard this debate. I have sat here for a few hours, and I can say that I understand the passion that has been expressed because I have a passion about this as well.

The Constitution of the United States says that only Congress has the war power. I think all of us have read the Founders. We have read Washington, who talks about that; we have read Madison, who talks about the power to declare war being vested in the legislature; we are familiar with Thomas Jefferson, who has spoke often about that in messages to Congress and in various letters.

This Congress has actually voted against the declaration of war. That has been stated today. Yet today Congress will pay for the continuation of an undeclared war. Congress voted against bombing, yet this vote will pay for future bombs. Congress has voted against sending ground troops. We have had the assurance of the White House that ground troops would not be sent without the President asking for it. Yet this vote would, in effect, pay for ground troops.

Now, I believe that we can best support our young men and women in uniform by not sending them off to advance a speculative ground war which cannot be imposed without massive loss of life. Perhaps this vote would support troops we have not sent, perhaps this vote would support bombs we have not dropped, perhaps this vote will support a war we have not declared, but I cannot support any of this because this Balkan war has become a rough beast of a catastrophe slouching towards Washington to be born.

We are being drawn along in the name of NATO, which is not accountable to this Congress and which has its own momentum.

Mr. Chairman, I offer for the RECORD this quote:

> By the ''self-momentum'' of a power or a system I mean the blind, unconscious, irresponsible, uncontrollable, and unchecked momentum that is no longer the work of people, but which drags people along with it and therefore manipulates them.

I want to thank Vaclav Havel for that quote in his book ''Disturbing the Peace''.

We cannot settle the conflict by military means, so why provide funds for further war? It is time to turn to diplomatic means of ending the war. We need to remember the message which comes from the meeting in Vienna with Members of Congress and leaders of the Russian Duma, that peace is at hand if we are willing to pursue it with the same vigor which we would pursue war.

We have a plan to extricate ourselves, the Kosovar Albanians, the Federal Republic of Yugoslavia, all of Europe and the world. That plan involves the stopping of bombing, the withdrawal of the Serbian armed forces from Kosovo, the return of refugees to their homes under the protection of international peacekeeping troops, and the rebuilding of the homes of the people. All this can be accomplished and all of it must be accomplished without further escalation.

Let us keep thinking peace and talking peace and working for peace instead of spending our resources for the escalation of an undeclared war.

□ 1830

Mr. WICKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Istook amendment and in support of this very important supplemental defense bill.

Mr. Chairman, I rise in support of the Emergency Defense Appropriations bill. Approving this measure sends a strong message to our men and women in uniform and to our adversaries around the globe that we are united in providing the resources necessary to ensure national readiness.

The bill also includes much-needed funding for a military force with serious readiness shortfalls. Our Armed Forces are being dispatched to more places around the world today than at any time in history. They are being asked to perform more missions with fewer personnel. This operations pace has produced a critical shortage of the spare parts, weapons, and support services necessary to be successful.

As a member of the Military Construction Appropriations Subcommittee, I have seen first-hand the poor condition of many of our military facilities in Europe. This bill contains money to make much-needed upgrades including combat communications, radar approach sites, crash and rescue stations, and other facilities where U.S. troops are stationed in support of this mission in Yugoslavia. These improvements will boost morale, as will funding for pay raises and benefits.

I was disappointed to hear members of the Democratic leadership last week accusing Republicans of partisanship in voting against a resolution supporting the air campaign in Yugoslavia. The fact is that 26 Democrats also opposed that resolution. We are told that somehow it was a matter of conscience for Democrats to vote "no" and a matter of politics for Republicans to do the same thing.

But last week's vote was on a sense of the Congress resolution with no force of law. The key vote on supporting the troops is on this Appropriations bill. This goes beyond the rhetoric to actually provide for the safety of our troops, and give them the equipment and material necessary to carry out their mission.

Mr. Chairman, I suggest it is some of my colleagues on the other side who are sending the wrong signals by opposing this measure. They seem to be willing to commit American troops to missions around the world, but they are reluctant to provide the resources to equip, train, and house them adequately.

Last week's votes in the House indicate Members of Congress in both parties have concerns about our policy in the Balkans. There should be no disagreement, however, on the strong level of support we show our Armed Forces while they are engaged in this operation. We want them to succeed. This funding is critical to their efforts.

I urge my colleagues on both sides of the aisle to set aside the Yugoslavia policy debate and join in a bipartisan effort to ensure our military personnel have the resources necessary to perform the duties assigned to them.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had a conversation with one of my 700,000 constituents to whom I am accountable under the Constitution of the United States, and she said, ''Congressman, my three brothers and my husband fought in World War II. My two sons fought in Vietnam. What are you going to do to keep my grandsons from fighting in the war in Kosovo?''

And I told her, I said, ''Under the Constitution, Congress has two powers and the President has one. And the power that Congress has under the Constitution is to declare war and to provide the funds for war. And the power that the President has is to be the Commander in Chief.''

Now, we have had votes this past week, the so-called limitation votes, but I would submit to my colleagues that those votes do not mean anything. First of all, the Fowler amendment and the other votes that we took here at the end of April are not finding their way to the other body to be voted upon, so they will die.

So the only way to limit any type of use of the funds would be to occur through curtailing of our constitutional power of the purse. This is our obligation. We are called to this under the Constitution, and I have to follow the Constitution.

Now, if there were separate votes on increasing the pay for the military and for beefing up our military forces, I would vote for that. But I cannot vote in favor of $6 billion to bomb Kosovo, having just voted against the air strikes.

This is the only authority that we have. This is the only authority that the people that we represent have. And is it not interesting that the Founders of the Constitution gave to us, to us, the Members of this body, accountable to them every 2 years, the sole power to declare war. Because if they do not like what we do with regard to the declarations of war, they have the authority to vote us out at the very next election, the genius of the Constitution to protect the people against going into war.

And what are we doing? There are 900 planes involved in the air strikes. 600 are American planes. 300 more are on their way. And guess how many planes come from Tony Blair's United Kingdom? Just 20. Twenty aircraft.

And is NATO united? I dare say not. At a time when NATO planes were bombing the oil refineries, members of NATO themselves were still involved in the shipping of petroleum to Serbia. That does not make sense. It simply does not.

The Istook amendment simply says what the President has promised, that these funds cannot be used for ground war, period.

Now, we have heard talks from many Members here. The gentleman from New York (Mr. ENGEL) talked about this war, this war, this war, this war. And he appropriately used that word. The problem is that this body has voted not to go to war, and yet today it is ready to spend the funds to go to war. Supporting the troops means something besides giving them the weapons of war, it is giving them the constitutional protection not to be put into the war if we follow our obligations under that great document.

Those of us who are opposed to this supplemental are simply saying, what obligation do we have as Members of Congress? What obligations do I owe this grandmother back home? What obligations do I owe the 115,000 children in the district that I represent? What

obligations do I owe to the sons and daughters who may have to go into combat in that very rough terrain?

The obligation that I owe them is that if they go, I will be accountable to them on whether or not I should vote for war or not, and that is precisely what the Istook amendment says. It says if we are willing to commit this money, then it should be with the approval of Congress in a situation of war.

Mr. BARTLETT of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this supplemental, but I want to make some remarks relative to the amendment which is now before us. The truth is that because of long procurement cycles, essentially none of the money in the supplemental will ever have anything to do with support of this war. It just takes too long to build the equipment and get it there.

I am very strongly in support of this supplemental bill because it does two things that I want to do. I want to put back all of the resources that have been expended in this war which I do not think should ever have occurred and I do not think it should continue. I want to put back all of those resources that we have been denied through several years of underfunding our military.

I will tell my colleagues, I wish that this supplemental were a great deal larger than it was because our military needs far more money than this. I am as much in support of our troops as anybody in this Congress, but please do not confuse support of the troops with support of use of the troops. Do not impugn to us who are going to support this amendment motives that we do not have.

I support the supplemental. I support the troops. I will not support this war. And I can support the troops without supporting the use of the troops. And I know that America understands. I hope that more Members of this body understand this.

Mr. Chairman, I yield to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Chairman, I am not going to take a great deal of time. Let me just state, it was mentioned earlier about a vote that I took earlier and I just thought I would clear that issue up. Let me make it very clear.

During the Gulf War, when I was here, the gentleman from California (Mr. COX) and myself spent considerable time at the White House trying to convince the White House to come here for a vote and to make sure that they sought Congressional approval.

Let me just say that, on that vote that was brought up by my good friend from Maryland (Mr. HOYER), it is 10 years later and I think I am 10 years wiser. I think I would have voted differently at that time.

Even then I knew it was important for the White House to come here and seek approval. Now, after thinking about it and seeing it and having experienced this body, I do believe that in a free society it is important for our power, the legislative branch, to express itself on such issues as this. I do not believe that is hypocrisy. I think that is learning. But even then I knew it was important for the President to come here.

I thought I would make that clear.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment by the gentleman from Oklahoma (Mr. ISTOOK), and I support the passage of the final legislation before us.

But first I want to just say, I want to thank the distinguished majority leader for his very eloquent words here not so very long ago in opposition to the amendment. And then I want to make some comments about the earlier comments that have been made by the distinguished chairman of the Committee on the Budget.

The gentleman from Ohio (Mr. KASICH) asked the question, ''Is it in our national interest to be in Kosovo?'' And I think, to use his words, that it certainly is in the national interest to be there because we are there as part of the NATO alliance, all 19 countries.

It is difficult to keep them together. That is part of the problem, why it is so difficult to keep a process and a strategy that many of us might disagree with. But all 19 are together and they are together at stopping a pathological killer from continuing what is this most odious kind of operation of ethnic cleansing that he has been involved with over an historical period, at least the last 10 years.

We heard the gentleman from Virginia (Mr. WOLF), who could have stood at the microphone and regaled us for 2 hours, 2 hours without stopping, with the incidents, one after the other. He gave some of the most graphic ones, but there are others, each as graphic, each as odious or more odious than the last, of the history of what Slobodan Milosevic had done in Croatia and then in Bosnia.

But we are talking about Kosovo and it is right there in Kosovo. He has now driven out three-quarters of a million of the citizens of Kosovo. His own Yugoslavian citizens he has driven out. He has been the cause of the burning of hundreds of Albanian ethnic villages where people in the middle of the night were told they must be out within 5 minutes or 10 minutes and then their villages were burned.

We could go through a whole series as long as the series in regard to Bosnia or in regard to Croatia, of the whole communities where every man, woman, and child was killed, everybody. We can find a considerable number of others where all the men were separated from the women and the children, and the men and boys from 15 and older, 16 and older, the men have not been seen again. The number that we will find when we get into Kosovo will surprise us all.

The distinguished chairman of the Committee on the Budget then gave what I think almost everybody here would agree unanimously are the principles that we are there for, which are, as he put it, that there must be an international force that could provide security so that refugees could return to their homes, homes that they have lived in for in some cases several generations or hundreds of years, and to build democratic institutions in Kosovo.

I think we would almost all agree that those are principles that we ought to be for, and almost all of us could agree that those are important principles.

I would submit to my colleagues that the adoption of the Istook amendment tonight would make it considerably harder to achieve any one of those principles or all of them in their totality. It would make it much more difficult for NATO, the 19-member alliance in which we have a very strong interest, to achieve what we went there to do, which was to stop the ethnic cleansing, to stop that most odious action, which is rape and expulsion and intimidation and the killing of men, separation of families, the men from the women and children, the separation and the killing of the men. That is why we are there.

The adoption of the Istook amendment would make it much more difficult for us to achieve those ends, and I hope the amendment will be defeated.

The CHAIRMAN (Mr. THORNBERRY). The question is on the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ISTOOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 301, not voting 16, as follows:

[Roll No. 119]

AYES—117

Archer	Campbell	DeLay
Bachus	Canady	DeMint
Baker	Cannon	Doolittle
Baldwin	Chabot	Duncan
Barr	Chenoweth	Ehlers
Bartlett	Coble	English
Barton	Coburn	Franks (NJ)
Bass	Combest	Ganske
Bilbray	Conyers	Gekas
Bilirakis	Cook	Gibbons
Bonilla	Crane	Goode
Brady (TX)	Cubin	Goodlatte
Bryant	Danner	Goodling
Burton	DeFazio	Graham

Gutknecht
Hall (TX)
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hulshof
Istook
Jackson (IL)
Johnson, Sam
Jones (NC)
Kasich
Kleczka
Kucinich
Largent
Lee
Linder
LoBiondo
Lucas (OK)
Manzullo
McDermott
McIntosh
McKinney
Metcalf
Miller, George
Mink
Moran (KS)
Myrick
Ney
Norwood
Ose
Paul
Pease
Peterson (MN)
Petri
Pitts
Pombo
Ramstad
Rivers
Rogan
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Salmon
Sanders
Sanford
Scarborough
Schaffer
Sensenbrenner
Serrano
Sessions
Shadegg
Shuster
Smith (MI)
Smith (TX)
Souder
Stark
Stump
Sununu
Talent
Tancredo
Tauzin
Taylor (NC)
Thune
Towns
Upton
Wamp
Watkins
Weldon (FL)
Weldon (PA)
Young (AK)

NOES—301

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Baird
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Bentsen
Berkley
Berry
Biggert
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Buyer
Callahan
Calvert
Camp
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Collins
Condit
Costello
Coyne
Cramer
Crowley
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Granger
Green (WI)
Gutierrez
Hall (OH)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kingston
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (PA)
Phelps
Pickering
Pickett
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogers
Rothman
Roukema
Roybal-Allard
Rush
Ryun (KS)
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tierney
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Walden
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (FL)

NOT VOTING—16

Bereuter
Berman
Bliley
Brown (CA)
Cooksey
Cox
Green (TX)
Greenwood
King (NY)
Kuykendall
Lewis (GA)
McNulty
Packard
Slaughter
Tiahrt
Wynn

□ 1903

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Istook amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted "no."

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. LAHOOD) assumed the Chair.

SUNDRY MESSAGES FROM THE PRESIDENT

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

The SPEAKER pro tempore. The Committee will resume its sitting.

KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

The Committee resumed its sitting.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. FARR OF CALIFORNIA

Mr. FARR of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Farr of California:

At the end of the bill (before the short title), insert the following new section:

SEC. . (a) AUTHORITY TO MAKE PAYMENTS.—Subject to the provisions of this section, the Secretary of Defense is authorized to enter into agreements to make payments for the settlement of the claims arising from the deaths caused by the accident involving a United States Air Force CT–43 aircraft on April 3, 1996, near Dubrovnik, Croatia.

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary shall make the decision to exercise the authority under subsection (a) not later than 90 days after the date of the enactment of this Act.

(c) SOURCE OF PAYMENTS.—Amounts appropriated or otherwise made available for the Department of the Air Force for operation and maintenance for fiscal year 1999 or other unexpended balances for prior years shall be available for payments under subsection (a).

(d) AMOUNT OF PAYMENT.—The amount of the payment under this section in settlement of the claims arising from the death of any person associated with the accident described in subsection (a) may not exceed $2,000,000.

(e) TREATMENT OF PAYMENTS.—Any amount paid to a person under this section is intended to supplement any amount subsequently determined to be payable to the person under section 127 or chapter 163 of title 10, United States Code, or any other provision of law for administrative settlement of claims against the United States with respect to damages arising from the accident described in subsection (a).

(f) CONSTRUCTION.—The payment of an amount under this section may not be considered to constitute a statement of legal liability on the part of the United States or otherwise as evidence of any material fact in any judicial proceeding or investigation arising from the accident described in subsection (a).

Mr. FARR of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order against the gentleman's amendment.

Mr. FARR. Mr. Chairman, I respect the gentleman's right, the right to object, but this bill that we are dealing with, the underlying bill, is a spending bill, an emergency spending bill, and we have a legal emergency that has to be taken care of. They are the families of our constituents who were killed on a United States mission on a United States aircraft while approaching Dubrovnik Airport.

The families of the Ron Brown Trade Mission have no place to turn. They cannot use tort law as a remedy, they cannot use the Foreign Claims Act as a remedy, they cannot have any other redress because they were flying on a military aircraft. The Senate has used this supplemental bill on their side to pay for the families affected by the gondola accident at Cavalese, Italy. If the Senate can help the families who lost their loved ones in an accident caused by an U.S. Marine Corps aircraft, then the families of the Ron Brown crash should also have remedy.

Mr. Chairman, the only way they can have remedy is for this Congress to authorize the Department of Defense to help those families, and that is what this amendment does.

Mr. Chairman, I introduced this amendment for a very simple reason: justice.

The bill in an "emergency appropriation." We have legal problem that can only be solved by Congress. I think that qualifies as an "emergency."

The problem is that all the families of the civilians who lost their lives on a U.S. Air Force plane on the mountain side while approaching the Dubrovnik airport in foul weather, have no legal place to turn.

They can't use tort law nor the foreign claims act nor other redress—nor does the military have the authority to help the families.

The crash occurred on a "military aircraft" that was not properly equipped with standard navigational and safety equipment.

Flight protocols had been violated!

The Dubrovnik airport map was incorrectly drawn!

If any of these factors had changed, the 35 people aboard flight CT–43 would not have died.

The Air Force's own Accident Investigation Board Report plainly states: (quote) "the CT–43 accident was caused by a failure of command, aircrew error, and an improperly designed instrument approach procedure." (Unquote)

Since the crash, the families have been dismissed by the U.S. Government because the government generally lacks the authority to give restitution for the families' loss.

This amendment fixes that. It gives the DOD the authority to enter into settlements with the families who had victims on CT–43 if the DOD finds their claims worthwhile.

This House should also note that the in Senate version of the supplemental bill is language very similar to mine. In the Senate bill money is set aside to pay the families affected by the Calavesee gondola accident. It seems to me that if we can consider giving Europeans families who lost loved ones in the gondola accident—caused by a U.S. Marine Corps flyer—restitution for their pain, then we can give equal consideration to American families similar treatment.

Mr. Chairman, I include the following for the RECORD:

FAMILIES OF THE CT–43

We the undersigned are family members of the citizens of the United States who were killed on USAF CT–43 on April 3, 1996, near Dubrovnik, Croatia. They died while engaged in a journey for peace and restoration of the war ravaged countries of Bosnia-Herzegovina and Croatia. No citizen of the United States should lose his or her Constitutional rights to seek justice simply by virtue of being a public servant, traveling abroad on US government business, or traveling aboard US government vehicles or on US government property. The United States government employer should not be exempt from its own principles of justice as law maker.

No one on that plane would have been so cavalier or reckless with their lives or family responsibilities to have knowingly boarded a plane that USAFE (United States Air Force European) had given direct orders not to fly, into an airport USAFE had ordered Air Force personnel not to land in by instrumentation, flown by a flight crew USAFE had ordered not to fly without theater specific training, using erroneous missed approach plans USAFE had declared were not approved. Nor would any government employees have stepped on a government plane knowing that in the event of injury or death resulting from acknowledged gross negligence by Air Force personnel they or their families would have no standing before any court of law in the United States, criminal, civil, or military, and therefore no means of redress or compensation. Nor would they have flown knowing that in the event of a crash by a military plane or foreign soil their insurance might be canceled (some were), or that individuals in the private as well as public sector would have no guaranteed basis for claim under any United States statute.

(Signatories to the Families of the CT–43 letter)

Sheila Christian, Darrell Darling, Karen Darling, Kelvin Farrington, Douglas Farrington, Ina Ray Farrington, James Warbasse, Kenneth Dobert, Maureen Dobert, Patricia Conrad, Nora Poling, Edward Kaminski, Michael Kellogg, Char Kellogg, Mary Schelle, Alicia Branley, Paul Cushman, Jr., Paulette Cushman, Donna Shafer, Phil Shafer, Marilyn Pieroni, Deborah Davis, Nettie Jackson, Jane Hoffman Davenport, Emma Williams, Dona Hamilton, Charles Hamilton, Jean Whittaker, Susan Elia, Deirdre English, Leonard Pieroni III.

May 5, 1999.

DEAR CONGRESS MEMBER SAM FARR:

Thank you for your tireless efforts to seek corrections and compensation for the causes of the unnecessary loss of 35 brilliant lives on April 3, 1996, including our own bright son, Adam.

We are the families of those men and women who died on April 3, three years ago in Croatia on a mission of peace through trade. The President in his memorial remarks said, "They are all patriots." Their mission was that of beginning to help rebuild the infrastructure and the economic underpinnings of a land decimated by war. They were entirely willing to take eyes-open personal risks which are concomitant with any travel and work in areas of hostility and violent conflict.

They were not prepared for nor informed of the risks, of flying aboard United States governmental aircraft. Quoting USAF Brig. Gen. Charles H. Coolidge, Jr., President of the CT–43 Accident Investigation Board: "The CT–43 accident was caused by a failure of command, aircrew error, and an improperly designed instrument approach procedure" (p. 65, ¶3, Causes, April 3, 1996 Accident Report).

The risks unknown to anyone aboard the CT–43 were:

Flying illegally with a flawed missed-approach map which showed St. John's Mountain to be 200 feet lower than it actually was. They struck the mountain 70 feet below the summit.

Flying into an airport (considered by many commercial pilots to be one of the three most notoriously dangerous airports in the world) which had not been previously inspected and approved by US Air Force inspection personnel. An inspection would have disclosed that the missed-approach beacon was inadequate, the map was inaccurate, the flight control system had been sabotaged, the winds are violently capricious.

Flying into one of the 30–40 airports previously behind the Iron Curtain into which USAF European command had ordered no USAF crew may fly without first taking training flights into those specific airports, April 3, 1996, the CT–43 was the very first flight of any US military aircraft into Dubrovnik.

Flying into bad weather with extremely low visibility requiring instrument approach, in direct violation of specific USAF orders to fly into the Dubrovnik (Cilipi) airport only under visual landing conditions, without the assistance of instrumentation. The flight crew could not see the mountain in front of them through the clouds until the instant they struck it.

Flying an aircraft into an airport equipped with no guidance instrumentation except two non-directional beacons for which two radio receivers are required on board the aircraft. It is illegal and a violation of USAF regulations to switch from one radio frequency to another. The plane was equipped with only one radio with which to remain on course. In fact, the operable navigation system of the CT–43 was inferior to that of the Enola Gay, 50 years ago. The Air Force would not have been able to rent its own CT–43 as a charter because it did not meet minimum navigation and safety standards.

Flying a Boeing 737 which was old, known to veer off course erratically, without a black box, carrying a crash locator with a depleted battery and innumerable other flaws. When questioned why the CT–43 flew a straight line nine degrees to the left off course, the head of the investigating team simply said, "We cannot figure out why these two capable, experienced pilots would do that." The report provides no further in-depth analysis of possible equipment failure approaching the thorough reconstruction of the TWA 800 and other similar crashes. The pilot who flew the CT–43 to Europe before the Department of Commerce trade mission reported that the plane was drifting to the left. According to the 7,000-page investigation report that pilot was never called to testify.

General William E. Stevens appealed for a waiver of all the above flight restrictions November, 1995. In January 1996 USAF European Command denied General Stevens' appeal. General Stevens continued to order flights in direct violation to direct commands. In March he ordered the flight of First Lady Hillary Clinton on the same CT–43 over the same terrain. He got lucky. On April 3, General Stevens' luck ran out and 35 people died as a direct result of his disobedience and disregard for the most basic safety. On April 4, early in the morning General Stevens ordered all such disobedient missions cease. Today General Stevens is at the Pentagon without a single day's loss of pay, demotion, or loss of benefits. Our family members are dead.

For the last year and a half the families of CT–43 victims have consistently worked together to:

Provide for legislation which would begin to close the gap between death benefits from commercial aircraft crashes, and the private sector compensation ranging from $3 million to $16 million to CT–43 private sector families, and the paltry $10,000 value the US government places on the lives of its own single employees, even in instances of gross negligence.

Advocate for regulations in the Administrative Departments which ensure all passenger-carrying government aircraft without exception meet FAA safety equipment and

procedure standards and in event of a crash are investigated under NTSB or comparable independent jurisdiction.

Provide every civilian and employee traveling aboard government aircraft with a clear and unambiguous statement of disclosure that until corrections 1 and 2 above are fully implemented, government aircraft may not meet FAA standards of safety, life insurance may be made null and void, any death benefits which families receive in the event of death will be limited to a maximum of $10,000 for government employees without dependents, their families, will have no standing in any US court of law, and no legal redress.

If the US Government does not conform to the standards and ensure the rights and benefits which that same government requires every commercial airline to provide, and if the government makes itself immune from a citizen's rights of redress regardless of how egregiously or grossly negligent its agencies may be, at least the government of the people has the moral obligation to warn its citizens of potential harm.

A patriot is one who values the well-being of the nation and fellow citizens above his or her own life or well-being. It is a very small thing to ask of these patriots' representatives that they protect their own lives, the lives of their employees, and the lives of others who serve the country. Enough lives have been lost without their foreknowledge. Now that we know the potential loss, it is unconscionable that we would not act to eliminate future deaths and that restitution for prior gross negligence would not be made.

Sincerely,

DARRELL AND KAREN DARLING,
Parents of Adam Noel Darling For the Families of the CT–43.

Mr. FARR of California. Mr. Chairman, I yield to the gentleman from Florida (Mr. YOUNG), the chairman of the committee

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order against the amendment. It proposes to change existing law and constitutes legislation in an appropriation bill. Therefore it violates clause 2 of rule XXI.

Mr. FARR of California. Mr. Chairman, I will withdraw the amendment, but I urge all the people in this room who have the responsibility for finding a remedy when there is no other remedy to seek redress wherever we may be able to possibly to do it. I appreciate the time allowed.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from California (Mr. FARR) is withdrawn.

There was no objection.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated in this Act shall be available for the use of United States Armed Forces in the Federal Republic of Yugoslavia (Serbia and Montenegro).

Mr. ROHRABACHER. Mr. Chairman, this debate has been spirited, it has been heartfelt, and let me say that I appreciate the sincerity as well as the hard work that has gone into this, but the sincerity on both sides of this issue, and one note of which I am just a little bit upset about, and I will just state it for the record:

I think it is disconcerting to me that today this body is being forced to vote on two separate issues, and I am not just condemning the President, but I am also going to put this on the House leadership, which is Republican. When we are talking about issues of life and death, of peace and war, we should not be linking together two separate issues. This is not right.

Mr. Chairman, the American people deserve an accountability, deserve us to vote up and down on whether or not we should improve the readiness of our troops without having to know that we are being forced to vote on it because, if we do not, that we will not have some other issue come through, and this is whether we vote for war in the Balkans or whether we vote for readiness. These are two different issues.

So I am a little upset about that, and I think the American people deserve better.

Finally let me just say about this debate, because this is the last time I am going to have a chance to talk on this, and I will make it very brief: We are debating something that goes far beyond micromanaging. Mr. Chairman, we should recognize what this debate is really about, and it is not micromanaging our troops. What we are debating is far from that. It is just the opposite.

In fact, what we are debating is the biggest issue of all. It is what the strategy should be for the United States of America in the post-Cold War world. Are we going to have the same kind of involvement?

Now we postured, there was a lot of posturing going on last week in those votes. But it is these votes today that really determine where we are at, where Congress is at. If we continue to carry the burden of Europe, if we continue to be the policemen of the world as we were during the Cold War, if we permit the President to continue having and exercising these expanded powers that we gave him during the Cold War, our country will not be a safer place, and we will put our troops in jeopardy because we cannot afford to carry that burden anymore.

So while I would like to present my amendment, I recognize that those people who voted against the Istook amendment would not be voting for my amendment because it actually goes a step further, but I ask the people in voting on the final vote today to consider that we are not just voting for the Balkan war and to upgrade our readiness in other parts of the world, but we are also voting on what our policies are going to be, whether or not we are going to have this expanded role in the world anymore, which I do not believe the United States can afford to do.

So, with that said, 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 of the gentleman from California (Mr. ROHRABACHER) is withdrawn.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do this to try to avoid having to take a lot of time on a recommittal motion, and let me say this about final passage of this bill:

I have frankly gotten whiplash from watching the majority party reverse its position on military action in Yugoslavia during the past week.

□ 1915

First we had a vote to withdraw troops, and they voted 127 to 92 in favor. Then on the Gejdenson amendment, the one originally offered in the Senate by Senators MCCAIN and WARNER to support current policy in Yugoslavia, namely the air war, they voted 31 to 187 against. Of the 97 Republicans who voted against the withdrawal, 62 voted against the air war.

They then voted for a resolution restricting the use of ground troops 203 to 16, but that was last week. Now, we have had the Istook amendment on this bill, which tried to make real last week's restriction on ground troops, and the same leadership which lobbied their Members to restrict the use of ground troops last week lobbied them against a restriction on ground troops this week. This time they voted against the restriction 116 to 97. A total of 101 reversed their vote from a week earlier.

Now, finally, undoubtedly they will vote overwhelmingly for final passage of an appropriation that more than doubles the amount of money requested by the President for the war which they voted against last week.

I respect every individual decision made in this House. I simply want to express the hope that the conference will produce a more consistent product, a more disciplined product, and a product that more effectively and accurately does reflect the true costs of the operation that we are now engaged in.

I would ask each and every Member of this House on final passage to disregard the desires of either party leadership and simply vote their consciences.

I will intend to vote no. I vote no not because I do not believe we ought to be involved in Yugoslavia. I do, and I passionately support the efforts there and the efforts of our troops. I simply believe that this bill is one that has engaged in excess. I do not want to prolong the debate by offering a motion to

recommit, which could take more time, but I wanted to say that now so that we can put in some perspective what the final vote will represent in the context of what has happened in this House the last 2 weeks.

AMENDMENT NO. 8 OFFERED BY MR. SMITH OF MICHIGAN.

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 8 offered by Mr. SMITH of Michigan:

At the end (before the short title), add the following new section:

SEC. 502. Such funds borrowed from the Social Security Trust Fund Surplus to finance this Act shall be repaid.

Whenever there is an on-budget surplus for a fiscal year, the Secretary of the Treasury is authorized and directed to use such funds to retire public debt until $12,947,495,000 of such debt is retired.

Mr. SMITH of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Florida reserves a point of order.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order.

Mr. SMITH of Michigan. Mr. Chairman, I know my colleagues are restless. I will try to make this brief. I have been waiting 9 hours to talk about a point that I think is very important.

The motion, the amendment, says that since we are borrowing this money, since we are taking the surplus from the Social Security Trust Fund to pay for this bill, that this amendment says that when there is an on-budget surplus, we should use that money and put it in the same kind of lockbox that we passed in the budget resolution that would go to pay down the debt.

I just plead with my colleagues that something as important as this kind of funding for our military, does it not justify increasing taxes to pay for it, or cutting other government spending to pay for it, instead of just increasing borrowing that our kids and our grandkids are going to have to pay back?

Listen to this: For almost every year out of the last 40 years, we have used the Social Security Trust Fund surplus for government spending. This year, in a historic vote, this Chamber voted a budget resolution that says starting next year we are not going to do that anymore. We are going to, starting next year, not use any of the Social Security Trust Fund surplus for government spending, and it is going to be put in this so-called lockbox. In effect, it is going to go to pay down the public debt, until it can be used for a solid Social Security.

It just seems so reasonable not to continue to increase the debt subject to the debt limit that somebody else is going to have to pay back sometime.

Let us make a decision of priorities. Let us make a decision if spending of the government is important enough to increase taxes, let us take that question to the American people.

Mr. Chairman, this supplemental appropriations bill will result in additional government spending out of the Social Security Trust Fund surplus. That's not right and it shortchanges current and future retirees.

This amendment creates a "lockbox-type" mechanism to repay the money that this supplemental appropriation will require us to borrow from Social Security.

The amendment captures the first $12.9 billion in non-Social Security surpluses that come into the Treasury. The amendment then directs the Secretary of the Treasury to use that money to retire public debt.

This is the same thing done by the "Social Security lockbox" legislation.

This amendment allows us to support our military while being fiscally responsible and protecting Social Security for future generations.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Michigan is withdrawn.

Are there further amendments to the bill?

If not, the Clerk will read the last two lines.

The Clerk read as follows:

This Act may be cited as the "Kosovo and Southwest Asia Emergency Supplemental Appropriations Act, 1999".

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having resumed the chair, Mr. THORNBERRY, 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. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, pursuant to House Resolution 159, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were 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 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 311, nays 105, not voting 18, as follows:

[Roll No. 120]

YEAS—311

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Bartlett
Bass
Bateman
Bentsen
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Castle
Chambliss
Chenoweth
Clement
Clyburn
Coburn
Collins
Combest
Condit
Costello
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Gutierrez
Hall (OH)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Lampson
Lantos
Larson
Latham
Lazio
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Martinez
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Meek (FL)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Moakley

Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Olver
Ortiz
Ose
Oxley
Pallone
Pascrell
Pastor
Pease
Peterson (PA)
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogan
Rogers
Rothman
Roukema
Roybal-Allard
Royce
Ryun (KS)
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Scott
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson (MS)
Thornberry
Thune
Thurman
Traficant
Turner
Upton
Visclosky
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NAYS—105

Archer
Baird
Baldwin
Barr
Barrett (WI)
Barton
Becerra
Blumenauer
Brown (OH)
Campbell
Capuano
Carson
Chabot
Clayton
Coble
Conyers
Cook
Coyne
Danner
Davis (IL)
DeFazio
DeGette
Doggett
Duncan
Ehlers
Eshoo
Ewing
Frank (MA)
Ganske
Goode
Green (WI)
Gutknecht
Hall (TX)
Hill (IN)
Hooley
Hulshof
Inslee
Jackson (IL)
Johnson, Sam
Jones (OH)
Kilpatrick
Kleczka
Kucinich
LaHood
Largent
LaTourette
Leach
Lee
Lofgren
Luther
Manzullo
Markey
McCarthy (MO)
McDermott
McGovern
McKinney
Meeks (NY)
Metcalf
Miller, George
Minge
Mink
Myrick
Nussle
Oberstar
Obey
Owens
Paul
Payne
Pelosi
Peterson (MN)
Petri
Portman
Rahall
Rivers
Rohrabacher
Ros-Lehtinen
Rush
Ryan (WI)
Sabo
Salmon
Sanders
Sanford
Schaffer
Schakowsky
Sensenbrenner
Serrano
Sessions
Shuster
Souder
Stark
Stupak
Terry
Thompson (CA)
Tierney
Toomey
Towns
Udall (CO)
Udall (NM)
Velázquez
Vento
Waters
Watt (NC)
Waxman
Woolsey
Wu

NOT VOTING—18

Bereuter
Berman
Bliley
Brown (CA)
Clay
Cooksey
Cox
Green (TX)
Greenwood
King (NY)
Kuykendall
Lewis (GA)
McNulty
Northup
Packard
Slaughter
Tiahrt
Wynn

□ 1940

Ms. CARSON changed her vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BERMAN. Mr. Speaker, I was unable to cast a vote on final passage of H.R. 1664 due to a family emergency. However, had I been present I would have voted ''yea.''

Mr. GREEN of Texas. Mr. Speaker, because of the prior commitment of my daughter's wedding in Houston, I was not present for the final vote on H.R. 1664, the Kosovo Supplemental bill. If I had been present, I would have voted yes on final passage.

PERSONAL EXPLANATION

Mr. KUYKENDALL. Mr. Speaker, I was unable to cast a vote on H. Res. 159 because I was attending my son's college graduation. However, had I been present, I would have voted ''aye.''

Mr. Speaker, I was unable to cast a vote on the Coburn-Toomey-Sanford amendment because I was attending my son's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on the Obey substitute amendment because I was attending my con's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on the Istook amendment because I was attending my son's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on final passage of H.R. 1664, the Emergency Supplemental Appropriations bill, because I was attending my son's college graduation. However, had I been present, I would have voted ''yes.''

PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 116, 117, 118, 119, and 120.

Had I been present, I would have voted ''yes'' or ''aye'' on rollcall votes 118 and 120 and ''no'' or ''nay'' on rollcall votes 116, 117, and 119.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 984

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent to be removed as a cosponsor of H.R. 984.

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

There was no objection.

ANNOUNCEMENT REGARDING LIMITATIONS ON AND PROCEDURES FOR FILING AMENDMENTS TO H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

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

Mr. DREIER. Mr. Speaker, at 3 o'clock this afternoon a Dear Colleague letter was sent to all Members informing them that the Committee on Rules is planning to meet the week of May 10 to grant a rule which may limit the amendment process for floor consideration of H.R. 775, the Year 2000 Readiness and Responsibility Act.

The Committee on the Judiciary ordered H.R. 775 reported on Tuesday, May 4, and is expected to file its committee report on Friday, May 7. Any Member wishing to offer an amendment should submit 55 copies and a brief explanation of the amendment to the Committee on Rules up in H–312 of the Capitol by 3 p.m. on Monday, May 10; and let me repeat that, by Monday, 3 p.m.

Amendments should be drafted to the amendment in the nature of a substitute ordered reported by the Committee on the Judiciary. Copies of this amendment may be obtained from the Committee on the Judiciary. It is also expected to be posted on their web site.

Members should also use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 979

Mr. BOYD. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 979. My name was inadvertently added to the bill.

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

There was no objection.

PERMISSION FOR PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO HAVE UNTIL MIDNIGHT, FRIDAY, MAY 7, 1999 TO FILE REPORT ON H.R. 1555, THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence have until midnight, May 7, 1999, to file its report on the bill, H.R. 1555.

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

There was no objection.

ANNOUNCEMENT REGARDING FILING OF H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000, AND AVAILABILITY TO MEMBERS OF CLASSIFIED SCHEDULE AUTHORIZATIONS IN CLASSIFIED ANNEX

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

Mr. GOSS. Mr. Speaker, I wish to announce to all Members of the House that the Permanent Select Committee on Intelligence ordered the bill, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, reported favorably to the House. That report will be filed tomorrow, Friday, May 7, under the unanimous consent just agreed to.

I would also like to announce that the classified schedule authorizations in the classified annex that accompanies H.R. 1555 will be available for review by Members at the offices of the Permanent Select Committee on Intelligence, which is room H–405 of the Capitol, beginning any time after the bill is filed.

The committee office will be open during regular business hours for the convenience of any Member who wishes to review this material prior to its consideration by the House.

I anticipate that H.R. 1555 will be considered on the floor probably next week, but no sooner than Thursday, I am advised, and possibly later than that.

□ 1945

I would recommend that Members wishing to review the Classified Annex contact the committee's Director of Security and Registry to arrange a time and date for that viewing. The number is on everybody's telephone chart. This will assure the availability of committee staff to assist Members who desire that assistance during their review of these classified materials. I urge Members to take some time to review these classified documents before the bill is brought to the floor, if they have an interest, in order to better understand the recommendations of the committee.

The Classified Annex to the committee's report contains the Permanent Select Committee on Intelligence's recommendations on the intelligence budget for fiscal year 2000 and related classified information that cannot be disclosed publicly. There are procedures.

It is important that Members keep in mind the requirements of Rule 24 of the House, clause 13. That rule only permits access to classified information by those Members of the House who have signed the oath set out in Rule 24.

I would advise Members wishing to review the Classified Annex and its Classified Schedule of Authorizations that they must bring with them a copy of the Rule 24 oath signed by them when they come to the committee office to review that material. If they do not have a copy of the oath or cannot get one and wish to review the Classified Annex, the committee staff can administer the oath and see to it that it is executed in proper form and sent to the Clerk's office. We are happy to provide that service.

Additionally, the committee will require that Members execute an acknowledgment form indicating that they have been granted access to the Classified Annex and Classified Schedule of Authorizations and that they are familiar with both the Rules of the House and the committee with respect to the classified nature of information contained in the Classified Annex and the limitations on disclosure of that information.

That is a standard operating procedure for our committee. Nothing unusual. And we urge all who are interested to come to the committee and take a look at the material.

LEGISLATIVE PROGRAM

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

Mr. FROST. Mr. Speaker, I would inquire of the gentleman from New York about next week's schedule.

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

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

Mr. LAZIO. Mr. Speaker, I am pleased to announce that we have concluded legislative business for the week. There will be no votes tomorrow, Friday, May 7.

The House will next meet at 2 p.m. on Monday, May 10, for a pro forma session. Of course, there will be no legislative business and no votes on that day.

On Tuesday, May 11, the House will meet at 12:30 p.m. for morning hour and 2 p.m. for legislative business.

We will consider a number of bills under suspension of the rules, a list of which will be distributed to all Members' offices. Members should note that we expect votes after 6 p.m. on Tuesday, May 11.

On Wednesday, May 12, and the balance of the week, the House will take up H.R. 775, the Year 2000 Readiness and Responsibility Act; and H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000; and we expect the conference report for the supplemental appropriations bill.

On Wednesday, May 12, the House will meet at 10 a.m. for legislative business.

On Thursday, the House will meet at 9 a.m. and recess immediately for the annual meeting of the Association of Former Members of Congress. The House will reconvene for legislative business at approximately 10 a.m. on Thursday, May 13.

And on Friday, May 14, the House will meet at 9 a.m. for legislative business.

Mr. Speaker, we hope to conclude legislative business by 2 p.m. on Friday, May 14, and I want to thank the gentleman from Texas for yielding to me.

Mr. FROST. Mr. Speaker, I have several questions for the gentleman.

First, will we definitely be here voting next Friday, in view of the rather light work schedule that the gentleman has just announced?

Mr. LAZIO. If the gentleman from Texas will further yield, I would say it appears as though, if we can move quickly through the week, if we have the conference report on the supplemental available to us by Thursday, it would be more likely than not that we would not have to be in on Friday. But that will depend on the work of the conference and whether we have that supplemental conference report available to the House by that time.

Mr. FROST. Mr. Speaker, I would ask the gentleman one other question. During the last several weeks we have been here fairly late at night on a regular basis. I would ask the gentleman whether he expects any late-night sessions next week.

Mr. LAZIO. Again, we do not expect any extraordinarily late nights for next week. Again, assuming that we can move through our legislative business as expected, we are not expecting to have any very late nights.

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

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

Mr. STENHOLM. Mr. Speaker, if the gentleman would yield for a question, I do not believe that I heard that we would have the campaign finance reform legislation next week, or did I miss that? And if not, I would ask, it seems it is a very light week, it will be the second or third 3-day week that we have had in 2 or 3 weeks, and I was wondering when we might expect to have the campaign finance reform bill slipped into this rather busy agenda?

Mr. LAZIO. If the gentleman from Texas (Mr. FROST) will further yield, the gentleman may recall and be cognizant of the fact that the Speaker of the House has announced and has committed himself to the fact that we will have campaign finance reform on the floor sometime by the end of September.

The gentleman from Illinois, the Speaker, is a man of his word. I have every confidence that that will happen, that this House will consider campaign finance reform in a prompt and expeditious way before the end of September.

Mr. STENHOLM. I would concur with everything that the gentleman said about the Speaker. There are about 191 Democrats and about 60 on the Republican side that I think would like to see it considered a little earlier, and I would respectfully ask that we take a look at the scheduling and see if we cannot find a way to bring it up a little bit before September.

Mr. LAZIO. I want to thank the gentleman from Texas. I know that the Speaker is trying to be sensitive to all

the concerns of the Members but is very anxious to complete the business of the House, particularly the appropriations work that will see us through the summer. I think if it is at all possible for there to be a reconsideration of that date, that he will probably seize the opportunity.

He is committed to having campaign finance reform considered in this House by the end of September, and there is no doubt in my mind that this body will be acting far earlier than the body down the hall.

Mr. STENHOLM. The gentleman said one other thing that prompts me to again just observe that it is precisely because we are going to have a rather ambitious appropriations schedule, and as we have seen today with the debate and all of the rhetoric that has gone on, I think it is a fairly good prophecy that we are not going to have a very smooth appropriations schedule and cycling this year, that therefore it would seem to me it would be prudent for us to move the campaign finance reform before we get into what obviously we are going to be getting into.

I thank the gentleman for yielding.

Mr. LAZIO. Let me note as well that we are confident and the Speaker is confident that we will have several appropriations bills available to the House for a vote before Memorial Day break. That is well in front of schedule, and it is something I think the Speaker is committed to doing, to ensuring that we consider our appropriations bills earlier and get our work done earlier.

Hopefully, that will allow us the time both to consider campaign finance reform and to have a less contentious situation over the next few months. But the gentleman can rest assured the Speaker's word is good, that he is committed to a full hearing of campaign finance reform. It will be on the House floor, and it will be voted on.

ADJOURNMENT TO MONDAY, MAY 10, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

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

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 11, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 10, 1999, it adjourn to meet at 12:30 p.m. on Tuesday, May 11, 1999, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

HOUR OF MEETING ON THURSDAY, MAY 13, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, May 12, 1999, it adjourn to meet at 9 a.m. on Thursday, May 13, 1999, for the purpose of receiving in this Chamber former Members of Congress.

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

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON THURSDAY, MAY 13, 1999, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF CONGRESS

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday, May 13, 1999, for the Speaker to declare a recess subject to the call of the Chair for the purpose of receiving in this Chamber former Members of Congress.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one-minute speeches.

SUPPORT A DIPLOMATIC END TO CONFLICT IN KOSOVO

(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, there are those who would say that involvement by Congress or private citizens in U.S. foreign diplomacy in the Balkans is not necessary and we can only complicate matters.

Fortunately, Mr. Speaker, we do not have to look very far to see these naysayers could not be farther from the truth. They could not be farther out of touch with America's wishes for peace and the quick and safe return of our military men and women.

We need only to look at the Reverend Jesse Jackson and his very successful campaign to free our U.S. POWs, and we need only to look no farther than this House, where numerous delegations, bipartisan delegations, have traveled great distances to observe firsthand U.S. military involvement in the dire refugee situation in the Kosovo region.

I commend and salute my colleagues, both Republican and Democrat, and the leadership of both parties for supporting our effort to build a better understanding and working relationship with our counterparts in the Russian Duma. This information gathered by these bipartisan delegations provides all of us with a clear picture on how we can better do our job representing the American people on global issues.

CLINTON LEGACY WILL BE BALKANS WAR

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

Mr. PITTS. Mr. Speaker, President Clinton says he is going to continue the bombing in Yugoslavia, and some people are beginning to ask what the Clinton legacy will be. Some say scandal and impeachment. I do not think so. I think it will be the war in the Balkans.

Mr. Speaker, when NATO began bombing Yugoslavia it led the way to billions and billions of dollars that will be spent on this war. Will we be expected to rebuild all that we destroy in Yugoslavia, as some have suggested?

To rebuild all that we have destroyed could cost hundreds of billions of dollars, power plants, airports, factories, bridges, oil refineries, infrastructure. The cost would be staggering. And where would the money come from if we have to pay it? That is right, Social Security, Medicare, our schools, and our roads. Our budget needs.

This administration is digging a deep hole with the war in the Balkans that is going to last for many years after President Clinton has left office. That may be the Clinton legacy.

CLINTON ACTIONS HAVE TURNED RUSSIA AGAINST AMERICA

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

Mr. WELDON of Pennsylvania. Mr. Speaker, earlier today we had a member of the Russian Duma who held a press conference in this building; and he said something that is very insightful. He said that for years and years

and decades and decades the Soviet Communist party has spent billions of dollars to convince the Russian people that America should be the enemy, and it did not work in spite of all the effort of the Communist party. He went on to say that in 45 days President Clinton has done what the Soviet Communist party could not do, he has turned the Russian people against America.

Our embassy now tells Americans to not speak in English when they walk the streets. The Russians have cut off all contact with America. In 45 days this President has done what the Soviet Communist party could not do with billions of dollars in 70 years. Is this the kind of activity, is the continuation of this insane and reckless policy worth driving Russia into the hands of the ultranationalists and the Communists? I say no.

REPORT ON TELECOMMUNICATIONS PAYMENTS MADE TO CUBA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 106–59)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104–114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999.*

ANNUAL REPORT ON STATE OF SMALL BUSINESS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business:

To the Congress of the United States:

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employers opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

An Unprecedented Record of Success

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

Easing the Tax Burden

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated $20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax credit will increase the amount excluded from taxation on a transferred estate to $1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law also improves the targeted capital gains provisions relating specifically to small business stocks. Moreover, small corporations are exempted under the new law from alternative minimum tax calculations. This provision saves about 2 million businesses from complex and unnecessary paperwork.

Capital for Small Business Growth

One of the Small Business Administration's (SBA) highest priorities is to increase small business access to capital and transform the SBA into a 21st century leading-edge financial institution. The SBA's credit programs—including the 7(a) business loan guarantee program, the Section 504 economic development loan program, the microloan program, the small business investment company program, the disaster loan and surety bond programs—provide valuable and varied financial assistance to small businesses of all types. The Small Business Lending Enhancement Act of 1995 increased the availability of funds for SBA's lending programs. In the 7(a) program in fiscal year 1997 alone, with approximately 8,000 bank and nonbank lenders approved to participate, 45,288 loan guarantees valued at $9.5 billion were approved as of September 1997.

My Administration developed community reinvestment initiatives that revised bank regulatory policies to encourage lending to smaller firms. When combined with lower interest rates, this led to a sizable increase in commercial and industrial lending, particularly to small businesses. And in the first year of implementation under the Community Reinvestment Credit Act, new data were collected on small business loans by commercial banks. The SBA's Office of Advocacy has been studying and publishing its results on the small business lending activities of the Nation's banks.

And the Office of Advocacy launched a nationwide Internet-based listing service—the Angel Capital Electronic Network (ACE-Net) to encourage equity investment in small firms. ACE-Net provides information to angel investors on small dynamic businesses seeking $250,000 to $3 million in equity financing.

Reforming the Regulatory Process

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed—early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman and boards are addressing many concerns expressed by small firms in dealing with regulating agencies.

Expanding Technology and Innovation

Initiatives like the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and the National Institute of Standards and Technology's Manufacturing Extension Partnership and Advanced Technology Program were put in place in the 1980s to channel more Federal funding to small business research and to help small businesses move ideas from the drawing board to the marketplace. Clearly, progress has been made; much remains to be done. New Internet-based initiatives like the Access to Capital Electronic Network and the U.S. Business Advisor are designed to help many more small businesses make the connections they need to commercialize their innovative technologies.

Enhancing International Trade and Federal Procurement Opportunities

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Government, my Administration and the Congress have streamlined the Federal procurement process through administrative changes and the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small firms, and a link to procurement opportunities.

The Human Factor

My Administration is moving to anticipate 21st century demands on our most important resource—our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our Welfare to Work Partnership has already had positive results—we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger child care tax credit for working families.

I am pleased that so many Americans of all races and nationalities are asserting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running—up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20-percent wage credit and another $20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

Future Challenges

America's small business community is both the symbol and the embodiment of our economic freedom. That is why my administration has made concerted efforts to expand small business access to capital, reform the system of Government regulations to make it more equitable for small companies, and expand small business access to new and growing markets.

This is an important report because it annually reflects our current knowledge about the dynamic small business economy. Clearly, much is yet to be learned: existing statistics are not yet current enough to answer all the questions about how small, minority-owned, and women-owned businesses are faring in obtaining capital, providing benefits, and responding to regional growth or downsizing. I continue to encourage cooperative Government efforts to gather and analyze data that is useful for Federal policymaking.

I am proud that my Administration is on the leading edge in working as a partner with the small business community. Our economic future deserves no less. The job of my Administration, and its pledge to small business owners, is to listen, to find out what works and to ensure a healthy environment for small business growth.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999*.

□ 2000

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

30TH ANNIVERSARY OF ARMENIAN STUDIES PROGRAM AT HEBREW UNIVERSITY IN JERUSALEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, on Tuesday, May 4, at the Embassy of the Republic of Armenia here in Washington, D.C., an important milestone was celebrated, the 30th anniversary of the Armenian Studies Program at the Hebrew University in Jerusalem.

I believe this event is important not only because of the celebration of three decades of one of the world's finest programs for the study of Armenian language, literature, art and history, although this is of course extremely important in its own right. What distinguishes this week's celebration and the entire mission of the Armenian Studies Program at Hebrew University is the cooperation it represents between the Armenian and the Jewish peoples. This cooperation was in evidence as distinguished representatives from both the Armenian-American and Jewish-American communities were present at the Embassy.

Mr. Speaker, the Armenian and Jewish peoples have much in common. They are two of the most ancient and enduring nations, with histories and traditions that are measured not in centuries but in millennia. Sadly, these two peoples of great cultural achievement have also been singled out for unthinkable suffering, particularly in this century.

Last month, Members of this House paid tribute to the victims and survivors of the Armenian genocide in which 1.5 million Armenians died at the hands of the Ottoman Turkish Empire during the years 1915 to 1923. At that time there did not exist a word to properly convey the enormous horror of an entire people being singled out for mass murder, for racial or ethnic elimination.

It was not until the Nazi Holocaust, in which six million Jews were killed for no other reason than for who they were, that a term was devised to describe this mass atrocity: Genocide. In fact, when Hitler was planning his so-called ''final solution'' against the Jewish people, he said to his associates, ''Who today remembers the extermination of the Armenians?''

Yet today, Mr. Speaker, the Armenian and Jewish people have overcome the horrors of the past, not forgotten, of course, but overcome. The Republic of Armenia is an emerging democracy that has worked to establish the institutions of a civil society at home while maintaining its national security despite being surrounded by hostile neighbors. The State of Israel has succeeded at these same daunting tasks, fostering a thriving democracy while remaining secure against hostile neighbors for half a century.

In Israel's capital of Jerusalem, in the southwestern part of the Old City, surrounding the Citadel of King David, is the Armenian Quarter. The staunchly Christian Armenian people, the first to embrace Christianity as their national religion, have maintained their presence in that area since early times. The Armenian St. James Cathedral is one of the most impressive churches in the Old City. The Armenian Museum is a graceful cloister housing a fascinating collection of manuscripts and artifacts.

Armenian Orthodox Patriarchate Road and Ararat Street, named for the mountain in full view from Armenia's capital of Yerevan, where Noah's Ark is believed to have come to rest, are two of the area's main thoroughfares. Jerusalem's approximately 2,000 Armenians live in a tightly-knit community known for their sophistication, dedication to their faith and their nation, and hospitality to visitors.

During the Armenian genocide, hundreds of thousands of Armenians were forced by the Ottoman Turks into the deserts of the Middle East. In the midst of their suffering, some Armenians were taken in and given protection by many people in the Middle East, and Armenian communities still exist in that part of the world.

Israel and Armenia continue to work on expanding and improving their bilateral relations. While there have admittedly been some differences, Armenian Foreign Minister Vartan Oskanian visited Israel late last year, at which time the governments of both countries emphasized their commitment to increased cooperation.

But, Mr. Speaker, while government-to-government initiatives continue, some of the most important advances come from the person-to-person relationships. Tuesday night's event at the Armenian Embassy is a testimony to that effort.

I want to pay particular tribute to two individuals who have done so much to further these important contacts, Annie Totah and Aris Mardirossian, the co-chairs of the 30th Anniversary Celebration. I also salute all of the Armenian and American Friends of the Hebrew University and all of the leaders in the Armenian and Jewish communities who have worked so hard for this very worthy cause.

Tuesday's reception will be followed by several noteworthy events in Jerusalem, including the International Conference on the Armenians in Jerusalem on May 24 through 26, a symposium for the Israeli public on June 6, and a symposium on the Armenian Pilgrimage to the Holy Land with guest of honor His Beatitude Mesrop II, Armenian Patriarch of Constantinople, and an alumnus of the Armenian Studies Program.

Finally, Mr. Speaker, I want to express my appreciation to one of the leading figures in the media, ABC news anchor Peter Jennings. On last Friday's broadcast, Mr. Jennings presented as part of his series on the century a poignant and powerful report on the Armenian genocide. In a century in which genocide has been a recurring horror, from the Nazis to Cambodia to Rwanda to the Balkans, it is important that all of us, in politics, in the media, in the field of education, and in other walks of life, be aware of what happened to the Armenian people 84 years ago.

THE FAA, DOT IG, NTSB AND AVIATION SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, on March 10, 1999, the House Appropriations subcommittee on Transportation held a hearing on the topic of aviation safety. At that hearing, Jane Garvey, administrator of the Federal Aviation Administration (FAA) testified, as did Ken Mead, Department of Transportation inspector general (IG), and Jim Hall, chairman of the National Transportation Safety Board (NTSB).

Last year, domestic air carriers had an excellent safety record: no passengers died on U.S. commercial flights. Many worked diligently to make safety a priority, and in the transportation appropriations subcommittee we have focused our efforts on aviation safety as well as all transportation modes.

In listening to the testimony prepared by each agency, it appeared that there was a difference of opinion in some areas with regard to the progress being made in aviation safety. Therefore, I requested that the IG and NTSB review the FAA's testimony and the FAA review the testimony of the IG and NTSB. In addition, I asked each to respond to the comments made by the others. I have provided this information for the FEDERAL REGISTER.

In general, the oversight agencies (NTSB and IG) believe that the FAA could be moving more aggressively in the referenced areas of aviation safety. For example, the NTSB noted that the FAA should be moving more quickly to ensure that aircraft registered in the United States have new flight data recorders. Similarly, the IG points out that draft regulations seeking to reduce the number of runway incursions have not yet been published while the number of runway incursions continues to rise.

Both oversight agencies suggest that the FAA should use more realistic measures of aviation safety. For example, the IG notes that

a good measure of airport security is not the number of new explosive detection machines purchased and distributed, but the number of bags screened by the machines. After all, it's one thing to purchase and place explosive detection machines and it is quite another to put them into service and screen bags.

For its part, the FAA agrees that more should be done in the areas of runway incursions, airport security and project oversight.

Mr. Speaker, it is my hope that the FAA will continue to work with the IG, NTSB and the aviation industry to fund and implement additional safety initiatives. The safety record of the industry last year was good, but we must remain vigilant in our efforts to improve the safety of the traveling public. As chairman of the House Appropriations subcommittee, I am committed, as I know all members of the subcommittee are, to do what we can to make sure that transportation safety remains a priority.

OIG COMMENTS ON FAA'S STATEMENT

We have the following comments on FAA's statement before the Subcommittee on Transportation, Committee on Appropriations.

I. AIR TRAFFIC CONTROL MODERNIZATION

FAA's statement gives the impression that final deployment of the HOST and Oceanic Computer System Replacement for Phase 1 hardware has been completed. However, final deployment has not yet occurred and is currently planned to be complete by October 1999.

II. SECURITY

FAA's testimony on deploying explosives detection systems state that FAA has been very effective in getting advance explosives detection systems up and running. FAA's statement cites the fact that security equipment for checked baggage has been installed at over 30 airports, and that trace explosive detection devices for carry-on bags are being used at more than 50 airports.

The issue is not whether security equipment has been installed at more than 30 airports or whether the equipment has been ''procured'', ''installed'' or is ''operational.'' In our opinion, the true measure of effectiveness is the number of fully operational, FAA-certified bulk explosives detection machines in use at Category X and I airports that are screening at or near the demonstrated mean capacity of 125 bags per hour per machine. In our opinion, this usage rate is reasonable as it includes time to resolve alarms and is just more than half of the certified rate of 225 bags per hour.

Accordingly, our message to Congress in the past 2 years has focused on the underutilization of explosives detection equipment at this country's largest airports. In our opinion, it is ultimately the number of bags screened that makes the difference in aviation security, not the number of explosives detection machines installed.

FAA also stated that it continues to expand the use of realistic operational testing of the aviation security system. While FAA may be expanding the use of realistic operational testing, much of the testing to date has not been ''realistic.''

In our recneltly completed audit of Secretary of Checked Baggage, we found that checked baggage security testing by over 300 FAA security field agents assigned to FAA regions was limited to air carrier compliance with manual profiling and positive passenger bag marching requirements. Also, at the time of our audit, only a few ''red team''[1] security agents assigned to FAA Headquarters were testing the new automated passenger profiling systems, explosives detection equipment, and equipment operators. Therefore, red team testing of the new checked baggage security requirements has been infrequent, limited to specific testing criteria, and applied to only a few air carriers.

In prior audits, we found similar conditions. For example, in 1993 and 1996, we reported that FAA testing of airport access control was ineffective (not realistic or aggressive) and, in 1998, we reported that FAA testing of air carrier compliance with cargo security requirements was not comprehensive. We ntoed certain compliance requirements were omitted from the test plans.

Current OIG efforts indicate little improvement. For example, in our current audit of airport Access Control, we found FAAs airport access control assessments were limited in scope, included little testing of controls, and were conducted without using a standard testing protocol.

Our test results confirm the importance of a standard test protocol that includes realistic and aggressive testing procedures. In a majority of our tests involving airport access control, we successfully penetrated secure areas and boarded a large number of passenger and cargo aircraft. The majority of individiuals we encountered failed to challenge us for unauthorized access. FAA recognizes that improvements are needed and, on March 3, 1999, issued a letter to Airport Security Consortiums to take immediate action to fix the problems.

III. SAFETY

FAA's testimony states that Runway Incursion Action Teams have helped Cleveland-Hopkins International Airport reduce its incursion rate to an all-time low. However, data provided by FAA staff in the Runway Safety Office indicate that the incursion rate at the airport is not at its all time low. In 1995, the runway incursion rate at the Cleveland airport was 0.375 per 100,000 operations. The rate climbed in 1996 and has remained steady over the last three years at just over 1.9 per 100,000 operations. The number of runway incursions (six occurrences) has also remained steady in the past 3 years.

IV FINANCING

FAA's statement suggests that the proposed performance-based organization (PBO) for air traffic control will be funded in FY 2000, in part, by $1.5 billion in new, cost-based user fees. This estimate is highly optimistic because the proposed user fee system will require FAA's cost accounting system to be in place and operating. Although FAA plans to being implementing its cost accounting system this summer in the oceanic and enroute environment to support overflight fees, other types of air traffic under fees will require further deployment of the cost accounting system and concurrence of both Congress and users.

FAA's statement also suggests that the proposed PBO will make air traffic control more accountable for good performance. Accountability for performance was also a main tenet of personnel reform and part of the impetus behind exempting the agency from most Federal personnel rules in 1996. In our September 30, 1998, report on the status of FAA's personnel reform, we found that even with the new flexibilities provided by reform, accountability for performance had not been uniformly instilled throughout the agency. Accordingly, in our opinion, there is no guarantee that reorganizing air traffic control into a PBO will provide the necessary catalyst to ensure greater accountability for performance within that organization.

FAA'S RESPONSE TO THE INSPECTOR GENERAL'S COMMENTS ON FAA'S TESTIMONY

NAS MODERNIZATION

HOST and Oceanic System Replacement (HOCSR):

The FAA did not mean to imply that final deployment of the HOCSR hardware is complete. We are on schedule and anticipate final deployment to be complete by October, 1999.

AVIATION SECURITY

Explosive Detection Equipment:

We agree with the IG that the utilization rates should be significantly higher and we are working with air carriers to do that. Recent data indicates an upward trend.

Airport Access Control:

We agree that airport access control needs improvement in many areas. We have initiated an aggressive plan with our industry partners at 78 of the Nation's largest airports. Over the next 6 weeks, we will conduct inspections and tests to identify vulnerabilities systematically. We will use the information to direct appropriate corrective action. The FAA issued a letter, on March 3, 1999, to Airport Security Consortiums to take immediate action to fix the problems.

AVIATION SAFETY

Runway Incursions:

Specific reference by FAA that Cleveland runway incursions ''dropped to an all-time low'' is, regrettably, incorrect information.

FINANCING

We agree with the IG that the estimated $1.5 billion in new, cost based user fees for FY 2000 is optimistic. However, we believe that ultimately moving to a cost based system is essential to the development of a more independent, more businesslike and more efficient air traffic service.

FAA'S RESPONSE TO THE INSPECTOR GENERAL'S TESTIMONY

At the FY 2000 House Appropriation hearing on March 10, Chairman Wolf asked the FAA to respond to testimony from the Department of Transportation's Inspector General (IG) and the Chairman of the National Transportation Safety Board (NTSB). This is the FAA's response to the IG testimony on NAS Modernization, Security, Safety and Financing.

NAS MODERNIZATION

Standard Terminal Automation Replacement System (STARS):

The Inspector General recommends that FAA defer decisions on the full range of software development needed for human factors on full STARS until testing on the DOD system is completed.

Although we understand the IG's concern about software development, we disagree with their recommendation. We have worked very closely with NATCA to identify and find mutually agreeable solutions to the human factors issues for the Early Display Configuration. These changes will be incorporated into the Initial System Capability (ISC), or full STARS. We believe that NATCA is fully committed to STARS as the system for the future and wants to work

[1] Red team refers to a group of security agents assigned to FAA's Civil Aviation Security Special Activities Office.

with FAA to successfully field a STARS product with minimally agreed to human factors additions as soon as possible.

Wide Area Augmentation System (WAAS):

The Inspector General indicates that the program continues to experience schedule slippage.

The FAA was under pressure several years ago to accelerate the WAAS schedule. Considering the many uncertainties and unknowns with this type of cutting edge technology, we knew there was a great deal of risk with such a compressed, aggressive schedule. We would like to point out that even with the 14-month schedule slip that we now project, the WAAS program is well within the initial (pre-accelerated) schedule. What caused the 14-month delay was a greater than expected challenge in developing a critical software package that monitors the performance and safety of the WAAS. All the other major software modules have been completed, the ground-based master and reference stations are in place, and the two leased geostationary satellites are in orbit providing service.

With regard to the Hopkins risk assessment study, the Inspector General discusses several issues that are unresolved and that considerable work remains to be done.

The Inspector General may have left the impression that nothing is being done by way of follow-up to the Hopkins study. In fact, the FAA is addressing the various items in the Hopkins study and will have a plan completed by this summer. The FAA is working on a ''Satellite Navigation Investment Analysis Plan,'' also due out this summer. This will include an analysis of the alternatives of backups to WAAS. The FAA discussed these alternatives in a public Satellite Navigation User Forum here in Washington, the first of three such forums to get user input in the investment/alternatives analysis process.

HOST and Oceanic System Replacement (HOCSR):

The Inspector General's comments suggest that meeting the HOCSR deadline was a relatively modest accomplishment.

The Inspector General testimony from a year ago before the House Committee on Transportation and Infrastructure, said with regard to HOCSR, ''the FAA faces significant challenges and risks.'' The testimony also said ''Rehosting in less than 2 years at all centers is extremely optimistic. It is unlikely that FAA can completely replace the HOST hardware at all 20 enroute centers in less than 2 years.''

HOCSR phase 1, while being a hardware replacement only, is not simple. Host is connected to almost everything else in the NAS and the transition strategy [akin to changing a tire on a moving car] is fairly involved. Complex networks of cables and switches were installed, tested and connected to the existing NAS with no disruption of service. Centers were able to switch back and forth between old and new systems seamlessly. This was a major accomplishment, and we are within cost and on schedule.

Display System Replacement (DSR):

The Inspector General's testimony minimizes the DSR accomplishment because it did not involve large-scale development of software.

DSR should fit the definition of a software-intensive system. DSR required development, integration and test of almost 800,000 lines of operational software and also required integration of over 70 commercial, off-the-shelf software packages as part of the support system.

Data Link:

The Inspector General raised concerns about a prolonged transition and the associated impact on cost, schedule, and human factors.

We believe that our current plans adequately address the Inspector General's concerns. Rather than a transition to data link, the FAA will be conducting an insertion of data link technology into the NAS. Benefits will be realized immediately, both by data link and non-data link users, because of a reduction of frequency congestion on conventional voice frequencies. Data link will never completely replace voice communications especially in conditions of aircraft or system emergencies, rapidly changing severe weather, and similar high communications workload environments. From the standpoint of cost, only those users who derive a supportive cost/benefit analysis will equip; those that don't will derive the operational benefit of greater access to conventional communications frequencies. FAA costs are offset as data link provides a solution for current and future bandwidth problems. Those users that will equip will do so as the business case dictates. Human factors suggests that data link be used for routine messages; voice messages will still be available for time critical communications, and, because of the use of data link in routine traffic, a higher level of safety and efficiency will be maintained through reduced frequency congestion.

AVIATION SECURITY

Explosive Detection Equipment:

The Inspector General raises concerns about the underutilization of explosive detection equipment and recommends that the machines be used more aggressively. The Inspector General indicates that FAA's goal is to have air carriers ultimately screen all checked baggage.

We want to emphasize that the long-term goal to screen all checked baggage is very long term. With the technology that exists today, we have more confidence in the process of screening CAPS selectee bags rather than trying to screen as many bags as possible.

AVIATION SAFETY

Runway Incursions:

The Inspector General stated that the FAA has made limited progress in implementing the Runway Incursion Plan.

The FAA has made significant progress but we realize there is much more to do. We are finalizing the program implementation plan, which establishes tasks, schedules and funding required to accomplish prevention strategies. We expect to publish this plan in April, 1999. We are well aware that we must provide appropriate funds for these priority initiatives.

We have on-site evaluations underway. Runway incursion action teams are focusing on airports experiencing an unusually high rate of incidents. We have completed 6 and plan to complete at least 14 additional evaluations by September 30, 1999.

The FAA is currently in the final stages of investment analysis that is addressing the validity of a wide range of technical and non-technical solutions, such as: improved controller, pilot, vehicle operator education and training; procedural changes; and improvements in airport signs, lighting, surface marking and other equipment (such as low cost ASDE, loop technology).

The FAA is focusing on immediate initiatives to reduce runway incursions and prevent surface accidents. We are in the process of implementing 18 separate actions, which are all funded. Some examples follow:

''Awareness blitz'' targeted for operators and users.

Monthly Air Traffic/Airport Operator/User meetings at top 20 runway incursion airports.

Develop and distribute videos to address controller and pilot awareness.

Develop and safety related brochures and materials to aviation organizations.

The FAA's Safer Skies also identifies runway incursions as one of the focus areas for commercial and general aviation. A commercial and general aviation analysis team that includes FAA, NASA, industry and aviation union representatives [the Joint Safety Analysis Team (JSAT)] was chartered and met on February 11–12, 1998. A schedule over the next 6-month period was established to analyze commercial and general aviation runway incursions and develop intervention strategies based on this data analysis. This effort is fully coordinated with and complements the efforts in the Runway Incursion Program plan.

The Inspector General indicates that FAA has completed only two of the eight recommendations included in the February, 1998 OIG report.

We continue to work towards completion of all of the 1998 recommendations from the IG. With regard to the IG's emphasis on completing the AA/AOPA education project, we would like to point out that the final part of the project is underway—the distribution of educational materials (videos, posters and brochures).

Clarification on Runway Incursion Data included in the Inspector General's Statement:

With regard to the chart on page 5 of the Inspector General's statement, the data is accurate. This data was obtained from FAA through the National Airspace Information Monitoring System.

Specific reference by FAA that Cleveland runway incursions ''dropped to an all-time low'' is, regrettably, incorrect information.

Flight Operations Quality Assurance:

The Inspector General raised concerns about the status of rulemaking to obtain air carrier safety data that would be used to proactively identify risks. The statement discusses the protection of safety data and the ability of FAA to move forward with FOQA.

The FAA is addressing the safety data protection concerns in a separate notice of proposed rulemaking which we hope to release for public comment in the near future.

The Inspector General suggests that an option for gaining industry and Government acceptance of FOQA would be to include a ''sunset provision'' in the final rule.

The FAA disagrees. The FAA has already gathered ample documentation of the value-added safety benefits that FOQA will provide, including improvements to air traffic procedures, pilot training, and airport equipage. The FAA wants accelerated industry-wide implementation of FOQA in the interest of public safety. Given the investment required by both the airlines and the FAA to achieve that goal, a ''sunset provision,'' which automatically terminates the program by a set date seems inappropriate.

Air Transportation Oversight System (ATOS):

The Inspector General raises concerns about budget reduction and the impact on ATOS.

The FAA has made difficult choices this year in order to manage within a very constrained budget. We have deferred hiring

ATOS data analysts his year. However, in order to keep the program on track with Phase I, we have reprioritized work plans to support ATOS until additional analysts can be hired.

We have fully funded the ATOS baseline training. This includes initial indoctrination training and travel for air carrier specific training needed by the certificate management team (CMT). Some of the flight training and air carrier systems training needed by team members has been deferred.

Regardless of the budget situation, we believe that a slower approach to ATOS is prudent. It is important to note that we will evaluate ATOS Phase I before a decision is made to expand the program.

The IG indicates that the FAA will complete an evaluation of ATOS implementation by June 30, 1999. FAA will begin an evaluation of ATOS Phase I implementation by June 30, 1999, and we expect to complete this activity September 30, 1999.

Air Tour Operations:

The Inspector General urges the FAA to issue rulemaking to extend more stringent safety and oversight of air tour operators.

FAA has developed a notice of proposed rule making (NPRM) that will establish a set of national safety standards for those operators. The rule will require that each operator obtain an air carrier certificate and associated operations specifications. The rule would also make operational information on air tour operators more readily available.

Both the IG and NTSB have insisted on the need for a data base on air tour operators. They have provided no rationale as to how a data base will improve safety. The FAA disagrees and believes establishment of such a data base is costly and unnecessary and would provide no safety benefit. Once all air operators are certificated, FAA will have sufficient information in its operation specifications data base to provide safety oversight.

FINANCING AND COST CONTROL

Rising Operations Costs:

The Inspector General indicates that FAA will need to contain increases in Operations costs in order to fund other critical functions.

FAA is also concerned about rising Operations costs because our ability to actually control payroll-related increases in extremely limited. Approximately 75% of the Operations account is payroll related. Payroll cost increases are based on mandatory pay raises as well as increases in government contribution rates for retirement, social security, health insurance and medicare.

The recent NATCA agreement does cost more than we budgeted for but represents less than 25% of our total mandatory increases this year.

The best way the FAA can control payroll costs is through staffing reductions. We have made significant staffing reductions since 1993. Even though the safety workforce has grown in recent years, the staffing levels in Operations are 4,500 lower than in 1993. These reductions have resulted in annual cost avoidance of $250 million and cumulative cost avoidance of over $2 billion. We have also reduced our costs by contracting out low level air traffic control facilities and realigning the Airway Facilities field organizations.

In the context of rising Operations costs, the Inspector General questions an FAA funding policy that has been in place for over six years.

We do not consider first year maintenance costs of a new system to be a ''mask'' for rising Operations costs. The use of F&E funds to pay for maintenance for up to one year following commissioning new systems can be compared to a service contract for a newly acquired product, or a warranty period. These are appropriately considered part of the cost of fielding new systems. This policy was coordinated with and approved by the House and Senate Appropriation Committees.

Cost Accounting:

The Inspector General points out schedule slippages in implementation of cost accounting.

While the IG is correct in noting there have been schedule slippages, we have made significant changes in how the agency approaches this critical initiative. The revised plan calls for an incremental approach to cost accounting that allows us to build on success as each piece is implemented.

For example, in the first phase, FAA will have the initial cost information available this summer for the Oceanic and En Route portions of Air Traffic Services. Once this is completed, other parts of Air Traffic Services and then other Lines of Business will be brought into the System.

We anticipate having the entire agency covered by the cost accounting system by the end of FY 2001.

When compared to private sector entities that have built similar cost accounting systems, FAA's new time schedule and cost estimates compare favorably with best business practices.

[Enclosure 2]

RESPONSE TO FAA'S COMMENTS ON OUR STATEMENTS

We have the following response to FAA's comments on our statements.

I. AIR TRAFFIC CONTROL MODERNIZATION

FAA disagrees with our recommendation that FAA defer decisions on the full range of software development needed for human factors on full STARS until the testing on the Department of Defense system in completed. FAA states that it has worked closely with the National Air Traffic Controllers Association to resolve the human factors issues with the Early Display Configuration. These human factors changes will be incorporated in full STARS.

We agree that the human factors issues identified for the Early Display Configuration should be incorporated in full STARS. Our recommendation was intended to address the remaining human factors work that will be needed beyond those identified for the Early Display Configuration. Full STARS will completely replace ARTS with independent primary and back-up systems and includes functions not contained in the Early Display Configuration.

FAA argues that we minimize the accomplishments to date with the Display System Replacement (DSR), and the agency points out that DSR was a software intensive acquisition. DSR was indeed a software intensive acquisition. However, it is important to recognize that considerable software development for DSR was done as part of the Advanced Automation System, which was contracted for in 1988 and dramatically restructured in 1994. Therefore the success with DSR is directly related to software development work done during that six-year period.

FAA notes that current agency plans adequately address our concerns about Data Link. However, we issued a report on February 24, 1999, that made a number of recommendations aimed at improving planning for Data Link systems. We continue to believe that a comprehensive plan is needed to guide industry and government efforts to transition to Data Link over the next decade.

II. SECURITY

FAA said that the goal to screen all checked baggage is very long-term (not obtainable in the near future).

We agree that screening all checked bags is a long-term goal. However, FAA needs to begin to move forward in achieving that goal. Utilization can be increased for several reasons. First, the machines currently deployed at the nation's busiest airports are clearly capable of screening significantly more bags than the bags of selectees only. This is currently being demonstrated by a few machines deployed at some airports. Second, it offers a high potential for improving aviation security. The equipment's ability to detect explosive material does not depend exclusively on human skill, vigilance, or judgment. Third, it represents a significant outlay of funds. FAA estimates average costs of $1.3 million to purchase and install each CTX 5000 SP. Fourth, based on an FAA study, continued low use may affect operator proficiency and prevent FAA from effectively measuring how dependable the equipment is in actual operations.

III. SAFETY

Runway Incursions

FAA stated that it has made significant progress in implementing the Runway Incursion Plan. We acknowledge that FAA has made some progress in implementing the Runway Incursion Plan, which is a very sound foundation for effectively reducing runway incursions. However, only 18 of the 51 actions indicated in their plan have been initiated. Additionally, we found that some deadlines have slipped and may slip further unless funding is set aside to implement all actions in the plan. While FAA plans to identify all funding requirements for its Runway Incursion Plan through an investment analysis, it does not expect to complete this process before September 1999. Further, this analysis only pertains to future funding beginning in FY 2001 and does not address current funding requirements.

Runway incursions include operational errors, pilot deviations, and vehicle/pedestrian deviations. FAA states that surface operational error were down by 9 percent. However, data we received from the Air Traffic Resource Management Program Office indicates surface operational errors were up by 5 percent. The only decrease noted in the data was a 30 percent decrease in vehicle/pedestrian deviations.

Flight Operations Quality Assurance (FOQA)

FAA disagreed with our suggestion that an option for gaining industry and Government acceptance of FOQA would be to include a ''sunset provision'' in the final rule. FAA stated that it has already gathered ample documentation of the value-added safety benefits that FOQA will provide, including improvements to air traffic procedures, pilot training, and airport equipage. FAA wants accelerated industry-wide implementation acceptance of FOQA in the interest of public safety. According to FAA, given the investment required by both the airlines and FAA to achieve that goal, a ''sunset provision,'' which automatically terminates the program by a set date seems inappropriate.

We agree that access to FOQA data has been accepted as a value-added safety beneficial program. However, to gain acceptance of the program, FAA should include enticements in the final rule to satisfy the many

reservations expressed by government agencies. In our opinion, one enticement would be a provision in the final rule that would sunset the program at a specific time. A sunset provision would allow FAA, air carriers, and government agencies to assess any concerns experienced before the FOQA programs were extended.

Air Tour

FAA stated that both the IG and NTSB have insisted on the need for a database on air tour operators but provided no rationale as to how a database will improve safety. FAA disagrees and believes establishment of such a database is costly and unnecessary and would provide no safety benefit. FAA stated that once all air tour operators are certificated, FAA will have sufficient information in its operation specifications database to provide safety oversight.

We agree with NTSB that FAA needs to know who air tour operators are and where they are flying to provide proper oversight. The NTSB stated in findings to its June 1995 report that:

''The lack of a national database for air tour operations precludes effective evaluation of the accident rate of air tour operators on the traditional basis of flight hours, cycles, and passengers carried. Also, the adequacy of staffing levels of FSDOs [FAA Flight Standards District Offices] to oversee air tour operators is difficult to evaluate because of the lack of national standards and a database to establish the magnitude of this portion of commercial aviation.''

Even though originally recommended by NTSB in 1993, there is no comprehensive air tour database or survey data. Currently the Department and FAA are proposing to act on this recommendation 2 years after the draft rulemaking is complete. The draft rule has not yet been published for comment. A required comment period and the possibility of changes based on the comments received, could mean a final rule is still months away. FAA should not continue to delay taking action on this recommendation.

IV. FINANCING

FAA stated that payroll cost increases are based on mandatory pay raises as well as increases in government contribution rates for retirement, social security, health insurance and medicare—all of which are outside the control of the agency. While we are mindful that some cost increases associated with FAA's Operations account are outside the control of the agency, other factors are within the agency's control. For example, the new pay system for air traffic controllers was the result of negotiations between FAA and the National Air Traffic Controllers Association and not the result of mandatory pay raises or increase in government contribution rates for employee benefits.

FAA also stated that it does not consider first year maintenance costs of a new system to be a ''mask'' for rising Operations costs and that the policy was coordinated with and approved by the House and Senate Appropriations Committees. We did not question the practice used by FAA of funding certain activities using F&E budgets. As we stated in our testimony, FAA's procedures permit this method of accounting. However, our statement was to demonstrate that Operations costs may be even greater than reported because F&E funds are used, in some cases, to finance activities normally related to operations, such as maintenance, salaries, and travel costs.

FAA'S RESPONSE TO THE NATIONAL TRANSPORTATION SAFETY BOARD TESTIMONY

At the FY 2000 House Appropriation hearing on March 10, Chairman Wolf asked the FAA to respond to testimony from the Department of Transportation's Inspector General (IG) and the Chairman of the National Transportation Safety Board (NTSB). This is the FAA's response to the NTSB testimony on Safety.

INTERNATIONAL ISSUES

The NTSB indicates that their involvement in international accident investigations has increased because more and more U.S. airlines are entering into code-share arrangements with foreign airlines. He points out that FAA oversight responsibilities for foreign carriers is limited.

FAA has actively pursued new bilateral agreements that define specific obligations for both parties for airworthiness acceptance, repairs and maintenance. These new agreements, called Bilateral Aviation Safety Agreements, offer the FAA greater flexibility in dealing with the international oversight issues. Prior to implementing such agreements, the FAA conducts a detailed assessment of a partner country's aviation system and concludes implementation procedures that outline how each authority will interact. FAA's vision is that a network of competent aviation authorities will share responsibility for safety oversight and we are continuously working towards building this network.

The NTSB references a domestic situation similar to the international oversight issue that arose several years ago when large U.S. carriers began code-share arrangements with commuter airlines that did not have the same stringent safety requirements. Chairman Hall stated, ''Consequently, the traveling public was receiving in effect two levels of safety, until December 1995 when the FAA acted on NTSB recommendations and issued its final rule.''

The one level of safety initiative came from Secretary Pena's January 1995 Safety Summit and the considerable efforts of industry. The NTSB was involved, however, the rule was not specifically in response to a NTSB recommendation.

CONTROLLED FLIGHT INTO TERRAIN (CFIT)

The NTSB indicates a significant area of concern in foreign accidents is CFIT.

CFIT and approach and landing accidents are major safety items in the Administrator's Safety Agenda. The FAA and industry have extensive efforts underway to address these accident causal factors, yet no mention of the FAA/industry program is made by the NTSB.

FAA's short term efforts are directed toward (1) implementing the Terrain Awareness Warning System rule while encouraging voluntary compliance, (2) re-emphasizing current ATC CFIT training procedures and enhancing them where necessary, (3) establishing standards for FMS equipped aircraft to enable precision-like approaches to all airports, (4) emphasizing training on approach and missed approach procedures, (5) installing MSAW capabilities worldwide with an emphasis of high risk airports, and (6) implementing the FOQA rule to better identify safety-related issues and corrective actions. FAA will continue to work with industry to identify the most effective mid and long range interventions to reduce CFIT accidents.

The NTSB lumped CFIT and approach and landing accidents in one group. We believe the two categories should not be mixed. However, we recognize the need to address both CFIT and approach and landing issues.

ENHANCED GROUND PROXIMITY WARNING SYSTEM

Chairman Hall states that ''during the investigation for the (1997) Korean Air accident, it was revealed that the installation of EGPWS would have provided the flightcrew significant warning of the impending ground collision. However, at that time, the system was not certified for that model aircraft.''

The Korean Air Lines Boeing 747 was equipped with a GPWS that provided appropriate and timely terrain warnings to the flightcrew. For whatever reason, the flightcrew did not heed the GPWS warnings.

At the time of the Guam accident, EGPWS was not only not certified for the B747, it was also not available from the manufacturer. Chairman Hall's statement could lead one to believe that the only reason EGPWS wasn't on the KAL B747 was a lack of effort by the FAA.

AIRPLANE RECORDERS

Chairman Hall states that ''the Safety Board and this Subcommittee have for many years prodded the FAA to require upgraded recorders on transport category aircraft, but sadly, most of the fleet is still equipped with outmoded recorders.''

On July 17, the FAA revised Digital Flight Data Recorder (DFDR) rules. The revision specified the required increase in recorded parameters and compliance times for four categories of aircraft. To date, the FAA believes that close to 30 percent of the affected U.S.-registered fleet (aircraft with 10 or more seats) is in compliance with the new requirements. In addition, the FAA has data indicating that 95 percent of the U.S. B–737 fleet is either in compliance or in the progress of complying with the rule. We believe progress has been made but we also recognize that there is much more to be done. Administrator Garvey is working with the Air Transport Association and the individual carrier's CEOs to ensure early compliance for a major portion of the air carrier fleet.

The FAA is initiating an accelerated rulemaking effort to mandate increased recording time (2 hours) and the provision of a 10-minute independent power source for Cockpit Voice Records (CVRs). Since January 1998, practically all transport category aircraft have left the production line with a 2-hour recorder installed as original equipment. This same rulemaking project will also require CVR retrofits on all in-service aircraft and mandate dual-recorder equipage for new aircraft. Finally, the rulemaking project will amend Part 25 to require that CVRs, FDRs and redundant combination flight recorders be powered from separate generators with the highest reliability.

AIRFRAME STRUCTURAL ICING

Chairman hall discusses a history of NTSB recommendations on icing and a lack of acceptable response from the FAA. The NTSB is hopeful that the FAA's response to the most recent series of icing recommendations will be more acceptable.

The NTSB comments may leave the impression that the FAA has done very little to respond to airframe icing safety.

The FAA initiatives to improve safety when operating in icing conditions are outlined in the comprehensive FAA Inflight Icing Plan issues in April 1997. The Plan describes rulemaking, advisory material, research programs, and other initiatives either underway or to be initiated to achieve safety in icing conditions.

With regard to FAA responsiveness to NTSB icing recommendations, the NTSB testimony is silent with respect to the numerous Roselawn safety recommendations. In fact, there are 11 icing recommendations from the Roselawn accident, and all have been classified by the Safety Board in an Acceptable status. Three are Closed Acceptable and 8 are Open Acceptable.

The FAA has completed numerous actions which directly respond to airframe icing safety:

May 1995: issued AD to require modification of the deicing boots on the Aerospatiale ATR–42 and –72.

April 1996 and February 1998: issued 42 AD's requiring aircraft with unpowered roll controls and pneumatic deicing boots to exit icing conditions when specific visual icing cues are observed.

May 1996: FAA sponsored International Conference on Aircraft Inflight Icing.

April 1997: FAA Inflight Icing Plan issued.

July 1997: issued guidance on newly designed or derivative aircraft.

December 1997: issued AD requiring installation of an ice detector system on the EMBRAER EMB–120.

December 1998: held a mixed-phase and glaciated icing conditions workshop.

February 1999: sponsored an International conference on inflight operations in icing conditions.

February 1999: provided an analysis of supercooled large droplet (SLD) data to Rulemaking Advisory Committee for discussion on certification issues.

Additional AD's related to the operation of ice protection systems and minimum speeds in icing conditions are planned as a result of the February 1999 Icing Conference.

The NTSB testimony states, ''The original recommendations that stemmed from our 1981 safety study . . . were eventually closed as unacceptable or superseded, but the recommendations remained in an ''Open—Unacceptable Response status for 15 years''.

The original recommendations were superseded with a new recommendation A–96–54 which is classified as ''Open Acceptable.''

RUNWAY INCURSIONS

The NTSB is critical of the FAA's response to the rising number of runway incursions. Specifically, he says ''the FAA has studied this issue for years and has developed several action plans. Just last year, the FAA announced that reducing runway incursions was one of its top priorities and issued the Airport Surface Operation Safety Action Plan. However, implementation of that plan has not been finalized.''

The FAA has made significant progress but we realize there is much more to do. We are finalizing the program implementation plan, which establishes tasks, schedules and funding required to accomplish prevention strategies. We expect to publish this plan in April, 1999. We are well aware that we must provide appropriate funds for these priority initiatives.

We have on-site evaluations underway. Runway incursion action teams are focusing on airports experiencing an unusually high rate of incidents. We have completed 6 and plan to complete at least 14 additional evaluations by September 30, 1999.

The FAA is currently in the final stages of investment analysis that is addressing the validity of a wide range of technical and nontechnical solutions, such as: improved controller, pilot, vehicle operator education and training; procedural changes; and improvements in airport signs, lighting, surface marking and other equipment (such as low cost ASDE, loop technology).

The FAA is focusing on immediate initiatives to reduce runway incursions and prevent surface accidents. We are in the process of implementing 18 separate actions. Some examples follow:

''Awareness blitz'' targeted for operators and users.

Monthly Air Traffic/Airport Operator/User meetings at top 20 runway incursion airports.

Develop and distribute videos to address controller and pilot awareness.

Develop and safety related brochures and materials to aviation organizations.

The FAA's Safer Skies also identifies runway incursions as one of the focus areas for commercial and general aviation. A commercial and general aviation analysis team that includes FAA, NASA, industry and aviation union representatives [the Joint Safety Analysis Team (JSAT)] was chartered and met on February 11–12, 1998. A schedule over the next 6-month period was established to analyze commercial and general aviation runway incursions and develop intervention strategies based on this data analysis. This effort is fully coordinated with and complements the efforts in the Runway Incursion Program plan.

REVIEW OF FEDERAL AVIATION ADMINISTRATION (FAA) COMMENTS OF TESTIMONY PRESENTED BY THE NATIONAL TRANSPORTATION SAFETY BOARD ON MARCH 10, 1999

INTERNATIONAL ISSUES: CODE-SHARING ARRANGEMENTS/ONE LEVEL OF SAFETY

The FAA stated ''The one level of safety initiative came from Secretary Pena's January 1995 Safety Summit and the considerable efforts of industry. The . . . rule was not specifically in response to a NTSB recommendation.''

Comment.—The impetus for the one level of safety initiative and the issue of code-sharing can be found in the Safety Board's 1994 safety study on commuter airline safety, in which the Board recommended that the FAA:

Revise the Federal Aviation Regulations such that:

All scheduled passenger service conducted in aircraft with 20 or more passenger seats be conducted in accordance with the provisions of 14 CFR Part 121. (Class II, Priority Action) (A–94–191)

All scheduled passenger service conducted in aircraft with 10 to 19 passenger seats be conducted in accordance with 14 CFR Part 121, or its functional equivalent, wherever possible. (Class II, Priority Act) (A–94–192)

These recommendations and the recommendations on pilot training (A–94–195 and A–94–196) were classified ''Closed—Acceptable Action'' when the FAA issued its final rule on commuter airlines on December 20, 1995. These recommendations, and subsequent Safety Board Congressional testimony regarding commuter airline safety, predate Secretary Pena's 1995 Safety Summit. To say that that rule was not in response to Safety Board recommendations is not accurate.

In that study, the Safety Board also recommended that the U.S. Department of Transportation:

Require U.S. domestic air carriers certificated under 14 CFR Part 121, when involved in a code-sharing arrangement with a commuter airline, to establish a program of operational oversight that (a) includes periodic safety audits of flight operations, training programs, and maintenance and inspection; and (b) emphasizes the exchange of information and resources that will enhance the safety of flight operations. (Class II, Priority Action) (A–94–205)

Based on the safety recommendation database, that recommendation is still in an open—acceptable action status. While we were pleased with the initiatives outlined at the Safety Summit (and we should point out that we participated in the Summit), the full intent of the above recommendations has yet to be met.

The Board recognizes that some of the concerns it had with code-sharing arrangements between U.S. carriers can also exist in code-sharing arrangements between foreign-based carriers and U.S. carriers. The Board will thoroughly consider such issues should they arise in the Board's investigations and we will issue recommendations should they be warranted.

CONTROLLED FLIGHT INTO TERRAIN (CFIT)

The FAA stated that ''CFIT and approach and landing accidents are major safety items. . . .''

Comment.—From the time that EGPWS was first certified (Oct. 1996), it took FAA an additional 2 years to issue the NPRM. We are not aware that a final rule has been issued.

ENHANCED GROUND PROXIMITY WARNING SYSTEMS

The FAA stated ''The Korean Air Lines Boeing 747 was equipped with a GPWS that provided appropriate and timely terrain warnings to the flight-crew.''

Comment.—This statement is not correct. The KAL Boeing 747 GPWS did not provide any terrain warnings to the flightcrew because the airplane was in landing configuration. Only radio altitude call were given by the GPWS during the accident flight.

The FAA stated ''At the time of the Guam accident, the EGPWS was not only not certified for the B747, it was also not available from the manufacturer.''

Chairman Hall stated that at the time of the accident EGPWS was ''not certified for that model aircraft'' (referring to the KAL 747–300). Chairman Hall merely stated a fact and was not implying that FAA inaction was to blame for the lack of an EGPWS on the accident airplane.

AIRPLANE RECORDERS

The FAA stated ''To date, the FAA believes that close to 30 percent of the affected U.S.-registered fleet (aircraft with 10 or more seats) is in compliance with new requirements.''

Comment.—Thirty percent is considered a modest accomplishment when it is noted that most newly manufactured airplanes delivered since 1998 meet or exceed the new parameter requirements, and that 226 Boeing 737s were retrofitted by one airline, namely Southwest, accounting for most of the retrofits. Therefore, the bulk of this 30 percent figure can be attributed to newly manufactured airplanes and one airline's aggressive retrofit program.

The FAA stated ''. . . 95% of the U.S. B–737 fleet is either in compliance or in the progress of complying with the rule.''

Comment.—At this late date, the Boeing 737 operators should be in the process of complying with the new FDR requirements. It is the Board's understanding that ''being in the progress'' can mean that an aircraft is simply scheduled for a retrofit as much as two years in the future.

The FAA stated ''Administrator Garvey is working with the Air Transport Association and the individual carrier's CEOs to ensure early compliance for a major portion of the carrier fleet.''

Comment.—The Metrojet Boeing 737 that experienced a rudder incident near Baltimore—Washington International Airport was scheduled to have a C-check in March 1999, but was not scheduled to have the FDR upgrade until 2001. This does not reflect early compliance.

The FAA stated ''FAA is initiating an accelerated rulemaking effort to mandate increased recording time (2 hours). . . .''

Comment.—This statement is accurate. A Rulemaking project has been initiated and FAA staff assigned. NTSB staff has been invited to participate in the rulemaking effort,

and thus far, Safety Board staff have had four meetings with FAA staff on this subject.

The FAA stated ''Since January 1998, practically all transport category aircraft have left the production line with a 2-hour recorder installed as original equipment.''

Comment.—While this statement is generally true, we are aware of at least one airline's labor agreement with its pilots required them to remove the 2-hour CVRs and replace them with the solid-state 30-minute CVRs.

AIRFRAME STRUCTURAL ICING

The FAA stated ''The NTSB comments may leave the impression that the FAA has done very little to respond to airframe icing safety.''

The Safety Board does believe that the FAA did very little to address airframe structural icing until after the ATR–72 accident at Roselawn, Indiana in 1994. Since then, the FAA has worked with industry, primarily through the ARAC process, to initiate several important efforts that will eventually reduce the risk of flight in icing conditions. Chairman Hall acknowledged these recent ARAC efforts in the Board's testimony.

''With regard to FAA responsiveness to NTSB icing recommendations, Chairman Hall in silent with respect to the numerous Roselawn safety recommendations.''

Comment.—Chairman Hall mentioned both the Comair and the Roselawn accident recommendations in his testimony, and acknowledged that the FAA's ARAC efforts and icing conferences are ''in response to those recommendations.''

The FAA stated ''The FAA has completed numerous actions which directly respond to airfame icing safety.''

Comment.—The Safety Board acknowledges the FAA actions cited in Administrator Garvey's response.

The FAA stated ''The original recommendations were superseded with a new recommendation A–96–54 which is classified as 'Open Acceptable'.''

Comment.—Chairman Hall's testimony correctly states that the original 1981 safety study recommendations remained in an open-unacceptable status for 15 years. It is also correct that the original recommendations were superseded with a new recommendation, A–96–54, which is classified as Open-Acceptable. The 1981 recommendation was superseded with a new safety recommendation because acceptable action had not been taken by FAA.

RUNWAY INCURSIONS

The Safety Board's concerns about runway incursions are heightened by adverse trends in recent years. Although there was a slight downward trend in runway incursions from 1990 to 1993, the trend has been moving upward since then. In 1997, there were 300 incursions, up from 275 the previous year. In 1998, there were 326 incursions. According to the FAA, the monthly rate in September 1998—0.73 incursions per 100,000 operations—was the highest monthly rate in 11 years.

The FAA stated, ''We are finalizing the program implementation plan . . . we expect to publish the plan in April 1999 . . . we are well aware that were must provide appropriate funds . . .

Comment.—The Safety Board has expressed its disappointment that the FAA failed to fund its program office for runway incursions for more than two years. This safety issue needs coordination and overall direction by the FAA, which had been the function of the program office. The Board is pleased that the FAA is now committing itself to the necessary coordination and funding, and will review the FAA's plans and budgets when they are provided. The Board hopes that the FAA will meet its target date of April 1999.

The FAA stated, ''We have on-site evaluations underway.''

Comment.—The Safety Board is aware that several initiatives have been started and tested by the FAA, but too few of these have been completed. The Board will continue to evaluate the FAA's runway incursion program based on completed programs and equipment that is placed in operation. For example, the Safety Board notes that several AMASS units may be ''fielded'' or ''deployed,'' but the Board further notes that none are currently operational and the FAA has not projected an operational date.

ORDER OF BUSINESS

Mr. NETHERCUTT. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

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

There was no objection.

NATIONAL CANCER INSTITUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. NETHERCUTT) is recognized for 5 minutes.

Mr. NETHERCUTT. Mr. Speaker, the National Cancer Institute estimates that over 8 million Americans alive today have a history of cancer. Before the millennium, it is expected that over one million new cancer cases will be diagnosed. Just in this decade, approximately 12 million patients will have cancer detected.

This year it is anticipated that over 500,000 Americans will succumb to cancer. That is over 1,500 people per day. Today, cancer is the second leading cause of death in the United States, exceeded only by heart disease. A bright spot in this tragic picture is the fact that when all cancers are combined, the 5-year survival rate is 60 percent.

So I am pleased to rise today to highlight the excellent work being done at Washington State University's Cancer Prevention and Research Center, a center that is in my own district in Pullman, Washington, to help win this fight against cancer.

This center in Pullman is the focal point for cancer research at Washington State University. The center is located within the College of Pharmacy, where cancer is the core of the research conducted in the Pharmaceutical Sciences Department. The researchers there in several other Washington State University research departments are studying the deadly disease, including some in biochemistry, food sciences and human nutrition, microbiology and zoology, veterinary medicine, and many, many more.

Today, the Cancer Center is a catalyst to mobilize collaborative research efforts within the University and the surrounding health care community, especially Eastern Washington and Northern Idaho. The goals of the Center in its work are to attack cancer through a multidisciplinary research approach, provide central support services and shared facilities for ongoing research, facilitate translation of basic research to the clinic, and educate health professionals and the public about healthy life-styles and cancer prevention.

The new director of the center, Gary Meadows, hopes to make WSU, Washington State University, and its Cancer Prevention Research Center the major cancer organization in eastern Washington. And our State, by the way, is rich in cancer research facilities: The Hutchinson Cancer Research Center in Seattle, the University of Washington Medical School, and many other university support services provide great research for cancer.

So I applaud and encourage Dr. Meadows and his colleagues for their demanding pursuit to eradicate this deadly disease, and I urge my colleagues to consider favorably additional funding through the National Institutes of Health and research grants for not only cancer research and a possible cure but for diabetes and Alzheimer's and multiple sclerosis and all the other diseases that affect Americans throughout this country.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET, REVISIONS TO AGGREGATE SPENDING LEVELS SET BY INTERIM ALLOCATIONS AND AGGREGATES FOR FISCAL YEAR 1999

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the aggregate spending levels set by the interim allocations and aggregates for fiscal year 1999 printed in the RECORD on February 3, 1999, pursuant to H. Res. 5 and adjusted for H.R. 1141. The adjusted allocation for the House Committee on Appropriations, adjusted by the Kosovo & Southwest Asia Emergency Supplemental Appropriations Act for fiscal year 1999, reflects $11,109,000,000 in additional new budget authority and $2,907,000,000 in additional outlays for designated emergency spending. In addition, the Committee on Appropriations will receive $25,000,000 less in budget authority and $2,000,000 less in outlays for funds previously appropriated for arrearages that were rescinded in H.R. 1141. Overall, the allocation to the Appropriations Committee will increase to $584,912,000,000 in budget authority and $579,814,000,000 in outlays for fiscal year 1999.

I also submit for printing in the CONGRESSIONAL RECORD an adjusted fiscal year 2000 allocation to the House Committee on Appropriations to reflect $1,838,000,000 in additional new budget authority and $1,774,000,000 in additional outlays for designated emergency spending. In addition, the outlay effect of the fiscal year 1999 budget authority of H.R. 1664 will result in additional outlays of $5,243,000,000 for fiscal year 2000. This will increase the allocation to the Appropriations Committee to $538,109,000,000 in budget authority and $577,962,000,000 in outlays for fiscal year 2000.

The House Committee on Appropriations submitted the report on H.R. 1664, the Kosovo & Southwest Asia Emergency Supplemental Appropriations Act for fiscal year 1999, which includes $11,109,000,000 in budget authority and $2,907,000,000 in outlays for fiscal year 1999 designated defense and non-defense emergency spending. H.R. 1664 includes $1,838,000,000 in budget authority and $7,017,000,000 in outlays for fiscal year 2000 designated emergency spending.

These adjustments shall apply while the legislation is under consideration and shall take effect upon final enactment of the legislation. Questions may be directed to Art Sauer or Jim Bates at x6–7270.

NATIONAL DAY OF PRAYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. LUCAS) is recognized for 5 minutes.

Mr. LUCAS of Oklahoma. Mr. Speaker, today is the National Day of Prayer. After what my staff and I have observed in our beloved home State of Oklahoma in the past 2½ days, I would ask all of my colleagues and all Americans to lift our friends and neighbors in prayer.

This natural disaster has physically impacted virtually every region of our State. The super cells that shot from the far southwest quadrant of the State to the northeast boundaries caused damage and loss in the districts of each of my colleagues in the Oklahoma delegation.

But, as is always the case in the history of our State, no disaster, manmade or natural, can break the resolve or the spirit of our fine people.

Pray for the widow and her adult daughter in Del City who were searching through the rubble of a home she shared with her husband from 1973 until his death 2 years ago. They were not searching for diamond rings or stock certificates. No, all they hoped to find was a keepsake photo of their late husband and father.

Pray for their young neighbor boy who was so excited to find a single baseball card on the spot where his bedroom once sat.

And pray for Oklahomans in all parts of the storm-ravaged State, including the small town of Dover where over half of their community has been destroyed. They, too, need uplifting.

These good people and thousands of others are hauling off all of their worldly possessions in the trunk of a car or even a wheelbarrow. So many more were not that fortunate.

Nothing can contain their will, their faith, and their fight. God bless Oklahoma. Pray for Oklahoma.

CHINA'S THEFTS OF U.S. NUCLEAR SECRETS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Indiana (Mr. BURTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. BURTON of Indiana. Mr. Speaker, last week I came to the floor to point out some of the misleading statements coming out of the White House with respect to China's thefts of U.S. nuclear secrets. I said that the White House had misled the public when it was said by the President that no one had reported to him about Chinese spying, when in reality National Security Advisor Sandy Berger had made such a report to him in July of 1997.

The President said on March 19, when asked by a reporter, and the reporter asked this question, ''Can you assure the American people that under your watch no valuable secrets were lost?'' And the President responded, ''Can I tell you there has been no espionage at the labs since I have been President? I can tell you that no one has reported to me that they suspect such a thing has occurred.''

Well, Sandy Berger, the head of the National Security Council, in the fall of 1996 and early 1997 was told by the Department of Energy, their intelligence people, their security people, that there had been espionage taking place at the nuclear laboratories, at Los Alamos and others.

Now, he is the head of the National Security Council. He is appointed by the President to inform him about national security matters. He is the chief national security fellow. And yet the President said he had no knowledge of any espionage taking place; and he said this in March of 1999 this year, just last month or so.

And then again on NBC's ''Meet the Press,'' Sandy Berger, the head of the NSC, said his first Energy Department briefing with Chinese spying was very general and very preliminary, said he did not really know about it. He went on to say at that interview, at that stage Mr. Berger said to Mr. Tim Russert of NBC, ''We did not really know how and we did not really know what was taking place.''

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These facts are not facts. These assertions do not square with the facts.

In April of 1996, Notra Trulock, the Energy Department's Chief of Intelligence, briefed Sandy Berger about the full extent of Chinese spying. Berger was told that China had stolen W–88 nuclear warhead designs and the neutron bomb data. He was told that a spy might still be passing secrets to China at Los Alamos. He was even told that the theft of neutron bomb data occurred in 1995 under President Clinton's administration. So if he was told all that, why did he not go right into the Oval Office and tell the President? Well, I believe he did, and the President stated, later on, that he did know about these things.

At the end of the briefing, Trulock referred to a recent intelligence report. In the report a Chinese source said that officials inside China's intelligence service were boasting about how they had just stolen U.S. secrets and how those secrets allowed them to improve their neutron bomb. The neutron bomb is a weapon that could be launched at an American city, kill everybody in it but leave the infrastructure, the buildings and bridges and the roads intact. The source said that the Chinese agents solved the 1988 design problem by coming back to the United States in 1995 to steal more secrets.

According to one official, the intelligence about the neutron bomb was hot off the press, and it was included in the briefing to warn the White House of the possibility of continued Chinese espionage at Los Alamos and Livermore. It was a pretty specific briefing, one official said who was present.

When Paul Redmund, the CIA's chief spy hunter, was given a similar briefing from Mr. Trulock a few months earlier, he said that China's spying was far more damaging to the United States security than Aldrich Ames, who is now in prison, and would turn out to be as bad or worse than the Rosenbergs, who were executed for giving top nuclear information to the Soviets back in the 1940s.

Mr. Speaker, contrary to his claims on Meet the Press, the fact is that Sandy Berger knew who, knew how and really knew what with respect to the Chinese spying right then in his April 19, 1996, Energy Department briefing. So why does the head of the NSC, Sandy Berger, claim that this briefing was so general? Why does he claim that he did not brief the President until July of 1997 only after receiving a second and supposedly more detailed briefing from Trulock?

Now, he admits to briefing the President in 1997, but remember what the President said in March of this year: ''Can I tell you there has been no espionage at the lab since I have been President? I can tell you that no one has reported to me they suspect such a thing has occurred.'' And yet Mr. Berger does admit that he briefed the President in 1997.

So why was the President misleading the American people? I do not know,

but we need to know why. There are only two explanations. Either Mr. Berger was grossly incompetent and did not want to tell the President when he should have back in 1996 and is now covering for himself, or he wants to protect the President and make it appear that the President only found out about the spying in July of 1997.

But, again, the President said he did not really know anything about it, even in March of this year. Is it really likely that Sandy Berger after hearing such a detailed and alarming picture of Chinese spying, that he would keep this information to himself instead of immediately informing the President? And if he did so, if he did not tell the President when he found out about it, he should be fired.

The New York Times reported that in 1998, in a sworn reply to the House committee chaired by Christopher Cox, the Cox report which we have read so much about, Berger first said that the White House was not told about the espionage until 1998. So Berger apparently has changed his story as more and more of the facts have come out.

When David Leavy, the National Security Council spokesman, was asked to explain the discrepancy about when Berger informed the President, he said that after the Cox committee process, we started to remember more. They started to remember more about Chinese espionage on our nuclear facilities at our nuclear laboratories? They just did not tell the truth.

Are we supposed to believe that Sandy Berger forgot about the briefing of the President on Chinese spying in July of 1997? That is just crazy. How could we believe anything that the Clinton administration says about this when the President says he was not told, did not know anything about it in 1999 in March? Berger says he told him in 1997 and said he did not tell him anything before that when he knew about it in the fall of 1996.

Worse than that is the man that they knew or believed was giving these secrets to the Communist Chinese about our nuclear weaponry that makes them on a par with us in many cases, this man was left in the job at these laboratories, this man who was supposed to be a spy, for 3 years. Why was he kept at the laboratory in his top secret position for 3 years after they knew espionage was taking place from our sources in China? Why did they not fire the guy?

And the FBI went to the Justice Department, not once, not twice, not three times, but four times the FBI went to the Justice Department with probable cause and said they wanted to put a wiretap on this guy and they wanted to have a warrant to investigate his computer to see if he was giving information to the Chinese Communists. And the Justice Department denied all four of the requests, saying there was not enough evidence. Yet that was the only wiretap in 1997 and 1998 that was turned down, and it was turned down four times.

Now, the Justice Department has said they are going to investigate this whole thing. But they are the ones who turned down the wiretaps on the man that was performing the espionage, according to the FBI, Mr. Lee, Wen Ho Lee.

This whole thing stinks to high heaven. And at the same time this espionage was taking place and the Chinese Communists were being able to target not one American city but 10 American cities with one missile with 10 warheads, with pinpoint accuracy, at the time all this technology was being transferred and we were leaving this guy in place at the nuclear laboratory, the White House and the Democrat National Committee was getting campaign contributions from sources in Communist China.

Mr. Johnny Chung will be appearing before my committee next week and will be questioned about these conduit contributions into the Democrat National Committee and into the Clinton-Gore Reelection Committee.

What I cannot understand is how the White House could have all these Chinese Communist businesspeople coming in and out of the White House with Johnny Chung. He was in there 49 times. He said, the only way you get in and out of the White House is by putting money in because it is like a turnstile at a subway station.

While all this money was changing hands and going into the coffers of the President's Reelection Committee, this espionage was taking place at our nuclear laboratories and the man was left in place even though the Justice Department was asked four times by the FBI for electronic surveillance.

These questions must be answered for the American people, because the security of every man, woman and child has been jeopardized by this espionage that has taken place.

Now, the thing that bothers me even in addition to all this is that when the President went to China last year, he stood beside President Jiang; and President Jiang said that nobody in his government was involved in giving illegal campaign contributions to the President's Reelection Committee or to the Democrat National Committee.

Johnny Chung has said that the head of the Chinese People's Liberation Army Military Intelligence Agency, the head man, the head spy for that country, met with him along with the head of their aerospace industry; and this lady, who is the head of their aerospace industry, is the daughter of the fellow who used to be the head of the People's Liberation Army and a member of the Communist Chinese hierarchy, the Politburo. They met with Johnny Chung and they gave him $300,000 to give to the President's Reelection Committee and to the Democrat National Committee. Part of that was delivered; part of it Mr. Chung kept.

How could the President stand beside President Jiang in 1998 and say this? When President Jiang said that they were not giving any money, he says, I do believe him, President Jiang, that he had not ordered or authorized or approved any such thing and that he could find no evidence that anybody in governmental authority had done that.

The President said that at the same time that he knew espionage had taken place at Livermore and at Los Alamos, because he had been briefed by Sandy Berger. He knew that illegal campaign contributions had come into the United States from Communist China, and he said he believed President Jiang. Why was that said?

Again, in April of this year, how could the President listen to Chinese Prime Minister Zhu Rongji deny any Chinese involvement in spying and espionage? President Clinton said, ''China is a big country with a big government, and I can only say that America is a big country with a big government and occasionally things happen in this government that I don't know anything about.''

Talk about a disingenuous statement. In China, in Communist China, if you are involved in this kind of activity and the government does not know about it, they put you in prison or they kill you. Especially nuclear espionage. Yet the President said, ''Well, that's a big country and maybe they didn't know about it.'' Espionage at our laboratories, giving them nuclear technology that could kill 50 to 60 million Americans? Mr. Speaker, our leadership cannot continue to blindly accept each and every denial that comes out of China.

Newsweek recently reported that a team of U.S. nuclear experts practically fainted, these are our top scientists, they practically fainted when the CIA showed them the data that was obtained from its sources in China.

What did this data show, Mr. Speaker? It showed Chinese scientists routinely using phrases, descriptions and concepts that came straight out of our weapons laboratories.

One of the officials close to the investigation said, the Chinese penetration is total. They are deep, deep into the lab's black programs. That means the nuclear technology that we have spent decades developing, that have cost the American taxpayer billions of dollars, that ensured our national security against a first strike by a Communist country or an adversary, Saddam Hussein or whoever it might be, has been compromised and jeopardized; and the Chinese Communists are deep into every one of our top nuclear missile programs.

Now, they say that we are the only superpower in the world. I can tell you that the Chinese Communist government is advancing their nuclear technology with this espionage that has taken place to such a degree that, if they are not on a par with us yet, they are getting very, very close; and we are going to be in jeopardy if we ever have a conflict with them. They have 1.2 or 1.3 billion people. We have 225 or 230 million people. In a nuclear exchange, they could sacrifice 200 million people. But we could not sacrifice 50 million. Yet they now have the technology with this espionage to really cause our economy and our country severe problems, and I am talking about 50 to 60 million people killed with a first strike and our economy to be in a complete shambles.

We need to have the answers to this. We need to make sure that this kind of espionage never takes place again. And we need to make absolutely sure that those who were responsible, either through neglect or intentionally allowing this to happen, be brought to justice and be held accountable.

I intend to come to this floor every week until we get through this mess for 5 minutes or for an hour to bring this information to the attention of the American people.

Right now, we are all paying attention to Kosovo, halfway around the world, an area where we do not have any vital national interest. And while we are talking about Kosovo and our heart goes out to those people over there who are suffering, while we are talking about that, espionage has taken place in the United States that endangers every man, woman and child, and nobody is even paying any attention to it. It is a darn shame. It shall not continue if I have anything to do with it.

CHINESE ESPIONAGE

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Nevada (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, I applaud my colleague who was just at the podium addressing the issue of Chinese espionage at our nuclear facilities and would, of course, like to engage the gentleman from Indiana, if I may.

And certainly a question that would have to be raised at this point in time is, can America feel secure today with its nuclear weapons secret intact now? Have we solved this problem yet? Or is there something we should be doing?

Mr. BURTON of Indiana. No, the problem has been exacerbated by the espionage that has taken place, as I alluded to a few minutes ago.

The thing that really concerns me is the head of the National Security Council, Sandy Berger, who was briefed about this in April 1996 really did not do anything about it.

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He informed the President in 1997. The President has not owned up to that, and the thing that concerns me a great deal is that when this was known we should have called the head of the FBI, Louis Freeh; Janet Reno; the head of the CIA; and the head of the Energy Department, and together to come up with a way to catch the people who were involved in the espionage and make sure it stopped. But unfortunately they kept the people on at Los Alamos for 3 years after that, and the Justice Department would not even allow wiretaps on the fellow.

So it has been a real mess, and we need to get to the bottom of it.

Mr. GIBBONS. Is the gentleman suggesting that through inadvertence or maybe intentionally disregarding the danger here, the FBI and the Justice Department failed to take an active role in the investigation of this espionage once it was found out in 1995 and 1996?

Mr. BURTON of Indiana. I think that Louis Freeh and the FBI were trying to do the best that they could. They went to the Justice Department four times asking for electronic surveillance on Mr. Wen Ho Lee, the man who was involved in the espionage, or allegedly involved in the espionage, and the Justice Department denied on four separate occasions the electronic surveillance, and to my knowledge that was the only denial of electronic surveillance where there was probable cause by the FBI in the year of 1997, 1998. And so why did they deny it when we are talking about national security, and why was this man left in this position for 3 years?

Those are questions that need to be answered and answered very quickly.

Mr. GIBBONS. Well, I do express the same concerns that my colleague has over this issue because once our nuclear weapons technology has spread to other countries, of course, as we know, there is a likelihood that that will even progress further in the proliferation of that technology to Third World countries or even rogue states. I know that China has an ongoing participation with countries like Iran, Pakistan and others who are in the process today of building up their nuclear arsenal.

So from the standpoint that America has lost a great deal of its internal security, we have also lost a great deal of our national security from the fact that now these weapons, the design of which was obviously transferred to the Chinese through some process like the gentleman is describing here, now can be directed toward us by the Chinese or other countries who possess this technology.

Mr. BURTON of Indiana. The gentleman makes a very valid point. The proliferation of nuclear weapons is growing at a rapid rate, and with this technology going to the Chinese communists, I do not know if they are going to let it out or not, but the fact is they have been selling a lot of advanced weaponry to countries like Iran, and I am not sure about Iraq, but I believe Iraq, and my colleague mentioned some other countries as well. And that technology, if it gets into the wrong hands, could precipitate a strike by some kind of a crazy like Saddam Hussein, if he had the opportunity, that could cause untold human misery.

And so we need to keep a tight lid on all of the nuclear technology that we have, and for us to keep a person who is suspected of espionage in a position of leadership at Los Alamos for 3 years and not allow the FBI to even put electronic surveillance on him is a real dereliction of duty.

Mr. GIBBONS. Well, I thank the gentleman for, of course, his interest in looking into this issue. It is on the forefront of the minds of a great number of Americans, and I applaud him for his interest in keeping all of us apprised of this and looking into it on behalf of the committee and on behalf of the American people.

PEACEFULLY RESOLVING THE SITUATION IN KOSOVO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I want to thank my colleagues for holding some time while I ran over from Rayburn. I was expecting that the other side would offer a special order, and I did want to make sure that we took this special out this evening, and I am happy that my good friend from Nevada is going to be joining us as we review, Mr. Speaker, the past 4 weeks and actually 5 weeks and discuss an effort by this Congress to move the process involving Kosovo to a new level and a new direction, and that is to try to find a way to solve the situation peacefully.

Mr. Speaker, it was actually a little bit over 4 weeks ago, the week of April 6, when Russian friends of mine who I have been involved with for the past 5 years in a formal Duma-Congress relationship called me at my home and asked if I would be open to some ideas about engaging with them to find a peaceful solution to the Kosovo crisis. They were calling me for several reasons.

One, they said they had, the Russians had been shut out of the process by our government in terms of working with them once the bombing campaign began, that there had been no overture on the part of our State Department or our administration to involve Russia, but rather our administration in the minds of the Russians had become convinced that they could solve the problem of the ethnic cleansing in Serbia

by bombing and bombing in a massive way.

The second reason they called, Mr. Speaker, was because these pro-western leaders in Russia were concerned. They saw their country heading down the wrong path. In fact, they cited examples of evidence that Russia had become much more anti-American than at any point in time that they had seen since the days of the Soviet communist regime.

In fact, they said that Americans were now being told not to speak English on the streets of Russia, that the Duma had canceled all activities interconnecting with America, cancelling all conferences. The Harvard University Study Group that goes on every year was canceled. The initiative to involve exchanges of staffers was canceled. Every possible contact between us and Russia had been severed, not just because of the bombing but because of our administration's refusal to work with Russia in a proactive way.

In fact, as I mentioned earlier today, Mr. Speaker, a Duma member was here in this Capitol building, and he said something very interesting: that for decades and decades the Soviet Communist Party had spent billions of dollars to try to convince the Russian people that America was bad, that we were a Nation that was filled with hate and that Russia should not in the end want to be friends with, and he went on to say that the Soviet Communist Party failed. All the money they spent, all the activities they engaged in could not convince the Russian people that America was evil or that America was not a nation of the highest standards.

And he went on to say today that in just 45 days this President has done what the Soviet Communist party could not do in decades and decades of attempts, and that is because of the Kosovo crisis, because of the incessant bombing of the people of Serbia; because of the lack of involvement of Russia, the Russian people had turned against America, and that the polls were showing that Russians all over that nation now see America in their minds and in their eyes in a negative way.

What they have told us is that if we continue this policy, we are going to push Russia right into the hands of the communists and the ultra nationalists who want to revert back to the Cold War days when America was the enemy.

Russia has elections scheduled for this year, Mr. Speaker, and the Russians that are friends of ours, the pro-Western forces, are saying if you continue the policies that you are currently pursuing, you will defeat us in the election and you will end up with the Duma, a federation council and a president who are anti-American, who are anti-West and who will turn toward the Middle Eastern, in many cases the rogue states.

That is not what we want, Mr. Speaker.

So when the Russians called me 5 weeks ago at home, I said, ''Send me what you would like us to pursue.'' They sent me a simple document that contained three ideas.

The first one was that Russia should accept responsibility for helping to stop the ethnic cleansing, and they called it ethnic cleansing.

Number two, that Milosevic had to come to grips with the NATO requirements. The only problem Russia had with that was that they felt U.S. and British troops on the ground would not be appropriate, since America and Britain were the primary bombers that were persecuting the raids over Serbia.

And, number three, that there be a commission established between the Congress and the Duma to oversee any agreement that would be reached.

Now, Mr. Speaker, that was a simple plan, but as I looked at it, I said, ''You know, it's something we can build on.'' So I took that document. Not wanting to work outside of our government, I wrote up a memo.

I first of all called the White House and talked to Leon Fuerth, the top security adviser to Vice President Gore, and I said, ''Mr. Fuerth, this is what the Russians have done. You know of my involvement with them. I want to send you a copy of their proposal, and I want to let you know I am going to work with them quietly.''

He and I suggested that I follow up that call with Carlos Pascual from the National Security Council who focuses on Russian issues. I called him. I faxed him the same memo.

In that first week of April I told no Republican what I was doing, but I kept our government informed.

Over the weekend we had additional calls.

The following week I decided to brief the Director of Central Intelligence, George Tenet. I let him know that I had been contacted, what my response was and that I had told the Russians that I was supportive of the five points that NATO had eventually come to put into writing and the administration's approach, that I was willing to work with them to try to find a peaceful solution.

Also that week, Mr. Speaker, which was the week of August or April 13, I contacted two Democrat colleagues in this body: the gentleman from Maryland (Mr. HOYER) and the gentleman from Pennsylvania (Mr. MURTHA). Congressman Hoyer is my cochair on the Russian Duma-Congress Initiative, he is very well respected by the administration, and he is a good friend of mine who I trust. Congressman Murtha, also a good friend, is a key person that the administration relies on.

I asked the gentleman from Pennsylvania and the gentleman from Maryland to talk to the administration, to talk to Strobe Talbott and talk to the White House and let them know what I was doing, and they both did that, and they told me they did. The gentleman from Maryland talked to Strobe Talbott, and the gentleman from Pennsylvania talked to the White House.

Also that week, Mr. Speaker, I approached three other Democrats in this body: the gentleman from Illinois (Mr. BLAGOJEVICH) because of his Serbian background and ethnic ties; the gentleman from Hawaii (Mr. ABERCROMBIE) who had just returned from Kosovo; and the gentleman from New York (Mr. HINCHEY) who had gone with me to Moscow in December.

So during the second week of this process I contacted no Republicans but again focused on the other party and the administration, trying to find common ground.

At the end of that week, Mr. Speaker, I called the State Department and talked at length two times to Steve Sestanovich, who is in charge of Russian affairs within the State Department. I talked to his assistant from my home, Andre Lewis, who had traveled with a delegation that I chaired to Moscow in early December of last year. I briefed them on what had happened and told them that I was trying to work out an idea that the Russians had brought to my attention because of their frustration in seeing that the administration had cut off contact with Russia in trying to solve the Kosovo conflict peacefully.

Mr. Speaker, besides talking to Sestanovich and Andre Lewis and all of the others that I mentioned earlier, I decided to challenge the Russians because they asked me to bring a bipartisan delegation to meet with them when they travel to Belgrade to meet with Milosevic. I said: Give me that in writing. Give me the request on your official letterhead. Tell me who the colleagues will be from the Russian side that we will interact with. Give me the written time and date of the meeting with Milosevic. Give me an understanding and a commitment that we will meet with our POWs, who up until this point in time had not been talked to by anyone, even the Red Cross. And commit to me that you will go to a refugee camp of our choosing to see the pain and suffering brought forward by Milosevic.

Mr. Speaker, the Russians agreed to all five points. They wrote to me. First, Deputy Speaker Ryshkov and now chairman of Chernomyrdin's political faction, Nosh Dom, Our Home is Russia, wrote to me a very personal letter, and he asked me to get formally involved. Again, Mr. Speaker, I did not go to my Republican colleagues. I went to my Democrat friend and colleague, the gentleman from Maryland (Mr. HOYER), and I said, ''Can you help me get a meeting with the White House? Can you help me get a meeting with

Sandy Berger so I can run this idea by him?''

I called Sandy Berger three times, Mr. Speaker. He never had the courtesy to return my phone call. So I asked again the gentleman from Maryland (Mr. HOYER) if he would work with me to get a meeting with Strobe Talbott. He said, ''Call Talbott. He will return your call and you'll get a meeting.''

□ 2045

This was Thursday, Mr. Speaker, April 23. Strobe Talbott said I will meet with you today.

I said I want to bring the gentleman from Maryland (Mr. HOYER) with me. I picked the gentleman from Maryland (Mr. HOYER) up. We drove down to the State Department and for 90 minutes we met with Strobe Talbott and three of his top deputies.

We went over with him the offer of the Russians to come to Budapest to achieve a dialogue of understanding based on those first three principles; then the drive together on a bus to Belgrade, where at 1:00 on that following Monday we would have a face-to-face meeting with Milosevic; we would have lunch with our POWs and travel to a refugee camp so the Russians would see the horror that Milosevic has perpetrated on the Kosovar people.

After the meeting, Strobe Talbott said, I have concerns about what you want to do but I will talk to the Secretary of State and Sandy Berger. Two hours later that evening, Thursday, April 23, Strobe Talbott called back and said, you can do what you want as a citizen, we cannot stop you, but our advice is that you should not travel to Belgrade.

I said to him if my government says we should not go, I will not be a renegade. I will call the Russians and tell them that we are not coming to meet with them, and I did.

That was a very upsetting telephone call to the Russians because they had also arranged for one of Milosevic's top aides, Dragomir Karic, to meet with us and drive with us to Belgrade. Karic is a very successful businessman in Belgrade, in Russia. His companies employ 64,000. He owns a TV station in Serbia. He owns a bank. He owns extensive companies. He is not a member of the government but is a key financial supporter and a close personal friend of Milosevic and his wife. He was going to be the person who accompanied us into Belgrade for these meetings.

When we were turned down by our government, I told the Russians that the gentleman from Maryland (Mr. HOYER) had suggested that we have another meeting in a neutral site, and the State Department, through Strobe Talbott, agreed and thought that would be a good idea. So I told the Russians that weekend that they should plan a trip to a neutral city, and they said we will go to Vienna on April the 30; Vienna, Austria.

Then Monday of last week, Mr. Speaker, I developed a 3-page letter which I sent to all 435 Members of the House. That 3-page letter documented everything I had been doing, including the fact that I had not involved the Republicans because I did not want our friends on the minority side and the administration to say somehow we were doing something partisan or that somehow we were doing something that was less than honorable or that somehow we were doing something to embarrass the President. No one could say that. In fact, no one can say that today.

That letter went out to every Member and I invited every Member of this body to join with me and with others in trying to find a bipartisan solution to the Kosovo crisis that would end the bombing and end the hostility.

On Tuesday and Wednesday evening of last week, we had meetings with Members of Congress. We sat together and we talked. A number of us at our Republican Conference on Wednesday asked our leadership not to have the votes on Thursday, because we felt they would be too confusing to have votes about whether or not to declare war or whether or not to withdraw the troops.

We asked our leadership to postpone those votes until this week. We were not successful, because the gentleman who offered that resolution, the gentleman from California (Mr. CAMPBELL), wanted to have the votes on that day, which, in fact, is a requirement of the War Powers resolution.

In fact, I went to the Committee on Rules that night at 10:30 and asked the Committee on Rules to consider a motion to be made in order to allow me to table the votes until this week so we could meet with the Russians to see if there was some possibility of common ground.

We were not successful in that attempt. The votes occurred, and all day Thursday I sought to get the approval for a plane to take a delegation to Vienna.

Working with colleagues like my friend, the gentleman from Nevada (Mr. GIBBONS), we got the approval and at 6:00 last Thursday evening, 11 Members of Congress got on an airplane that holds 12 people. We flew all night and we arrived in Vienna the next morning.

That delegation, Mr. Speaker, included the most liberal Members of this body, including now a good friend of mine, the gentleman from Vermont (Mr. SANDERS), our only socialist and independent; Democrats who support the President, like the gentleman from New York (Mr. HINCHEY) and the gentlewoman from Florida (Ms. BROWN); Democrats who have been concerned about the President's policy, like the gentleman from Ohio (Mr. KUCINICH) and the gentleman from Hawaii (Mr. ABERCROMBIE) and 5 Republican Members who ranged from moderate to the very right in terms of the political spectrum, like the gentleman from Maryland (Mr. BARTLETT) and the gentleman from Pennsylvania (Mr. PITTS).

Eleven of us traveled to Vienna overnight. We had discussions on the way over about what our approach would be. I briefed them on the backgrounds of the Russian delegates. I told them what we would hope to accomplish, and we reached agreement.

When we arrived in Vienna at 8:30 in the morning on Friday, we went right to our hotel. We had just enough time to change and we proceeded to go to the state house of Austria, where we had a meeting for an hour and a half with the chairman or the speaker of the Austrian parliament.

We wanted to get a feel for what Austria, an independent, nonaligned nation, would think about the Kosovo crisis and the bombing and the ethnic cleansing.

After we got the chance to meet with the speaker of that body, we went to the Russian hotel where the Russian delegates were staying and we began our meetings.

Mr. Speaker, in those meetings, besides the 11 Members of Congress representing Republicans and Democrats, I invited a State Department employee, who works in the Russian desk, who works for Stestanovich, Andre Lewis, to sit with us at our meetings, not to be a participant because this was a legislative session, but to listen to what we were saying so that no one could misconstrue our approach, our methodology and our process.

He sat through every meeting and every dinner and every breakfast and session that we had. Along with the Russians and along with the Americans, we had Dragomir Karic. He is, as I said earlier, one of the strongest financial supporters of Milosevic. He was there to advise the Russians. The Russian delegation included Vladimir Ryshkov who was most recently the first deputy speaker, number two, in the state Duma, their parliament. He now is the chairman of a very successful political party in Russia called Our Home is Russia. In fact, it is the party that Chernomyrdin is a member of. He is a very close associate of Chernomyrdin, who was Russia's envoy on the Balkan issue, the Kosovo issue, and he had had conversations with Chernomyrdin both before and during the time he arrived in Vienna.

The second member of the Russian side was Vladimir Luhkin, the former Soviet ambassador to the U.S., a member of the Yabloko, a moderate faction in the Duma, and also the chairman of the International Affairs Committee. Luhkin is a very well respected member of the Duma, someone that Duma deputies look to for advice on foreign affairs and international issues.

The third representative in the Duma delegation was Alexander Shapanov. Shapanov represented Seleznyov, the Communist faction, the largest faction in the state Duma. He was there to bring the broad coalition of political ideology to the table so that if we reached agreement it was not just with one faction or with one part of the government, but actually represented a consensus in Russia of what should be our approach to solving this problem peacefully.

Along with those three deputies was Segie Konovalenko. Konovalenko, who is a good friend of mine, is the chief protocol officer for the Russian Duma who works with all the players in the Duma and all the political factions in Russia. There are seven major factions in the Duma. He works with all seven.

In beginning our discussions, Mr. Speaker, I said that we had some basic premises that we needed to understand. Number one, we were not representing our government. We were not there as official representatives of President Clinton, nor were we representing our State Department. We were parliamentarians, engaging in parliamentary discussions as we have on numerous times over the past 5 years on a variety of issues.

The second point was that the five points that NATO had put forth were the basis of our discussion. We were not deviating from the policy of this administration. We were building on what President Clinton and the NATO countries said had to be the basis for a peaceful resolution of this conflict.

With that in mind, we started our discussions, and for the rest of Friday every member on both sides had a chance to give their views. During our discussions, the Russian side, and the representative of Milosevic, said to us you all have to come with us to Belgrade on this trip. It is extremely important that you meet with Milosevic. They said to us, if you come to Belgrade, you will be given one, perhaps two or possibly three, of our POWs. They will be released if you come to Belgrade for discussions.

I told our Russian friends, and I told the representative of Milosevic, that we would not be going to Belgrade; that I had given my word to Speaker HASTERT that our delegation would not go down to Belgrade because in his conversations with Madeleine Albright they had agreed that we should not do that. So I told the delegates that could not be acceptable, but we continued our deliberations.

On Saturday morning, after our staffs worked through the night to develop the framework of an agreement or a discussion paper, a report if you will, we met for breakfast. We continued our discussions through breakfast, stayed in one room in our hotel until we went over every word in every sentence in the document.

If any one member of the American side or the Russian side objected, we stopped. It was not a vote. It was where any one member could object to any one word or phrase we would go back and revisit that until we reached agreement.

We did that for every line in the document until at 1:00 p.m. Mr. Speaker, on Saturday, this past Saturday, we reached agreement with our Russian friends and colleagues.

The agreement, I thought, was somewhat significant, because it was the first time that Russian leadership acknowledged that there must be a multinational peace force placed inside of Kosovo, and the Russians agreed with that. It was the first time that Russian representatives agreed that Milosevic must remove the armed Serbian military and armed personnel out of Kosovo, and Russia agreed with that.

It was the first time that Russia allowed the acknowledgment of the phrase, ethnic cleansing, in a document involving Kosovo, and the Russian side agreed with that.

It was the first time that an acknowledgment by Russia offered the opportunity for the five permanent members of the U.N. Security Council to determine the makeup of the multinational force. It was a document that was plain, that was simple, but gave a framework for a peaceful settlement and negotiation of this crisis.

We did not negotiate. We did not get into how many troops should be left in Kosovo. We did not get into the makeup of the military force, because that is the job of our government, but we did agree on a framework.

We also said that three things must occur simultaneously, without regard to the order. We said, first of all, the bombing must stop. Number two, Milosevic must remove all of his armed forces from Kosovo. Number three, that KLA aggression must also stop. The Russians agreed to that as well.

When we finished the document about 1:00 in the afternoon, we were pleased because we had come together as representatives of different points of views but now deciding on a common agenda to move forward together that we could take back to our governments as parliamentarians and encourage them to work on.

In fact, Mr. Speaker, Milosevic's representative, Mr. Karic, took the document that the Russians gave him and faxed it to Belgrade. Approximately one half-hour later, Milosevic himself was on the phone with Dragomir Karic for the third time in our discussions, and he told Karic that if we came to Belgrade, this delegation of 11 members, if we went to Belgrade, and they would provide the bus, that was not a question, it would have been a 7-hour journey down through Budapest into Belgrade, if we went to Belgrade that two things would happen. Number one, and this was said to all 11 members in the room at the same time, at 1:00 on Saturday, we were told all three prisoners of war would be released to the American delegation.

In addition, Mr. Speaker, we were told, as a group, that Karic felt 100 percent certain that if we went to Belgrade the framework that we had agreed upon with the Russians would be publicly embraced by Milosevic. Now, that was certainly something new, Mr. Speaker, in both regards.

We had not gone to Vienna to talk about the POWs, but this was the way that Karic was wanting to get us to go to Belgrade.

I thought to myself, this is significant. Even though I have given the Speaker of the House my word, I have got to check with our State Department.

So I asked the representative of the State Department who was with us, Andre Lewis, to call back to Washington, the special ops center for the State Department, and see what the response would be of his bosses. He made a call and got on the phone with Steve Stestanovich, who is in charge of Russian affairs at the State Department. He asked me to get with him on the phone, and I did.

I read him the 2-page document. I told him about the agreement. I told him that we were not negotiating on behalf of the country but we reached an agreement on a framework, and I told him what Milosevic had said through Karic and what the Russians had agreed to, that if we went to Belgrade we would bring the POWs out and that Milosevic would embrace the framework publicly.

□ 2100

He said to me, CURT, I have got to have someone higher up talk to you. I will have someone call you. I said, fine.

At the same time, Mr. Speaker, one of the Members of the other side of the aisle who was with us, the gentleman from New York (Mr. MAURICE HINCHEY), who is a strong supporter of the President, called the White House from Vienna.

Through the White House Special Operations Center he got in touch with the Chief of Staff for President Clinton, Mr. Podesta. He told Mr. Podesta that the five Democrats on our trip were convinced that something was happening of significance, that the White House should talk to the State Department, because we had faxed them the two-page document.

Mr. Podesta said he would immediately contact the State Department to see what the significance of this event was, and through the gentleman from New York (Mr. HINCHEY) we encouraged the White House to encourage the State Department to consider whether or not we should pursue the opportunity available to us.

Mr. Speaker, by that time a phone call came in from Washington that I was asked to get involved with from the Under Secretary of State, Tom Pickering. Tom Pickering is a longtime friend, and someone who I have a great deal of respect and admiration for. Five years ago when we started the Duma-Congress effort, he was the ambassador from our country to Russia in Moscow.

He said to me, CURT, what is happening? I said, Mr. Ambassador, and I read the document to him. I said, we have come to an agreement, a framework which I think might be useful to bring Russia and Milosevic in line with what you, the State Department, want in terms of a peaceful resolution of this conflict.

I said, I'm not asking you to endorse this paper, but I'm telling you what we have agreed upon as parliamentarians. Let me tell you what they want us to do. I said, Mr. Ambassador, they want us to go into Belgrade. They have committed to us, Milosevic through Karic, that all three POWs will be released. In addition, they have said that they are 100 percent certain that Milosevic will embrace the principles that the Russians and Americans agreed to.

He said, CURT, those promises have been made before. You can't trust Milosevic's word. What makes you think you are going to be successful? He went on to say, you know, a couple of missions have tried to get the POWs out. In fact, he said, Jesse Jackson's mission has been a failure. He is not bringing out the POWs.

Mr. Speaker, that phone conversation was at approximately 1:30 or 2 o'clock last Saturday afternoon. I had not been following the Jackson delegation, although I was supportive of what he was doing because he was trying to get our POWs out.

I said, all I am telling you, Mr. Pickering, is what the Russians and Karic tell us. I will not take this delegation to Belgrade if you say that you advise against that, because I understand that we are not to interfere with the policies and the negotiations of this government, and that we are not to go in and, in effect, create interference, especially when hostilities are occurring. So if you say don't go, even though we could go as independent citizens, we won't go.

At the end of that conversation I thanked Ambassador Pickering and went downstairs. I told my friends from the Congress, the Russian Duma deputies, and Karic on behalf of Milosevic, that we would not be going into Belgrade. They were disappointed, very upset. In fact, a couple of our Members who were with us from both parties wanted to go into Belgrade on their own. I said, no, we are not going to do that. We are going to stay together as a group.

We did open the possibility of Milosevic making some kind of a public statement which would perhaps change things. Pickering had told me, if that happens, call me back.

That was about 2 o'clock, Mr. Speaker. We met in the same meeting room that we had been in all day to decide further actions that we would take in both Moscow and the U.S. to create a visibility of our agreement, to spread it throughout the country and throughout Russia and Europe; that we thought there was a capability for a common framework, for a solution, a negotiated settlement on the terms of NATO and our government.

Two hours and 15 minutes after we had told Milosevic that we would not go to Belgrade, we were sitting in the room together and one of our military escorts came in the room and announced to us that CNN had just announced on television that Milosevic had agreed that he would release the POWs within 3 to 5 hours to Jesse Jackson's delegation.

We were ecstatic, Mr. Speaker, because that is not why we went to Vienna, but we were happy that they were being released. Obviously, we were disappointed because we could have been there, and perhaps if we would have been there we could have also done something that I think was equally important, and that was to get Milosevic to publicly embrace what I think will be the final process for achieving a peaceful settlement in Kosovo.

With the release of the POWs to occur in a matter of hours, we felt it was impossible to convince our State Department to give us the okay to go into Belgrade just to discuss this framework that we had agreed on.

So instead, we went to dinner with the Russians and with Milosevic's Rep, Karic, and we had a great time discussing how we had come together and how we would work together in the future to implement this process. Upon arriving back in Washington on Saturday, we agreed to meet this week, and all week we have had an aggressive agenda to move forward our agenda.

Mr. Speaker, on Monday we mailed letters to every Member of the House describing what had occurred in the delegation, along with the document. On Tuesday, every member of our delegation signed 40 letters. Those letters went to the Pope, they went to the chief cleric of the Muslim faith in Yugoslavia, they went to the head of the orthodox church in Yugoslavia.

A copy of the document went with a signed letter by all of us to Kofi Anan, and I called the U.N. and told them we were available for meetings. We faxed our document to every parliament from every NATO country, all 19 NATO countries.

I met with representatives of Ukraine and gave them a copy to give to the Rada, and the Rada is now considering passing a resolution equal to the one that my good friend and colleague that I am going to recognize in a moment prepared for consideration by this Congress, a resolution supporting the basic framework that we agreed upon.

In fact, Mr. Speaker, beside those contacts, we mailed copies of this to TRENT LOTT and TOM DASCHLE, DENNY HASTERT and DICK GEPHARDT, the White House, the State Department, so that everyone in America has been given not just last Saturday from Vienna, but this week, a copy of a framework that we felt could begin the peace process.

Imagine how we felt this morning, Mr. Speaker, when we all heard on the news and read in the papers that the G–7 countries plus Russia had met, and their meeting was historic because they announced this one-page statement.

This one-page statement, Mr. Speaker, is a statement of a process to begin the end of the Kosovo crisis. Mr. Speaker, this statement is identical to what this group did last Saturday with the Russians in Vienna. This group of 11 Members of Congress, liberal Democrats and conservative Republicans, supporters of the President and opponents of the President, put together a document that is almost identical to this document agreed to by the eight nations that govern activities in Europe and throughout the world, the G–8 group.

Mr. Speaker, I am proud of the work that we accomplished, and that we may or may not have had an impact on this document. I know what we did. I know what we accomplished. I know that Chernomyrdin was talking to Ryshkov, we were done, and I said to him, Vladimir, how close is what we did to what your country will accept? He said, it is identical. What we have agreed upon is what Russia in the end will accept.

Today, Mr. Speaker, President Clinton was traveling around the world. Maybe the President was not informed by his staff, maybe he does not read the papers. Let me read the quote when President Clinton was asked about the G–8 statement that was read to him.

This is what our president said. ''Clinton described the agreement as important because 'as far as I know, this is the first time that the Russians have publicly said they support international security as well as civilian force in Kosovo.' ''

Mr. Speaker, the President is wrong. The first time was last Saturday. The first time was in Vienna. The first time was when the leaders of the political parties in Russia agreed with us in Vienna to move forward in a new direction.

We think now is the time to seize the opportunity to reach out, to show some good faith by putting together a negotiated agreement that allows the stopping of the bombing at the same time

the troops are removed, to stop the hostilities by the KLA, to reinstate the refugees, to give them protection, to provide the humanitarian assistance, to do all of those things that now we have an opportunity to succeed with.

The opportunity is in the hands of this administration. They are going to have to again reach out to Russia, but they are going to also have to reach out to Milosevic. I know we do not like to talk to Milosevic, Mr. Speaker, but we have an opportunity to end this conflict.

Forty-five days of incessant bombing, 45 days of driving people in Serbia who were enemies of Milosevic to become his begest supporters, 45 days of driving 1 million people, along with Milosevic, out of Kosovo into the fields and to the remote areas around that country who are starving, who are without food, who are living in unhealthy conditions; and 45 days of convincing the Russian people that we are their enemy.

It is time to change that, Mr. Speaker. This framework allows us to achieve dignity, dignity for NATO, dignity for this administration and our country, dignity for the Russians, dignity for the European community, for everyone who is concerned with a peaceful resolution.

I would implore this administration not to miss this opportunity. This is a chance to end this conflict on our terms, to let NATO be able to say that they have achieved what they want, to let this government say that it had an achieved what it wants, but it has done it because of the help and cooperation of the leadership in Russia.

I would say to our friends and colleagues and to the American people, I sure hope we do not miss this opportunity, Mr. Speaker, because it is going to be once in a lifetime.

Mr. Speaker, I yield to my good friend and colleague, the gentleman from Nevada (Mr. GIBBONS) for whatever comments he would like to make, my good friend who is a member of the Permanent Select Committee on Intelligence, a distinguished member of this body, and has a distinguished military career on top of that.

Mr. GIBBONS. Mr. Speaker, I thank my colleague, the gentleman from Pennsylvania, for yielding to me a little bit of time here to join with him in this very important process.

Mr. Speaker, I would hope that we can enter into the RECORD a copy of the agreement, the report of the meeting between the U.S. Congress and the Russian Duma that took place over the time frame of April 30 through the first of May that we have already been discussing, and I hope maybe later on if we have a little bit of time, the gentleman from Pennsylvania (Mr. WELDON) and I can go over some of the similarities between the G–8 declaration and the principles that were brought forward in our Congress and Duma process.

Before I do that I want to take just a moment, and not often does America realize the significance or the importance of the work the gentleman has been doing for the last 5 years, trying to bridge the gap, build better and more personal relationships with our counterparts in the Russian Duma, and of course the Russian Duma is similar to the House of Representatives that we have here in Congress.

It has been through the gentleman's hard work over the last several years that we have been able to call on them, to establish a working relationship that has resulted in what I think may be some of the most historic work to date from this study group.

Mr. WELDON of Pennsylvania. I thank the gentleman, Mr. Speaker.

Mr. GIBBONS. First, let me say that there is a real important reason for us to work together. Of course, we all know the fact that proliferation of nuclear weapons around this world is primarily something that we have a deep and abiding interest in, and being able to work together with countries that are nuclear powers oftentimes sheds light on how we can better preserve the peace, even build a little security for everyone around the world.

The relationship that I came away with from meeting with our Russian counterparts was one that struck me as something we should all take to heart. They were very concerned about the fact that NATO's attack on a small country, Serbia, was one that was envisioned as being 19 countries versus one single small country like Yugoslavia.

They were concerned that such countries, when they are threatened by a massive force such as NATO, would oftentimes reach back into an arsenal of weaponry that may include either biological, chemical, or even nuclear weapons which could end up escalating a war into something that no one, not in this body, not in the administration, in fact, I daresay no one in America would want to have happen.

□ 2115

And it is the relationship that the gentleman has with the Russians and the relationship that was developed in this meeting in Vienna that I think helps avoid conflicts like that, avoids the fact that they know that that is not what we want, that we do not want to face an escalation of military violence of that level. So the working relationships bridges gaps, builds friendships, and builds confidence.

And I think one thing also that we ought to help our American viewers who are watching tonight understand is that the level of distrust, of mistrust——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Members are reminded that remarks are to be directed to the Chair.

Mr. GIBBONS. I thank the Speaker; and, Mr. Speaker, I would hope that I can remind you that the level of distrust and mistrust of our Russian brothers and sisters toward the United States has never been at a lower point except for the time of the Korean War.

We have an obligation, we have a duty, and yes, indeed, we have an opportunity to sort of melt part of that iceberg that is out there so that we can get on with having a safer and more peaceful world.

I was most impressed with the gentleman's effort, his energy and his willingness to continue this fight. As I listened to the historical recitation of what he went through to ensure that we had an opportunity and a voice to bring forth those Russian ideas, those Russian concerns, that cannot be overstated.

It is so important for everyone to understand that much of this diplomatic process that we go through has a foundation, has a start somewhere, and it can only start when we reach out, reach across the sea to our Russian friends, and the gentleman has certainly done that on more than one occasion, but this is a very important time.

As I said, Mr. Speaker, I would enter into the RECORD at this time a copy of the report of the meetings between the United States Congress and the Russian Duma that the gentleman from Pennsylvania (Mr. WELDON) and I have talked about here this evening.

REPORT OF THE MEETINGS OF THE U.S. CONGRESS AND RUSSIAN DUMA, VIENNA, AUSTRIA, 30 APRIL–1 MAY, 1999

All sessions centered on the Balkan crisis. Agreement was found on the following points:

I. The Balkan crisis, including ethnic cleansing and terrorism, is one of the most serious challenges to international security since World War II.

II. Both sides agree that this crisis creates serious threats to global and regional security and may undermine efforts against nonproliferation.

III. This crisis increases the threat of further human and ecological catastrophes, as evidenced by the growing refugee problem, and creates obstacles to further development of constructive Russian-American relations.

IV. The humanitarian crisis will not be solved by bombing. A diplomatic solution to the problem is preferable to the alternative of military escalation.

Taking the above into account, the sides consider it necessary to implement the following emergency measures as soon as possible, preferably within the next week. Implementation of these emergency measures will create the climate necessary to settle the political questions.

1. We call on the interested parties to find practical measures for a parallel solution to three tasks, without regard to sequence: the stopping of NATO bombing of the Federal Republic of Yugoslavia, withdrawal of Serbian armed forces from Kosovo, and the cessation of the military activities of the KLA. This should be accomplished through a series of confidence building measures, which should include but should not be limited to:

a. The release of all prisoners of war.

b. The voluntary repatriation of all refugees in the Federal Republic of Yugoslavia and unhindered access to them by humanitarian aid organizations. NATO would be responsible for policing the Federal Republic of Yugoslavia's borders with Albania and Macedonia to ensure that weapons do not reenter the Federal Republic of Yugoslavia with the returning refugees or at a later time.

c. Agreement on the composition of the armed international forces which would administer Kosovo after the Serbian withdraw. The composition of the group should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, the Federal Republic of Yugoslavia, and the recognized leadership of Kosovo.

d. The above group would be supplemented by the monitoring activities of the Organization for Security and Cooperation in Europe (OSCE).

e. The Russian Duma and U.S. Congress will use all possiblities at their disposal in order to successfully move ahead the process of resolving the situation in Yugoslavia on the basis of stopping the violence and atrocities.

2. We recognize the basic principles of the territorial integrity of the Federal Republic of Yugoslavia, which include:

a. wide autonomy for Kosovo

b. a multi-ethnic population

c. treatment of all Yugoslavia peoples in accordance with international norms

3. We support efforts to provide international assistance to rebuild destroyed homes of refugees and other humanitarian assistance, as appropriate, to victims in Kosovo.

4. We, as members of the Duma and Congress, commit to active participation as follows:

Issue a Joint U.S. Congress-Russian Duma report of our meetings in Vienna. Concrete suggestions for future action will be issued as soon as possible.

Delegations will agree on timelines for accomplishment of above tasks.

Delegations will brief their respective legislatures and governments on outcome of the Vienna meetings and agreed upon proposals.

Delegations will prepare a joint resolution, based on their report, to be considered simultaneously in the Congress and Duma.

Delegations agree to continue a working group dialogue between Congress and the Duma in agreed upon places.

Delegations agree that Duma deputies will visit refugee camps and Members of Congress will visit the Federal Republic of Yugoslavia.

Members of Congress:

Curt Weldon, Neil Abercrombie, Jim Saxton, Bernie Sanders, Roscoe Bartlett, Corrine Brown, Jim Gibbons, Maurice Hinchey, Joseph R. Pitts, Don Sherwood, Dennis J. Kucinich.

Duma Deputies:

_____ _____, _____ _____, _____ _____ _____ _____.

Mr. GIBBONS. Mr. Speaker, perhaps the gentleman from Pennsylvania and I can go over a little bit of the similarity between our document dated the 1st of May here and the G–8, or the G–7 plus Russia announcement today.

As I look at the calendar, today is May 6, so it has been a full 5 days, and that is time enough, as I see it, for them to have an opportunity to review the good work and the hard work that we put forward in that meeting and the statement of the G–7 plus Russia principles here.

I would just like to take the first one.

Mr. WELDON of Pennsylvania. I would just like to say, before we do that, that for those who say that parliamentarians should not be involved in meeting with other parliamentarians, and I think the gentleman did a good job earlier today when he gave a 1-minute on this issue, that this administration is constantly encouraging Members of Congress to engage their counterparts around the world. In fact, we have programs that do that.

I got involved with Russia long before I was in Congress when a U.S. funded program, called the American Council of Young Political Leaders, encouraged me as a county commissioner to travel to Russia because my party thought that one day I might serve in Congress. Now, little did I realize that a couple of decades ago those early trips to Russia would result in me traveling to Russia some 19 times where I would host literally hundreds if not thousands of Russian leaders when they come to America and where I would have the opportunity, working with our friend and colleague, who is, by the way, watching these proceedings tonight, a former Member, Greg Laughlin, and starting 8 years ago a Russian-American Energy Caucus to try to find ways to bring hard currency into Russia so they would not have to sell off their nuclear technology or their conventional weapons.

The administration back then was supportive of our efforts. They were supportive of our efforts to help solve environmental problems, the nuclear waste problem up in the Arctic Ocean, out in the Sea of Japan. So it is interesting that the media in this city and the administration that has encouraged us so much to interact so much with these other leaders all of a sudden, when we do something constructive that maybe embarrasses them, all of a sudden says, well, we do not need 435 armchair diplomats.

We are not armchair diplomats, Mr. Speaker. We are doing what this administration asked us to do, which Vice President Gore and Viktor Chernomyrdin, when we started this effort 5 years ago, right down the hallway on the Senate side, stood up at a luncheon and said, it is fantastic, but now Gore-Chernomyrdin is going to be supplemented by a Duma-Congress study group, and applauded our foresight as parliamentarians coming together to try to build trust and understanding.

So it is okay to do it when they think it is important, but when we disagree or think that things are not going the way perhaps they could be going, and we try to use that influence that we have, all of a sudden we are not doing the right thing. Is that not amazing that that could happen?

Mr. GIBBONS. That is absolutely correct.

And if the gentleman will continue to yield, I just wish to say that I could not be more pleased at the hard work the gentleman has done over the past few years in building that important relationship, because it came to fruition when the gentleman reached out and asked for them to meet with us on this very important document at this very important time in this Balkans crisis. They willingly came because of the great respect they have for the gentleman and his hard work, and that was evident throughout the meeting.

I have to say that every one of us, whether we are in Congress or just ordinary citizens, are diplomats of this country when we travel abroad. So it is impossible to separate ourselves from our American heritage. It is part of us.

And we have even a higher responsibility when we are an elected official, especially those of us in Congress, in dealing with our counterparts, for example in the Russian Duma, to reflect American policies, to reflect American ideals. And we did that without negotiating, without breaching fundamental trust with the administration.

This was something that was established and has been established, as the gentleman said, over a number of years, and it has absolutely proven to be one of the most important relationships, one of the most important things that we can do as Members of Congress, to build trust between countries so that we never have to realize conflict, never have to go back to the days of the Cold War.

I think we are teetering today on the brink of entering another cold war. If we lose the elections in Russia, if we lose that confidence, if we end up having the cynicism about U.S. relationships with Russia that are now starting to grow, we could very well end up back in that same old Cold War that we all celebrated the end of in 1989.

Mr. WELDON of Pennsylvania. I agree.

The gentleman's suggestion was a valid one, that we go through the G–8 document and compare it side by side to what we did just so that the American people know that what we agreed on with the Russians has now, in fact, become the basis of a G–8 set of principles to negotiate an end to this conflict.

Mr. GIBBONS. I would like to be the G–8, if he wants to respond to what our agreement said.

Let me take the first one. Number one, immediate and verifiable end of violence and repression in Kosovo.

Mr. WELDON of Pennsylvania. And our position on that same issue, and I will read it word for word, the stopping of NATO bombing, cessation of KLA

activities, withdrawal of Serb forces from Kosovo, calls for termination of violence and atrocities.

If that is not identical, I do not know what is.

Mr. GIBBONS. It is almost word for word.

Let me take number two. Let us see how similar we can get with number two.

Withdrawal from Kosovo of military police and paramilitary forces.

Mr. WELDON of Pennsylvania. Ours says, withdrawal of Serb forces from Kosovo.

Mr. GIBBONS. Identical.

Number three, the deployment in Kosovo of effective international civil and (armed) security presences, endorsed and adopted by the United Nations, capable of guaranteeing the achievement of the common objectives.

Mr. WELDON of Pennsylvania. And ours says, agreement on the composition of armed international forces which would administer Kosovo after the Serb withdrawal, to be determined by the U.N. five-member Security Council.

Mr. GIBBONS. Does not get much closer.

Let us go to number four. Number four says, the establishment of an interim administration for Kosovo to be decided by the U.N. Security Council to ensure conditions for a peaceful and normal life for all inhabitants in Kosovo.

Mr. WELDON of Pennsylvania. And our document says, the composition of armed forces should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, Yugoslavia and the recognized leadership of Kosovo. And the above group would be monitored by the Organization for Security and Cooperation in Europe, of which both Russia and the U.S. are member nations.

And we had dinner at the ambassador's home for the U.S. with the Russian ambassador alongside of us.

Mr. GIBBONS. That is correct. And so all we did was broaden out a little bit the applicability and who would be in there helping to decide this very important objective.

So it seems so far that, of the four we have talked about, we have almost got parallel if not word-for-word concurrence with what this agreement that we worked on over the weekend says.

Let us take number five. Number five states, the safe and free return of all refugees and displaced persons and unimpeded access to Kosovo by humanitarian aid organizations.

Mr. WELDON of Pennsylvania. This one sounds close here. The voluntary repatriation of refugees in Yugoslavia and unhindered access to them by humanitarian aid organizations.

Mr. GIBBONS. I guess they could not get more creative than to copy us word for word, could they?

Let us look at number six. Number six says, a political process towards the establishment of an interim political framework agreement providing a substantial self-government for Kosovo, taking full account of Rambouillet Accords and principles of sovereignty and territorial integrity of Yugoslavia and other countries in the region, and demilitarization of UCK, which is the KLA.

Mr. WELDON of Pennsylvania. And ours says, recognizes the territorial integrity of Yugoslavia, including wide autonomy for Kosovo, a multi-ethnic population, and treatment of all Yugoslavia peoples in accordance with international norms.

Mr. GIBBONS. Just reworded.

Mr. WELDON of Pennsylvania. We just did not use that fancy Rambouillet word, but the content of what we said is identical to what is in number six.

Mr. GIBBONS. That is correct.

Finally, number seven, comprehensive approach to economic development and stabilization of the crisis region.

Mr. WELDON of Pennsylvania. And we said, supports efforts to provide international assistance to rebuild destroyed refugee homes and other humanitarian assistance to victims in Kosovo.

Mr. GIBBONS. And if the gentleman will yield, as we have gone down these seven principles that were established in the G–7 plus Russia or commonly known as the G–8, I think it is very clear upon a reading of the document that we worked out over the weekend, a reading of the principles that they have stated here and a comparison of the two shows that there is a direct, an almost word-for-word influence of their statement, which has come about to be, as stated in the press, a new framework for the peaceful solution of the Kosovo crisis.

So I can only applaud and congratulate the gentleman here publicly for his effort in this, because I think it was directly because of our working agreement, our working relationship between the Congress of the United States and the Duma of Russia that we were able to bring about a higher public awareness of the willingness on terms that are satisfactory to the United States, and including many of the NATO countries, if not all of the NATO countries, for a peaceful solution of the Kosovo crisis.

I just could not be more proud of the gentleman, and I could not be more pleased to be part of this effort. Certainly, as the gentleman mentioned earlier in the evening, we do have a resolution which is going to come about next week and is going to pretty much give a sense of Congress and stating an outline of the important work that was done here, the reason for it, and sort of giving congressional support to the framework that the gentleman worked so very hard to achieve.

Mr. WELDON of Pennsylvania. Let me thank my colleague and add to what he has said and congratulate him, because he is the one that worked with the gentleman from Ohio (Mr. KUCINICH) and also worked with the gentleman from New York (Mr. HINCHEY) to develop this legislation which is to be the subject of a hearing next week.

Unfortunately, the minority leadership, bowing to the White House again, would not let us hold the hearing on Wednesday, because that would require their unanimous consent, so we have to hold the hearing on Thursday. Another obstacle, another day of bombing. We could do this hearing on Wednesday and move the legislation, but, no, because we do not want to have the Congress discuss this issue, we cannot do it until Thursday because the administration has convinced the minority side, in spite of the support of their own Members, that we should not have this hearing until the full 7 days.

□ 2130

But I want to say we will have that hearing. I talked to our Russian counterparts this morning, and they are planning on bringing up the exact same resolution in the State Duma. Our hope is to have this Congress pass it, the Russian Duma pass it; and I am even hoping that members of the Ukrainian Rada will pass this.

In fact, I had a call today from a member of the German Bundestag. He received our document and he wants to pursue this with members of the European parliaments. So momentum is building.

I do want to take this time to acknowledge our other Members, as I know my colleague would. On the minority side we had an outstanding delegation. They would be here tonight, but since we ended the session, Members are on their way back to their districts. We do have a long weekend.

We are staying here because we have events in town. But our Members did do special orders earlier this week. We could not get a full hour because all the time was booked. But they would have been here tonight, and I want to acknowledge them all personally.

The ranking Democrat on our trip was the gentleman from Hawaii (Mr. NEIL ABERCROMBIE), an outstanding Member, a tireless advocate for trying to find a peaceful resolution to this conflict;

The gentlewoman from Florida (Ms. CORRINE BROWN), a Member who has become a dynamic leader on Russian issues. She has traveled to Russia with me twice. She now chairs an effort with female members of the Russian Duma to build better relations between our two bodies;

The gentleman from New York (MAURICE HINCHEY), a strong supporter of President Clinton who supported the

bombing efforts, support the President's policies, and was a very key part of our delegation. In fact, he is the one who talked to Podesta at the White House from Vienna;

The gentleman from Ohio (Mr. DENNIS KUCINICH), former Mayor of Cleveland, who is an active Member who has a background from the Balkans ethnically, understands the problems. Probably no one is as well versed in this Congress on issues involving the Balkans than the Democrat from Ohio (Mr. KUCINICH);

And the fifth Democrat, the gentleman from Vermont (Mr. BERNIE SANDERS), who is the only Independent, the only socialist in Congress, a self-admitted liberal. He was an outstanding contributor to our effort.

In fact, it was interesting, I was in a press conference with the gentleman from Maryland (Mr. ROSCOE BARTLETT) today and he is as far to the right as the gentleman from Vermont (Mr. SANDERS) is to the left. And the gentleman from Maryland (Mr. BARTLETT) said, you know something, the gentleman from Vermont (Mr. SANDERS) and I sat together during all the discussions and there was not one issue that he and I disagreed on. We were in sync on every issue in every statement. My colleague and I were in complete agreement. That is the kind of relationship we have.

Perhaps my colleague would like to go over some of the other Republican Members that were with us on the delegation. I have covered the Democrats.

Mr. GIBBONS. Mr. Speaker, first of all, if I can just repeat that my colleague down here from Pennsylvania (Mr. WELDON) was the head of this delegation. It was a bipartisan delegation, as he has already stated.

On our side we had the gentleman from New Jersey (Mr. JIM SAXTON) who is a wonderful contributor to the process, brought a great deal of insight to the committee, both his position on his committee assignment, as well as having traveled to Yugoslavia earlier in the week in an effort on his own as an individual to learn more about the process and meet and be able to inform us of his findings, as well.

We had also the gentleman from Maryland (Mr. ROSCOE BARTLETT) as my colleague has said, one of the gentleman who has a defined point of view, as we say, but yet contributed very well to the whole process as we go.

We had the gentleman from Pennsylvania (Mr. JOE PITTS) a wonderful colleague who came into the same Congress as I did in the same class in the 105th Congress, a remarkable individual, very renowned for his work in education and a great member of our bipartisan delegation, as my colleague has already stated.

Mr. WELDON of Pennsylvania. His colleague from Pennsylvania (Mr. DON SHERWOOD) was there also, a good friend of my colleague's.

Mr. GIBBONS. And the gentleman from Pennsylvania (Mr. DON SHERWOOD) a freshman who entered this Congress this year but with a great deal of enthusiasm, a great deal of respect for the process, serves on the Committee on Armed Services and made an ideal partner in all of this as we went forward during this time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Members are reminded again that they are to address their remarks to the Chair, not to the television audience.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCNULTY (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. BEREUTER (at the request of Mr. ARMEY) for today after 3:30 p.m. on account of official business.

Mr. KUYKENDALL (at the request of Mr. ARMEY) for today on account of attending his son's college graduation.

Mr. BLILEY (at the request of Mr. ARMEY) for today after 3:00 p.m. on account of official travel on behalf of the standing committee of the North Atlantic Treaty Organization Parliamentary Assemblies special meeting on the Kosovo situation.

Mr. TIAHRT (at the request of Mr. ARMEY) for today on account of inspecting tornado damage in Kansas.

Mr. PACKARD (at the request of Mr. ARMEY) for today after 3:30 p.m. on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

Ms. CARSON, for 5 minutes, today.

(The following Members (at the request of Mr. NETHERCUTT) to revise and extend their remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, today.

Mr. NETHERCUTT, for 5 minutes, today.

Mr. HILL of Montana, for 5 minutes, on May 12.

Mr. KASICH, for 5 minutes, today.

Mr. LUCAS of Oklahoma, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GIBBONS, for 5 minutes, today.

ADJOURNMENT

Mr. WELDON of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until Monday, May 10, 1999, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1901. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida and Imported Grapefurit; Relaxation of the Minimum Size Requirement for Red Seedless Grapefurit [Docket No. FV99–905–1 FIR] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1902. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Olives Grown in California; Increased Assessment Rate [Docket No. FV99–932–1 FR] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1903. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders [DA–97–12] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1904. A letter from the Administrator, Rural Development, Department of Agriculture, transmitting the Department's final rule—Distance Learning and Telemedicine Loan and Grant Program (RIN: 0572–AB31) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1905. A letter from the Under Secretary of Defense (Comptroller), Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1906. A letter from the Under Secretary of Defense (Comptroller), Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1907. A letter from the Assistant Secretary for Health Affairs, Department of Defense, transmitting the 1999 interim report on our evaluation of TRICARE, the Department of Defense (DoD) managed health care program, pursuant to 10 U.S.C. 1073 nt.; to the Committee on Armed Services.

1908. A letter from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting the Office's final rule—Risk-Based Capital Standards: Market Risk [Docket No. 99–04] (RIN: 1557–AB14) received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1909. A letter from the Administrator, Food and Consumer Service, Department of Agriculture, transmitting the Department's final rule—Special Supplemental Nutrition Program for Women, Infants and Children (WIC): WIC/Food Stamp Program (FSP) Vendor Disqualification (RIN: 0584–AC50) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1910. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Acquisition Regulations; Performance Guarantees (RIN: 1991–AB44) Recieved April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1911. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Safety of Accelerator Facilities—received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1912. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Rescission of the Conditional Section 182(f) Exemption to the Nitrogen Oxides (NOx) Control Requirements for the Dallas/Fort Worth Ozone Nonattainment Area; Texas [TX 109–1–7412a; FRL–6329–2] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1913. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Maintenance Plan Revisions; Ohio [OH 122–1a; FRL–6328–6] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1914. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; New Jersey 15 Percent Rate of Progress Plans, Recalculation of 9 Percent Rate of Progress Plans and 1999 Transportation Conformity Budget Revisions [Region II Docket No. NJ33–2–191; FRL–6328–8] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1915. A letter from the Director, Regulation Policy and Management Staff, FDA, Food and Drug Administration, transmitting the Administration's final rule—Secondary Direct Food Additives Permitted in Food for Human Consumption; Sulphopropyl Cellulose [Docket No. 96F–0248] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1916. A letter from the Attorney Advisor, National Highway Traffic Safety Administration, transmitting the Administration's final ''Major'' rule—Light Truck Average Fuel Economy Standard, Model Year 2001 [Docket No. NHTSA–99–5464] (RIN: 2127–AH52) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1917. A letter from the Director, Office of Congressiona Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Frequency of Reviews and Audits for Emergency Preparedness Programs, Safeguards Contingency Plans, and Security Programs for Nuclear Power Reactors (RIN: 3150–AF63) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1918. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 99–13), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1919. A letter from the Director, Defense Security Cooperation Agency, transmitting the Department of the Army's proposed lease of defense articles to the Taipei Economic and Cultural Representative Office in the United States [Transmittal No. 09–99], pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1920. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the Government of Norway [Transmittal No. DTC 63–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1921. A communication from the President of the United States, transmitting a 6-month periodic report on the national emergency with respect to the National Union for the Total Independence of Angola (UNITA), pursuant to 50 U.S.C. 1703(c); to the Committee on International Relations.

1922. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning a transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina, pursuant to 10 U.S.C. 118; to the Committee on International Relations.

1923. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–634, ''District of Columbia Department of Health Functions Clarification Temporary Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1924. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–34, ''Solid Waste Facility Permit Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1925. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–33, ''Potomac River Bridges Towing Compact Temporary Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1926. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–32, ''Omnibus Regulatory Reform Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1927. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–40, ''Children's Defense Fund Equitable Real Property Tax Relief and Children's Health Insurance Program Authorization Emergency Act of 1998 Fiscal Impact Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1928. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions and Deletions—received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1929. A letter from the Chairman, Federal Maritime Commission, transmitting a copy the report of the Consumer Product Safety Commission in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1930. A letter from the Director, Employment Service-Workforce Restructuring Office, Office of Personnel Management, transmitting the Office's final rule—Reduction In Force Service Credit; Retention Records (RIN: 3206–AI09) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1931. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits Program: Contributions and Withholdings (RIN: 3206–AI33) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1932. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees' Group Life Insurance Program Court Orders (RIN: 3206–AI49) received April 7, 1999, pursuant to Public Law 105–205; to the Committee on Government Reform.

1933. A letter from the Secretary of Transportation, transmitting the Department's second annual Performance Plan, pursuant to Public Law 103–62; to the Committee on Government Reform.

1934. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Framework Adjustment 28 [Docket No. 990324080–9080–01; I.D. 031599D] (RIN: 0648–AM10) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1935. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Watertown, WI [Airspace Docket No. 99–AGL–2] received April 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1936. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Auburn, IN [Airspace Docket No. 99–AGL–3] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1937. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E airspace; Pontiac, IL [Airspace Docket No. 98–AGL–81] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1938. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of the legal description of the Class E Airspace; Sault Ste Marie, ON [Airspace Docket No. 99–AGL–1] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1939. A letter from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, transmitting the Administration's final rule—Amendment of Class D and E Airspace; Orlando Executive Airport, FL [Airspace Docket No. 99–ASO–5] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1940. A letter from the Program Analyst, Office of the Chief Counsel, Federal Aviation

Administration, transmitting the Administration's final rule—Amendment of Class E Airspace; Toccoa, GA [Airspace Docket No. 99–ASO–3] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1941. A letter from the Program Support Specialist, Aircraft Certification Service, Federal Aviation Administration, transmitting the Administration's final rule—Airworthiness Directives; Boeing Model 737–600, –700, and –800 Series Airplanes [Docket No. 99–NM–38–AD; Amendment 39–11107; AD 99–08–03] (RIN: 2120–AA64) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1942. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Notice of Significant Reduction in the Rate of Future Benefit Accrual [TD 8795] (RIN: 1545–AT78) received April 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1943. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Accounting Period Guidance [Notice 99–19] received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1944. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability [Revenue Procedure 99–21] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1945. A letter from the Acting SSA Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Administrative Review Process; Prehearing Proceedings and Decisions by Attorney Advisors; Extension of Expiration Date (RIN: 0960–AF01) received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1946. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of our intent to obligate funds for additional program proposals for purposes of Nonproliferation and Disarmament Fund (NDF) activities, pursuant to Public Law 105–277; jointly to the Committees on Appropriations and International Relations.

1947. A letter from the Under Secretary of Defense (Environmental Security), Department of Defense, transmitting the final report including an evaluation of the program, which concludes the program has been beneficial in providing environmental education and training opportunities to current and former Department of Defense personnel, as well as other young adults, pursuant to Public Law 102–580, section 310(b) (106 Stat. 4845); jointly to the Committees on Armed Services and Education and the Workforce.

1948. A letter from the Secretary of Health and Human Service, transmitting an annual report on participation, assignment, and extra billing in the Medicare program; jointly to the Committees on Ways and Means and Commerce.

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. YOUNG of Florida: Committee on Appropriations. Revised Suballocation of Budget Allocations for Fiscal Year 1999 (Rept. 106–128). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 209. A bill to improve the ability of Federal agencies to license federally owned inventions; with an amendment (Rept. 106–129 Pt. 1).

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged H.R. 209; referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 209. Referral to the Committee on the Judiciary extended for a period ending not later than May 6, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BLILEY (for himself, Mr. DAVIS of Virginia, Mr. TAUZIN, Mr. OXLEY, Mr. TOWNS, and Mr. FOSSELLA):

H.R. 1714. A bill to facilitate the use of electronic records and signatures in interstate or foreign commerce; to the Committee on Commerce.

By Mr. BACHUS (for himself and Ms. WATERS) (both by request):

H.R. 1715. A bill to extend the expiration date of the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. BILIRAKIS:

H.R. 1716. A bill to provide for a study of long-term care needs in the 21st century; to the Committee on Commerce.

By Mr. BLAGOJEVICH (for himself and Mr. ROGAN):

H.R. 1717. A bill to permanently ban the possession of firearms by dangerous juvenile offenders; to the Committee on the Judiciary.

By Mr. BRYANT (for himself and Mr. HILLEARY):

H.R. 1718. A bill to amend the Appalachian Regional Development Act of 1965 to add Hickman, Lawrence, Lewis, Perry, and Wayne Counties, Tennessee, to the Appalachian region; to the Committee on Transportation and Infrastructure.

By Mr. DEFAZIO:

H.R. 1719. A bill to authorize the Secretary of Defense to carry out the National Guard civilian youth opportunities program for fiscal year 2000 in an amount not to exceed $110,000,000; to the Committee on Armed Services.

H.R. 1720. A bill to amend the Child Abuse Prevention and Treatment Act to provide for an increase in the authorization of appropriations for community-based family resource and support grants under that Act; to the Committee on Education and the Workforce.

H.R. 1721. A bill to amend the Incentive Grants for Local Delinquency Prevention Program Act to authorize appropriations for fiscal years 2000 through 2005; to the Committee on Education and the Workforce.

H.R. 1722. A bill to amend the Head Start Act to authorize appropriations for fiscal years 2000 through 2005; to the Committee on Education and the Workforce.

H.R. 1723. A bill to encourage States to require a holding period for any student expelled for bringing a gun to school; to the Committee on Education and the Workforce.

H.R. 1724. A bill to increase discretionary funding for certain grant programs established under the ''Edward Byrne Memorial State and Local Law Enforcement Assistance Programs''; to the Committee on the Judiciary.

By Mr. DEFAZIO (for himself and Mr. WALDEN of Oregon):

H.R. 1725. A bill to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land; to the Committee on Resources.

By Mr. DEFAZIO:

H.R. 1726. A bill to allow States to develop or expand instant gun checking capabilities, to allow a tax credit for the purchase of safe storage devices for firearms, to promote the fitting of handguns with child safety locks, and to prevent children from injuring themselves and others with firearms; referred to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, 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. DUNCAN (for himself and Mrs. CHENOWETH):

H.R. 1727. A bill to eliminate the fees associated with Forest Service special use permits that authorize a church to use structures and improvements on National Forest System lands for religious or educational purposes; to the Committee on Agriculture.

By Mr. ENGLISH (for himself, Mr. LEVIN, and Mr. METCALF):

H.R. 1728. A bill to reauthorize the Trade Adjustment Assistance program through fiscal year 2003, and for other purposes; to the Committee on Ways and Means.

By Mr. GOODE (for himself, Mr. BLILEY, Mr. WOLF, Mr. PICKETT, Mr. SCOTT, Mr. GOODLATTE, Mr. BOUCHER, Mr. SISISKY, Mr. BATEMAN, and Mr. MORAN of Virginia):

H.R. 1729. A bill to designate the Federal facility located at 1301 Emmet Street in Charlottesville, Virginia, as the ''Pamela B. Gwin Hall''; to the Committee on Transportation and Infrastructure.

By Mr. GOODLING (for himself, Mr. STEARNS, Mr. PASTOR, Mr. ISTOOK, Mr. GILMAN, and Mr. FOLEY):

H.R. 1730. A bill to amend the Internal Revenue Code of 1986 to allow the installment method to be used to report income from the sale of certain residential real property, and for other purposes; to the Committee on Ways and Means.

By Mr. HERGER (for himself, Mr. MATSUI, Mr. MCCRERY, Mr. CAMP, Mr. FOLEY, Mr. WELLER, Mr. NEAL of Massachusetts, and Mr. THOMAS):

H.R. 1731. A bill to amend the Internal Revenue Code of 1986 to provide that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit; to the Committee on Ways and Means.

By Mr. HINCHEY (for himself, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BAIRD, Mr. BALDACCI, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr.

BERMAN, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BONIOR, Mr. BORSKI, Mr. BOUCHER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. CAMPBELL, Mrs. CAPPS, Mr. CAPUANO, Mr. CLAY, Mr. CLYBURN, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. CROWLEY, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DEUTSCH, Mr. DICKS, Mr. DIXON, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. FARR of California, Mr. FILNER, Mr. FORBES, Mr. FRANK of Massachusetts, Mr. FRANKS of New Jersey, Mr. GEJDENSON, Mr. GREEN of Texas, Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. HASTINGS of Florida, Mr. HOEFFEL, Mr. HOLDEN, Mr. HOLT, Ms. HOOLEY of Oregon, Mr. INSLEE, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mrs. KELLY, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KUCINICH, Mr. LAFALCE, Mr. LAMPSON, Mr. LANTOS, Mr. LARSON, Mr. LEACH, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MEEKS of New York, Mr. MENENDEZ, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. MURTHA, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. PAYNE, Mr. PHELPS, Mr. PORTER, Mr. PRICE of North Carolina, Ms. RIVERS, Mr. ROTHman, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Ms. SANCHEZ, Mr. SANDERS, Mr. SAWYER, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. SHAYS, Mr. SHERMAN, Ms. SLAUGHTER, Mr. SMITH of Washington, Mr. SPRATT, Ms. STABENOW, Mr. STARK, Mrs. TAUSCHER, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Ms. VELÁZQUEZ, Mr. VENTO, Ms. WATERS, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Mr. WEYGAND, Ms. WOOLSEY, and Mr. WYNN):

H.R. 1732. A bill to designate certain Federal land in the State of Utah as wilderness, and for other purposes; to the Committee on Resources.

By Mr. MEEHAN (for himself, Mr. DELAHUNT, Mr. CAPUANO, Mr. NEAL of Massachusetts, Mr. MOAKLEY, Mr. TIERNEY, Mr. MARKEY, Mr. MCGOVERN, Mr. OLVER, and Mr. FRANK of Massachusetts):

H.R. 1733. A bill to establish doctoral fellowships designed to increase the pool of scientists and engineers trained specifically to address the global energy and environmental challenges of the 21st century; to the Committee on Science.

By Mr. GEORGE MILLER of California:

H.R. 1734. A bill to amend the Elementary and Secondary Education Act of 1965 to improve the quality of education and raise student achievement by strengthening accountability, raising standards for teachers, rewarding success, and providing better information to parents; to the Committee on Education and the Workforce.

By Mr. PETERSON of Pennsylvania (for himself and Mr. BARTON of Texas):

H.R. 1735. A bill to establish a grant program to enable local educational agencies to develop and implement a random drug testing program for students in grades 7 through 12; to the Committee on Education and the Workforce.

By Mr. STARK:

H.R. 1736. A bill to amend title XVIII of the Social Security Act to provide certain Medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the Medicare Program, and to provide for a system to vary those limitations using a classification of individuals based on diagnostic category and prior use of services; to the Committee on Commerce, and in addition to the Committee on Ways and Means, 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. SWEENEY:

H.R. 1737. A bill to prohibit United States reconstruction assistance for the Federal Republic of Yugoslavia (Serbia and Montenegro) as a result of Operation Allied Force; to the Committee on International Relations.

By Mr. WAMP:

H.R. 1738. A bill to amend title 49, United States Code, to provide slot exemptions for nonstop regional jet service, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. TIERNEY (for himself, Ms. KAPTUR, Mr. GEORGE MILLER of California, Mr. LEWIS of Georgia, Mr. NADLER, Mr. DEFAZIO, Mr. HOEFFEL, Mr. WAXMAN, Mr. BARRETT of Wisconsin, Mr. SANDERS, Ms. PELOSI, Ms. LOFGREN, Mr. DELAHUNT, Ms. WOOLSEY, Ms. SCHAKOWSKY, Mr. OLVER, Mr. MCDERMOTT, Mr. BLAGOJEVICH, Mr. MEEHAN, Mr. BLUMENAUER, Mr. HINCHEY, Mr. DAVIS of Illinois, Mr. STARK, Mr. MARKEY, Mr. JACKSON of Illinois, Ms. MCKINNEY, Ms. DELAURO, Ms. LEE, Mr. WEYGAND, Mr. KIND, Mr. GEJDENSON, Mrs. MALONEY of New York, Mr. FORD, Mr. MCGOVERN, Mr. CAPUANO, Mr. RODRIGUEZ, Ms. BALDWIN, Mr. FRANK of Massachusetts, Mr. KUCINICH, Mr. MORAN of Virginia, Mr. CLAY, Mr. EVANS, Mr. FATTAH, and Mr. PASCRELL):

H.R. 1739. A bill to reform the financing of Federal elections; to the Committee on House Administration, and in addition to the Committees on Commerce, and Government Reform, 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. MURTHA:

H.J. Res. 52. A joint resolution proposing an amendment to the Constitution of the United States relating to school prayer; to the Committee on the Judiciary.

By Mr. BILIRAKIS (for himself, Mrs. MALONEY of New York, Mr. MCGOVERN, Mr. PALLONE, Mr. ANDREWS, Mr. CUNNINGHAM, Ms. KAPTUR, Mr. MCNULTY, Mr. CAPUANO, Mr. BROWN of Ohio, Mr. CROWLEY, Mr. ENGEL, Mr. HINCHEY, Mr. RUSH, Mr. SHERMAN, Mr. HORN, Mr. MENENDEZ, Mr. PORTER, Mr. KLINK, Mr. DIAZ-BALART, Mr. TIERNEY, Mrs. KELLY, Mr. DIXON, Mr. BONIOR, and Mr. EVANS):

H. Con. Res. 100. Concurrent resolution urging the compliance by Turkey with United Nations resolutions relating to Cyprus, and for other purposes; to the Committee on International Relations.

By Mr. GREEN of Wisconsin (for himself, Mr. TANCREDO, Mr. TERRY, Mr. FLETCHER, Mr. OSE, Mr. SIMPSON, and Mr. KUYKENDALL):

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that Social Security reform measures should not force State and local government employees into Social Security coverage; to the Committee on Ways and Means.

By Mr. SAM JOHNSON of Texas:

H. Con. Res. 102. Concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict; to the Committee on International Relations.

By Mr. PAYNE:

H. Con. Res. 103. Concurrent resolution expressing the sense of Congress with regard to cultural education and awareness of the history of slavery in America; to the Committee on Education and the Workforce.

By Mr. RODRIGUEZ:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress that a commemorative postage stamp should be issued in honor of William C. Velasquez, the national Hispanic civic leader; to the Committee on Government Reform.

By Mr. BRADY of Texas:

H. Res. 161. A resolution expressing the sense of the House of Representatives regarding the condition and humanitarian needs of refugees within Kosovo; to the Committee on International Relations.

By Mr. BURTON of Indiana:

H. Res. 162. A resolution providing for enclosing the galleries of the House of Representatives with a transparent and substantial material; to the Committee on House Administration.

By Mr. KINGSTON (for himself and Mrs. CAPPS):

H. Res. 163. A resolution expressing the sense of the House of Representatives with respect to postpartum depression; to the Committee on Commerce.

By Mr. LUCAS of Kentucky:

H. Res. 164. A resolution expressing the sense of the House of Representatives that Federal laws relating to the provision of health care must allow women direct access to obstetrician-gynecologists and other health care professionals who specialize in obstetrics and gynecology; to the Committee on Commerce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

48. The SPEAKER presented a memorial of the Legislature of the State of Utah, relative to House Joint Resolution 12 urging the Clinton Administration to support Taiwan and its 21 million people in obtaining appropriate and meaningful participation in the World Health Organization; to the Committee on International Relations.

49. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 543 urging the Congress of the United States to reemphasize to the American People that the

thrid Monday in February is to be celebrated as a national holiday called George Washington's Birthday and to resist efforts to degrade George Washington's Birthday into an amorphous and ultimately meaningless ''Presidents Day'' holiday; to the Committee on Government Reform.

50. Also, a memorial of the Senate of the State of Kansas, relative to Senate Concurrent Resolution No. 1617 requesting that the Congress of the United States return the statue of George W. Glick earlier presented by the state of Kansas for placement in Statuary Hall and accept in return for placement in Statuary Hall, a statue of Dwight David Eisenhower, a citizen of the free world, and worthy of national commemoration in Statuary Hall; to the Committee on House Administration.

51. Also, a memorial of the Legislature of the State of Montana, relative to House Joint Resolution No. 7 memorializing support for the American Land Sovereignty Act of 1997 that reaffirms the constitutional authority of the United States Congress as the elected representatives of the people over the federally owned land of the United States; to the Committee on Resources.

52. Also, a memorial of the Legislature of the State of Utah, relative to House Joint Resolution 5 urging the United States Congress to amend the United States Constitution to prohibit federal courts from levying or increasing taxes; to the Committee on the Judiciary.

53. Also, a memorial of the Senate of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 523 urging the Congress of the United States to include the Coalfields Expressway in the Appalachian Development Highway System; to the Committee on Transportation and Infrastructure.

54. Also, a memorial of the House of Representatives of the State of North Dakota, relative to House Concurrent Resolution No. 3039 urging Congress to enact legislation to return adequate funds to states to fund the employment security system and give a fair return to employers for the taxes employers pay under the Federal Unemployment Tax Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. FORD:

H.R. 1740. A bill to reliquidate certain entries of N,N-dicyolohexyll-2-benzothazolesulfenamide; to the Committee on Ways and Means.

By Mr. GRAHAM:

H.R. 1741. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel M/V *Sandpiper*; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. BARR of Georgia and Mr. CALVERT.

H.R. 8: Mr. GILLMOR, Mrs. MCCARTHY of New York, and Mr. BLILEY.

H.R. 14: Mr. KOLBE.

H.R. 25: Ms. DELAURO, Mr. REYNOLDS, Mr. FRANK of Massachusetts, and Mrs. MCCARTHY of New York.

H.R. 44: Mr. WATT of North Carolina.

H.R. 49: Mr. GARY MILLER of California.

H.R. 72: Mr. PAUL and Mr. HILL of Montana.

H.R. 82: Ms. WOOLSEY, Mr. BACHUS, and Mr. WISE.

H.R. 107: Mr. MCKEON.

H.R. 111: Mr. CLAY, Mr. PITTS, Ms. RIVERS, Mr. HALL of Texas, Mr. WHITFIELD, and Mr. ROTHMAN.

H.R. 125: Ms. LEE, Mr. CUMMINGS, Mr. ORTIZ, Mr. RUSH, Mr. OWENS, and Mr. HINCHEY.

H.R. 127: Mrs. MALONEY of New York and Mr. ACKERMAN.

H.R. 147: Mr. LAHOOD.

H.R. 148: Ms. STABENOW, Mr. FILNER, and Mr. GREEN of Wisconsin.

H.R. 165: Mr. BARCIA.

H.R. 175: Mr. ROMERO-BARCELO, Mr. MURTHA, Mr. GEKAS, Mrs. MINK of Hawaii, Mr. HOEKSTRA, Mr. COLLINS, Mr. KLINK, Mr. MCINTYRE, Mr. MEEHAN, Mr. DAVIS of Illinois, Mr. FORBES, Mrs. MCCARTHY of New York, Mr. NADLER, Mr. CASTLE, Mr. HOEFFEL, Ms. SANCHEZ, Mr. SCOTT, Mr. KUCINICH, Mr. RUSH, Mr. MCHUGH, Mr. GOSS, Mr. WEXLER, Mr. GREENWOOD, Mr. PASTOR, Mr. JOHN, Mr. FRANKS of New Jersey, Mr. WELDON of Pennsylvania, Mr. FLETCHER, Mr. PORTER, and Ms. BALDWIN.

H.R. 183: Mr. LAFALCE and Mr. OXLEY.

H.R. 202: Mr. HILL of Montana.

H.R. 219: Mr. LAHOOD.

H.R. 234: ADERHOLT, Mr. WYNN, Mr. GARY MILLER of California, and Mr. SHOWS.

H.R. 254: Mr. GARY MILLER of California, Mr. HORN, Mr. NETHERCUTT, Mr. DREIER, Mr. DEAL of Georgia, and Mr. FORBES.

H.R. 303: Mr. WALDEN of Oregon and Mr. HAYWORTH.

H.R. 315: Mr. WEYGAND, Mrs. CAPPS, and Mr. MOAKLEY.

H.R. 316: Mr. MEEKS of New York, Mr. BATEMAN, Mr. BACHUS, and Mrs. MYRICK.

H.R. 351: Mr. RYAN of Wisconsin.

H.R. 352: Mr. LUCAS of Oklahoma, Mr. TANCREDO, Mr. LATHAM, Mr. WATT of North Carolina, and Mr. GRANGER.

H.R. 353: Mr. BAIRD, Mr. LEWIS of Georgia, Mr. THOMPSON of California, Ms. PRYCE of Ohio, and Mr. MASCARA.

H.R. 357: Mr. HOEFFEL.

H.R. 363: Mr. HAYWORTH.

H.R. 374: Mr. SMITH of New Jersey.

H.R. 383: Mr. NADLER.

H.R. 405: Mr. FORBES and Mrs. LOWEY.

H.R. 413: Mr. ACKERMAN, Mrs. WILSON, Mr. WALSH, Mr. SPENCE, Mrs. CLAYTON, and Mr. JEFFERSON.

H.R. 434: Mr. SHAYS.

H.R. 443: Mr. MCDERMOTT.

H.R. 515: Mr. OWENS, Mr. JACKSON of Illinois, Mrs. NAPOLITANO, and Mr. KLINK.

H.R. 516: Mr. SENSENBRENNER.

H.R. 518: Mr. SENSENBRENNER.

H.R. 531: Mr. MCINTOSH, Ms. DUNN, Mr. WALDEN of Oregon, Mr. BACHUS, Mr. GOODLATTE, Mr. CONDIT, Mr. HILL of Montana, and Mr. SHIMKUS.

H.R. 576: Mr. WATT of North Carolina.

H.R. 583: Ms. STABENOW and Mr. REYES.

H.R. 592: Mrs. MALONEY of New York, Mr. WELDON of Florida, and Mr. ENGEL.

H.R. 599: Mr. BARRETT of Wisconsin, Ms. LEE, Mr. THOMPSON of Mississippi, Ms. SCHAKOWSKY, Mrs. CHRISTENSEN, Mr. STENHOLM, and Mr. STARK.

H.R. 614: Mr. BILBRAY.

H.R. 623: Mr. PITTS.

H.R. 632: Mr. BARR of Georiga, Mr. HILL of Montana, Mr. EHRLICH, Mr. MCINNIS, Mr. SHADEGG, and Mr. SMITH of New Jersey.

H.R. 648: Mr. STUMP, Mr. FILNER, Mr. SWEENEY, Mrs. THURMAN, Mr. TANCREDO, Mr. BOEHLERT, Mr. DEFAZIO, Mr. BISHOP, Mr. ANDREWS, and Mr. NEAL of Massachusetts.

H.R. 664: Ms. LEE and Mr. NADLER.

H.R. 710: Mr. LATHAM, Mr. DREIER, Mr. TANNER, Mr. BOEHLERT, Ms. LOFGREN, Mr. DICKEY, Mr. RODRIGUEZ, Mr. STENHOLM, Mr. ACKERMAN, Mr. GANSKE, Mr. BARTON of Texas, Mr. SMITH of Washington, Mr. HOEKSTRA, Mr. SPENCE, Mr. HOLDEN, Mr. ORTIZ, and Mr. BERRY.

H.R. 716: Mr. BAKER and Mr. GONZALEZ.

H.R. 721: Mr. HORN.

H.R. 732: Mr. WYNN and Mr. LATOURETTE.

H.R. 738: Mr. CANADY of Florida.

H.R. 743: Mr. SHOWS.

H.R. 773: Mr. UDALL of New Mexico.

H.R. 775: Mr. REYNOLDS and Mr. WELLER.

H.R. 777: Mr. RANGEL.

H.R. 783: Mr. DAVIS of Virginia and Mr. THORNBERRY.

H.R. 784: Mr. OBERSTAR and Mr. CUNNINGHAM.

H.R. 789: Mrs. MYRICK and Mr. GARY Miller of California.

H.R. 796: Mr. COLLINS.

H.R. 797: Mr. LEWIS of Kentucky and Mr. WHITFIELD.

H.R. 798: Mr. BLAGOJEVICH and Mr. UDALL of New Mexico.

H.R. 804: Mr. SANDERS and Mr. SANFORD.

H.R. 827: Ms. KILPATRICK, Ms. DELAURO, Mr. SANDERS, Mr. BONIOR, and Mr. FILNER.

H.R. 835: Mr. KASICH.

H.R. 852: Mr. EVANS.

H.R. 860: Mr. KILDEE.

H.R. 864: Mr. GEKAS, Mr. MORAN of Virginia, Mr. UDALL of New Mexico, Mr. BLILEY, Mr. RUSH, Mr. KLINK, Mr. MURTHA, Mr. DAVIS of Illinois, Mr. MCCOLLUM, Mr. FORBES, Mrs. MCCARTHY of New York, Mr. NEY, Ms. STABENOW, Mr. MCINTYRE, Mr. MEEHAN, Ms. SANCHEZ, Mr. SCOTT, Mr. NADLER, Mr. HOEFFEL, Mr. ROMERO-BARCELO, Mr. WEXLER, Mr. FRANKS of New Jersey, Ms. DUNN.

H.R. 870: Mr. MCINNIS.

H.R. 883: Mr. COX, Mr. TERRY, Mr. RYUN of Kansas, Mr. LUCAS of Kentucky, Mr. SCARBOROUGH, Mr. REYNOLDS, and Mr. TAUZIN.

H.R. 901: Ms. KAPTUR, Mr. DOYLE, and Mr. CAPUANO.

H.R. 902: Mr. PHELPS.

H.R. 903: Mr. SPENCE.

H.R. 904: Mr. MCGOVERN and Mr. TAUZIN.

H.R. 937: Ms. KILPATRICK.

H.R. 957: Mr. BONIOR, Mr. KOLBE, Mr. DEMINT, Mr. EHLERS, Mr. MANZULLO, Ms. STABENOW, and Mr. BOYD.

H.R. 961: Ms. STABENOW, Mr. SANDERS, and Mr. BLAGOJEVICH.

H.R. 979: Mr. STUPAK, Mr. SAWYER, Mr. WU, Mr. LAHOOD, Mrs. KELLY, and Mr. KLECZKA.

H.R. 984: Mr. BLILEY, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. MCINTOSH, Mr. BENTSEN, Ms. ESHOO, and Mr. LATOURETTE.

H.R. 997: Mr. MCGOVERN, Mr. SHERMAN, Mrs. CUBIN, Mr. WICKER, Mr. UPTON, Mr. WAXMAN, Mrs. FOWLER, Mr. HORN, Ms. PRYCE of Ohio, Mr. QUINN, Mr. LARGENT, Mr. OSE, Mr. FARR of California, Mr. BASS, Mr. DAVIS of Virginia, Mr. HOUGHTON, Mr. KILDEE, Mr. LAHOOD, and Ms. PELOSI.

H.R. 1001: Mrs. NORTHUP, Mr. MCNULTY, Mr. DUNCAN, Mr. WHITFIELD, Mr. OBERSTAR, Mr. PORTMAN, and Mr. BOEHLERT.

H.R. 1006: Mr. MCGOVERN.

H.R. 1008: Mr. BARRETT of Wisconsin, Mr. ENGEL, Mr. RODRIGUEZ, and Mr. RANGEL.

H.R. 1021: Mr. ENGEL.

H.R. 1039: Mr. MCDERMOTT and Ms. GRANGER.

H.R. 1055: Mr. GARY MILLER of California, Mr. PETERSON of Pennsylvania, and Mr. HILL of Montana.

H.R. 1070: Mr. POMEROY, Mr. ROEMER, Mr. EDWARDS, Mr. SKELTON, Ms. BALDWIN, Ms. DANNER, Mr. BAKER, Mr. UPTON, Mr. METCALF, Mr. BARTON of Texas, Mr. PASTOR, Mr. CASTLE, Mrs. BONO, Mrs. JOHNSON of Connecticut, Mr. SHAYS, Mr. PALLONE, Mr. KLINK, Mr. STUPAK, Mr. SNYDER, Mr. BOSWELL, Mr. BECERRA, Mr. VENTO, Ms. PRYCE of Ohio, Mr, WATTS of Oklahoma, Mr. LAHOOD, MR. HOUGHTON, Mrs. ROUKEMA, Mr. BILIRAKIS, Mr. BAIRD, Mr. MURTHA, Mrs. BIGGERT, Mr. CAMP, Mr. RAMSTAD, Mr. BERRY, Mr. MARKEY, Mr. KUYKENDALL, Mr. RODRIGUEZ, Mr. PASCRELL, Mr. ACKERMAN, Mr. BROWN of California, Ms. VELÁZQUEZ, Mr. BURR of North Carolina, Mr. ENGEL, Mr. BOUCHER, Mr. THOMPSON of California, Mr. DEUTSCH, Mr. GORDON, Mr. SAWYER, Ms. ROYBAL-ALLARD, Ms. MCCARTHY OF MISSOURI, Mr. STRICKLAND, Mr. BARCIA, Mr. HALL of Texas, Mr. COSTELLO, Mr. GUTIERREZ, Mr. HILLIARD, Mr. HOEFFEL, Mrs. JONES of Ohio, Mr. BONIOR, Mr. EHRLICH, Ms. BROWN of Florida, Ms. STABENOW, Mrs. CHRISTENSEN, Mr. DAVIS of Illinois, Mr. GILCHREST, Mr. BURTON of Indiana, Mr. HAYWORTH, Mr. RAHALL, Mr. FORD, Mr. GEJDENSON, Ms. HOOLEY of Oregon, Mr. NEAL of Massachusetts, and Mr. OWENS.

H.R. 1071: Ms. CARSON, Mr. OBERSTAR, Mrs. THURMAN, Mrs. MINK of Hawaii, and Mr. RANGEL.

H.R. 1083: Mr. WICKER.

H.R. 1086: Mrs. JONES, of Ohio.

H.R. 1092: Mr. BENTSEN, Mr. CALVERT, and Mr. CRANE.

H.R. 1093: Ms. CARSON, Mr. SALMON, Mr. HOEFFEL, Ms. DEGETTE, and Mr. PETRI.

H.R. 1095: Mr. BROWN of Ohio Mrs. CHRISTENSEN, Ms. CARSON, Mr. WATT of North Carolina, Mr. RAMSTAD, and Mr. BONIOR.

H.R. 1097: Mr. BARRETT of Wisconsin.

H.R. 1102: Mr. WALSH, Mr. LOBIONDO, Mr. MOORE, and Mr. LAZIO.

H.R. 1123: Mrs. LOWEY, Ms. PELOSI, and Mr. BLUMENAUER.

H.R. 1130: Mr. RANGEL and Mr. SHERMAN.

H.R. 1144: Mr. DEAL of Georgia.

H.R. 1145: Mr. DEAL of Georgia.

H.R. 1159: Mr. LUTHER.

H.R. 1180: Mr. FRANK of Massachusetts, Mr. MCHUGH, Mr. BACHUS, Mr. WISE, Ms. CARSON, Mr. RYAN of Wisconsin, Mr. MOORE, Mr. NEAL of Massachusetts, Mr. RANGEL, Mr. OSE, Ms. WOOLSEY, Mr. SMITH of Washington, Mr. MASCARA, Mr. GILMAN, Mr. LEACH, Mr. CANADY of Florida, Mr. SHERMAN, Mr. FORD, Mr. BISHOP, Mr. JOHN, and Mr. INSLEE.

H.R. 1187: Mr. MCDERMOTT, Mr. CLEMENT, Mr. LUTHER, and Mr. REGULA.

H.R. 1190: Mrs. JONES of Ohio and Mr. JEFFERSON.

H.R. 1192: Mr. TANCREDO.

H.R. 1193: Mr. GEORGE MILLER of California, Mr. ABERCROMBIE, and Mr. KING.

H.R. 1195: Mr. CONDIT, Mr. SCHAFFER, and Mr. ROHRABACHER.

H.R. 1196: Mr. DEFAZIO.

H.R. 1214: Mr. GUTIERREZ.

H.R. 1219: Mrs. NORTHUP.

H.R. 1221: Mr. WAXMAN, Mr. DIAZ-BALART, Ms. STABENOW, and Mr. BARRETT of Wisconsin.

H.R. 1244: Mr. BONILLA, Mr. GIBBONS, Mr. SUNUNU, Mr. PHELPS, Mr. KNOLLENBERG, Mr. SAWYER, Mr. TANNER, and Mr. MOORE.

H.R. 1245: Mr. DAVIS of Illinois, Mr. THOMPSON of Mississippi, and Mr. BARRETT of Wisconsin.

H.R. 1246: Mr. SPRATT, Mr. UNDERWOOD, Mr. GONZALEZ, and Mr. FOLEY.

H.R. 1256: Mr. CROWLEY, Mr. DELAY, and Mr. GILMAN.

H.R. 1261: Mr. GARY MILLER of California.

H.R. 1263: Mr. EWING, Mr. UPTON, and Mr. TANCREDO.

H.R. 1264: Mr. EWING, Mr. UPTON, Mr. TANCREDO, Mr. WYNN, Mr. HOSTETTLER, Mr. SAM JOHNSON of Texas, Mr. GARY MILLER of California, and Mr. WELDON of Florida.

H.R. 1275: Mr. OBERSTAR, Mr. SHAYS, Mr. STARK, Mr. SAXTON, Mr. LIPINSKI, Mr. KOLBE, and Ms. KILPATRICK.

H.R. 1276: Ms. MILLENDER-MCDONALD.

H.R. 1291: Mr. MCGOVERN, Mr. COBURN, Mr. GRAHAM, Mr. JACKSON of Illinois, Mr. EHLERS, and Mr. ISAKSON.

H.R. 1293: Mr. CUMMINGS, Mr. INSLEE, and Mr. ABERCROMBIE.

H.R. 1301: Mr. BOYD, Mr. NORWOOD, Mr. TAYLOR of North Carolina, Mr. HOEKSTRA, Mr. BARR of Georgia, Mr. FLETCHER, Mr. CUNNINGHAM, Mr. ENGLISH, and Mr. MANZULLO.

H.R. 1304: Mr. BACHUS, Mr. LEACH, Mr. PICKERING, Mr. RAHALL, Mr. PORTER, Mr. SMITH of Michigan, Mr. THORNBERRY, Mr. DEAL of Georgia, Mr. BAIRD, Mrs. MCCARTHY of New York, Mr. DIAZ-BALART, Mr. GEORGE MILLER of California, Mr. KOLBE, Mr. ACKERMAN, Mr. MCGOVERN, Mr. WALSH, Mr. MCHUGH, Mr. FLETCHER, Mr. HANSEN, and Mr. WELDON of Pennsylvania.

H.R. 1315: Mr. SHERMAN.

H.R. 1317: Ms. PRYCE of Ohio.

H.R. 1322: Mr. SENSENBRENNER.

H.R. 1325: Mr. FROST, Mr. FALEOMAVAEGA, and Ms. PELOSI.

H.R. 1334: Mr. SCHAFFER.

H.R. 1336: Mr. SESSIONS, Mr. BAKER, Mrs. ROUKEMA, Mr. SWEENEY, Mr. METCALF, Mr. QUINN, Mrs. KELLY, and Mr. HILL of Montana.

H.R. 1337: Mr. GARY MILLER of California, Mr. TURNER, Mr. BONIOR, Mrs. NORTHUP, and Mr. ARMEY.

H.R. 1342: Mr. KLINK.

H.R. 1349: Mr. PITTS and Mr. KOLBE.

H.R. 1351: Ms. DUNN.

H.R. 1354: Mr. LUCAS of Oklahoma.

H.R. 1355: Mr. JEFFERSON.

H.R. 1358: Mr. EVANS.

H.R. 1388: Mr. MCGOVERN.

H.R. 1394: Mrs. THURMAN.

H.R. 1398: Mr. RADANOVICH.

H.R. 1399: Mr. HINOJOSA, Mr. OLVER, Mr. JEFFERSON, Ms. VELÁZQUEZ, Mr. SAWYER, Mr. NADLER, Mr. DIXON, Mr. FRANK of Massachusetts, Mr. MCNULTY, Ms. MILLENDER-MCDONALD, Mr. MEEKS of New York, and Mr. HASTINGS of Florida.

H.R. 1407: Mr. WOLF, Mrs. THURMAN, Mr. MCGOVERN, and Mr. FROST.

H.R. 1414: Mr. DAVIS of Illinois.

H.R. 1421: Mr. BONIOR and Mr. WEINER.

H.R. 1423: Mr. FROST, Mr. WAXMAN, Mr. ETHERIDGE, Mr. KUCINICH, Mr. WEINER, and Mr. SHERMAN.

H.R. 1424: Mr. STUMP, Mr. FROST, Mr. WALSH, Mr. WAXMAN, Mr. ETHERIDGE, Mr. KUCINICH, Mr. BLUMENAUER, Mr. WEINER, and Mr. SHERMAN.

H.R. 1432: Mrs. MCCARTHY of New York, Mr. KUYKENDALL, Mr. RAHALL, and Mr. ENGEL.

H.R. 1456: Mr. VENTO.

H.R. 1463: Mr. CROWLEY.

H.R. 1464: Mr. WATTS of Oklahoma, Mr. HAYES, Mr. GREEN of Wisconsin, and Mr. SENSENBRENNER.

H.R. 1476: Mr. RANGEL.

H.R. 1484: Mr. SHOWS and Mr. OBERSTAR.

H.R. 1485: Mr. MEEKS of New York and Mr. BALDACCI.

H.R. 1491: Mr. NEAL of Massachusetts and Mr. FORD.

H.R. 1495: Mr. NADLER and Ms. STABENOW.

H.R. 1497: Mr. ALLEN and Mrs. THURMAN.

H.R. 1511: Mr. HILLIARD, Mr. MCCRERY, Mr. SESSIONS, Mr. LOBIONDO, Mr. FROST, Mr. ISTOOK, and Mr. WATKINS.

H.R. 1530: Mr. CANADY of Florida, Mr. MICA, and Mr. DAVIS of Florida.

H.R. 1535: Mr. OBERSTAR and Mr. KLINK.

H.R. 1545: Mr. BARRETT of Wisconsin.

H.R. 1549: Mr. BAIRD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCGOVERN, AND MS. KILPATRICK.

H.R. 1556: Mr. FROST, Mrs. JOHNSON of Connecticut, Mr. ANDREWS, Mr. GARY MILLER of California, Mr. HOEFFEL, and Mrs. THURMAN.

H.R. 1579: Ms. DELAURO, Mr. COYNE, Mr. THOMPSON of California, Mr. KLINK, and Mr. RADANOVICH.

H.R. 1598: Mr. CLEMENT and Mr. TANNER.

H.R. 1600: Mr. DAVIS of Illinois.

H.R. 1606: Mr. BONIOR.

H.R. 1607: Mrs. MYRICK.

H.R. 1614: Mr. CUNNINGHAM, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1622: Mr. GOSS, Mr. FILNER, Ms. ROYBAL-ALLARD, Mr. PRICE of North Carolina, and Mr. LIPINSKI.

H.R. 1630: Mr. GUTIERREZ and Mr. ENGLISH.

H.R. 1633: Mr. WELLER.

H.R. 1657: Mr. BARCIA.

H.R. 1670: Mr. MEEKS of New York and Mr. THOMPSON of Mississippi.

H.R. 1706: Mr. SAM JOHNSON of Texas.

H.R. 1710: Mr. WELDON of Florida, Mr. PITTS, Mr. WELDON of Pennsylvania, Mr. SCHAFFER, Mr. DEAL of Georgia, and Mrs. KELLY.

H.J. Res. 2: Mr. HULSHOF.

H. Con. Res. 30: Mr. THUNE, Mr. CANNON, and Mr. BARTON of Texas.

H. Con. Res. 31: Mr. GARY MILLER of California.

H. Con. Res. 34: Mr. LAFALCE.

H. Con. Res. 58: Mr. GARY MILLER of California.

H. Con. Res. 79: Mrs. KELLY, Mr. STENHOLM, Mr. FRELINGHUYSEN, Mr. FORBES, Mr. GARY MILLER of California, Mr. TALENT, Mr. COOK, Mr. CLEMENT, Mr. HOEKSTRA, Mr. BURTON of Indiana, and Mr. CHAMBLISS.

H. Con. Res. 94: Mr. BARRETT of Nebraska, Mr. DUNCAN, Mrs. KELLY, and Mr. DEMINT.

H. Res. 41: Mr. DEAL of Georgia, Mr. PAYNE, and Mr. SPENCE

H. Res. 82: Mrs. CAPPS and Ms. SCHAKOWSKY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 979: Mr. BOYD.

H.R. 984: Mr. BOEHNER.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1664

OFFERED BY: MR. FARR OF CALIFORNIA

AMENDMENT NO. 15: At the end of the bill (before the short title), insert the following new section:

SEC. ____. (a) AUTHORITY TO MAKE PAYMENTS.—Subject to the provisions of this section, the Secretary of Defense is authorized to enter into agreements to make payments for the settlement of the claims arising from

the deaths caused by the accident involving a United States Air Force CT–43 aircraft on April 3, 1996, near Dubrovnik, Croatia.

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary shall make the decision to exercise the authority under subsection (a) not later than 90 days after the date of the enactment of this Act.

(c) SOURCE OF PAYMENTS.—Amounts appropriated or otherwise made available for the Department of the Air Force for operation and maintenance for fiscal year 1999 or other unexpended balances for prior years shall be available for payments under subsection (a).

(d) AMOUNT OF PAYMENT.—The amount of the payment under this section in settlement of the claims arising from the death of any person associated with the accident described in subsection (a) may not exceed $2,000,000.

(e) TREATMENT OF PAYMENTS.—Any amount paid to a person under this section is intended to supplement any amount subsequently determined to be payable to the person under section 127 or chapter 163 of title 10, United States Code, or any other provision of law for administrative settlement of claims against the United States with respect to damages arising from the accident described in subsection (a).

(f) CONSTRUCTION.—The payment of an amount under this section may not be considered to constitute a statement of legal liability on the part of the United States or otherwise as evidence of any material fact in any judicial proceeding or investigation arising from the accident described in subsection (a).

SENATE—*Thursday, May 6, 1999*

The Senate met at 9:30 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:

Almighty God, on this National Day of Prayer, we join with millions across our land in intercession and supplication to You, the Sovereign Lord of the United States of America. As we sound that sacred word Sovereign, we echo Washington, Jefferson, Madison, and Lincoln, along with other leaders through the years, in declaring that You are our ultimate Ruler. We make a new commitment to be one nation under You, God, and we place our trust in You.

You have promised that if Your people will humble themselves, seek Your faith, and pray, You will answer and heal our land. Lord, as believers in You, we are Your people. You have called us to be salt in any bland neglect of our spiritual heritage and light in the darkness of what contradicts Your vision for our Nation. Give us courage to be accountable to You and Your Commandments. We repent for the pride, selfishness, and prejudice that often contradict Your justice and righteousness in our society.

Lord of new beginnings, our Nation needs a great spiritual awakening. May this day of prayer be the beginning of that awakening with each of us here in the Senate. We urgently ask that our honesty about the needs of our Nation and our humble confession of our spiritual hunger for You may sweep across this land. Hear the prayers of Your people and continue to bless America. In Your Holy Name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Texas is recognized.

SCHEDULE

Mr. GRAMM. Mr. President, this morning the Senate will resume consideration of S. 900, the financial services modernization bill, with Senator GRAMM immediately recognized to offer an amendment. The leader has announced that if this bill is completed this evening, there will be no rollcall votes during Friday's session of the Senate. Therefore, Senators can expect rollcall votes throughout the day and into the evening with the expectation of completing the bill.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. CRAPO). Under the previous order, the leadership time is reserved.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 900 which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized to offer an amendment.

Mr. GRAMM. Mr. President, I want to urge my colleagues, if they have any amendments for this bill, to bring those amendments to the floor.

We are going to try to gather up today the amendments that Members want to present. We are going to evaluate them. Hopefully, we can take many of those amendments without a rollcall vote. There will be some point this morning at which we will attempt to try to bring this to a conclusion in terms of setting a blueprint for the day. It is my intention to press forward today as long as it takes, as hard as it is, to see this bill dealt with and its work completed.

Mr. DORGAN. Mr. President, I wonder if the Senator from Texas will yield for a question.

Mr. GRAMM. I will be happy to yield for a question.

Mr. DORGAN. Mr. President, I understand the Senator from Texas, based on the previous agreement, is to be recognized to offer two amendments. I heard his call for other Members to come with amendments. I have a couple of amendments which I intend to offer. I would not expect the Senator to include those in the list of amendments he intends to accept, but nonetheless I also wish to make a statement about the bill generally today. I have come over several times, as the Senator knows, and it has not been convenient to be able to do so with respect to other schedules, and I understand that. But I wonder if the Senator could give me some notion of when I might be able to be recognized, at which time I would make the statement I intend to make about the bill generally and then offer an amendment.

Mr. GRAMM. Mr. President, I am awaiting Senator SARBANES, so why don't I just ask, how long does the Senator need to make an opening statement?

Mr. DORGAN. I wish to speak for about 20 minutes this morning.

Mr. GRAMM. Mr. President, let me ask unanimous consent that the distinguished Senator from North Dakota might speak on the bill for 20 minutes, and that at the end of that time I might be recognized for the purpose of offering the amendment. I am willing to step aside.

Mr. DORGAN. Mr. President, the Senator from Texas is most courteous. I would like about 5 minutes to gather some charts.

Mr. GRAMM. Fine.

Mr. DORGAN. If the Senator would like to proceed——

Mr. GRAMM. Why don't we do it this way. Let me ask unanimous consent that the Senator be recognized to speak for 20 minutes. I will suggest the absence of a quorum. He can take us out of the quorum call when he comes back and speak for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, 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. DORGAN. 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. DORGAN. Mr. President, we are debating a piece of legislation in the Senate that is called the Financial Services Modernization Act of 1999.

I come today with the confession I am probably hopelessly old fashioned on this issue. For those who have a vision of re-landscaping the financial system in this country with different parts operating with each other in different ways and saying that represents modernization, then I am just hopelessly old fashioned, and there is probably nothing that can be said or done that will march me towards the future.

I want to sound a warning call today about this legislation. I think this legislation is just fundamentally terrible. I hear all these words about the industry remaking itself—banks, security firms and insurance companies, and that we'd better catch up and put a fence around where they are or at least build a pasture in the vicinity of where they are grazing. What a terrible idea.

What is it that sparks this need to modernize our financial system? And

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

what does modernization mean? This chart shows bank mergers in 1998, in just 1 year, last year, the top 10 bank mergers. We have discovered all these corporations have fallen in love and decided to get married. Citicorp, with an insurance company—that is a big one—$698 billion in combined assets; NationsBank—BankAmerica, $570 million; and the list goes on. This is a massive concentration through mergers.

Is it good for the consumers? I don't think so. Better service, lower prices, lower fees? I don't think so. Bigger profits? You bet.

What about the banking industry concentration? The chart shows the number of banks with 25 percent of the domestic deposits. In 1984, 42 of the biggest banks had 25 percent of the biggest deposits. Now only six banks have the biggest deposits. That is a massive concentration.

I didn't bring the chart out about profits, but it will show —this is an industry that says it needs to be modernized—banks have record-breaking profits, security firms have very healthy profits, and most insurance companies are doing just fine. Why is there a need to modernize them?

So we must ask the question, what about the customer? What impact on the economy will all of this so-called modernization have?

It is interesting to me that the bill brought to the floor that says, ''Let's modernize this,'' is a piece of legislation that doesn't do anything about a couple of areas which I think pose very serious problems. I want to mention a couple of these problems because I want to offer a couple of amendments on them.

I begin by reading an article that appeared in the Wall Street Journal, November 16, 1998. This is a harbinger of things to come, just as something I will read that happened in 1994 is a harbinger of things to come, especially as we move in this direction of modernization.

It was Aug. 21, a sultry Friday, and nearly half the partners at Long-Term Capital Management LP [that's LTCM, a company] were out of the office. Outside the fund's glass-and-granite headquarters, a fountain languidly streamed over a copper osprey clawing its prey.

Inside, the associates logged on to their computers and saw something deeply disturbing: U.S. Treasurys were skyrocketing, throwing their relationship to other securities out of whack. The Dow Jones Industrial Average was swooning—by noon, down 283 points. The European bond market was in shambles. LTCM's biggest bets were blowing up, and no one could do anything about it.

This was a private hedge funding.

By 11 a.m., the [hedge] fund had lost $150 million in a wager on the prices of two telecommunications stocks involved in a takeover. Then, a single bet tied to the U.S. bond market lost $100 million [by the same company]. Another $100 million evaporated in a similar trade in Britain. By day's end, LTCM [this hedge fund in New York] had hemorrhaged half a billion dollars. Its equity had sunk to $3.1 billion—down a third for the year.

This company had made bets over $1 trillion.

Now, what happened? They lost their silk shirts. But of course, they were saved because a Federal Reserve Board official decided we can't lose a hedge fund like this; it would be catastrophic to the marketplace. So on Sunday night they convened a meeting with an official of the Federal Reserve Board, and a group of banks came in as a result of that meeting and used bank funds to shore up a private hedge fund that was capitalized in the Caymen Islands for the purpose, I assume, of avoiding taxes. Bets of over $1 trillion in hedges—they could have set up a casino in their lobby, in my judgment, the way they were doing business. But they got bailed out.

This was massive exposure. The exposure on the hedge fund was such that the failure of the hedge fund would have had a significant impact on the market.

And so we modernize our banking system. This is unregulated. This isn't a bank; it is an unregulated hedge fund, except the banks have massive quantities of money in the hedge fund now in order to bail it out.

What does modernization say about this? Nothing, nothing. It says let's pretend this doesn't exist, this isn't a problem, let's not deal with it.

So we will modernize our financial institutions and we will say about this problem—nothing? Don't worry about it?

I find it fascinating that about 70 years ago in this country we had examples of institutions the futures of which rested on not just safety and soundness of the institutions themselves but the perception of safety and soundness, that is, banks. Those institutions, the future success and stability of which is only guaranteed by the perception that they are safe and sound, were allowed, 70 years ago, to combine with other kinds of risk enterprises—notably securities underwriting and some other activities—and that was going to be all right. That was back in the Roaring Twenties when we had this go-go economy and the stock market was shooting up like a Roman candle and banks got involved in securities and all of a sudden everybody was doing well and everybody was making massive amounts of money and the country was delirious about it.

Then the house of cards started to fall. As investigations began and bank failures occurred and bank holidays were declared, from that rubble came a description of a future that would separate banking institutions from inherently risky enterprises. A piece of legislation called the Glass-Steagall Act was written, saying maybe we should learn from this, that we should not fuse inherently risky enterprises with institutions whose perception of safety and soundness is the only thing that can guarantee their future success. So we created circumstances that prevented certain institutions like banks from being involved in other activities such as securities underwriting.

Over the years that has all changed. Banks have said, because everybody else has decided they want to intrude into our business—and that is right, a whole lot of folks now set themselves up in a lobby someplace and say we are appearing to be like a bank or want to behave like a bank—the banks say if that is the case, we want to get into their business. So now we have the kind of initiative here in the Congress that says: Let's forget the lessons of the past; let's believe the 1920s did not happen; let's not worry about Glass-Steagall. In fact, let's repeal Glass-Steagall; let's decide we can merge once again or fuse together banking enterprises and more risky enterprises, and we can go down the road just as happy as clams and everything will be just great. And of course it will not.

I mentioned hedge funds—talk about risk. How about derivatives? Incidentally, those who vote for this bill will remember this at some point in the future when we have the next catastrophic event that goes with the risks in derivatives. Fortune magazine wrote an article, ''The Risk That Won't Go Away; Financial Derivatives Are Tightening Their Grip on the World Economy and No One Knows How to Control Them.'' Somewhere around $70- to $80 trillion in derivatives.

I wrote an article in 1994 for the Washington Monthly magazine and derivatives at that point were $35 trillion. You know something, today in this country banks are trading derivatives on their own proprietary accounts. They could just as well put a roulette wheel in the lobby. They could just as well call it a casino. Banks ought not be trading derivatives on their proprietary accounts. I have an amendment to prohibit that. I don't suppose it would get more than a handful of votes, but I intend to offer it.

Is it part of financial modernization to say this sort of nonsense ought to stop; that banks ought not be able to trade derivatives on their own proprietary accounts because that is inherently gambling? It does not fit with what we know to be the fundamental nature of banking and the requirement of the perception of safety and soundness of these institutions. Does anybody here think this makes any sense, that we have banks involved in derivatives, trading on their own proprietary accounts? Does anybody think it makes any sense to have hedge funds out there with trillions of dollars of derivatives, losing billions of dollars and then being bailed out by a Federal Reserve-led bailout because their failure

would be so catastrophic to the rest of the market that we cannot allow them to fail?

And as banks get bigger, of course, we also have another doctrine. The doctrine in banking at the Federal Reserve Board is called, ''too big to fail.'' Remember that term, ''too big to fail.'' It means at a certain level, banks get too big to fail. They cannot be allowed to fail because the consequence on the economy is catastrophic and therefore these banks are too big to fail. Virtually every single merger you read about in the newspapers these days means we simply have more banks that are too big to fail. That is no-fault capitalism; too big to fail. Does anybody care about that? Does the Fed? Apparently not.

Of course the Fed has an inherent conflict of interest. I think, if the Congress were thinking very clearly about the Federal Reserve Board, they would decide immediately that the Federal Reserve Board is not the locus of supervision of banks. The Federal Reserve Board is in charge of monetary policy. It is fundamentally a conflict of interest to be listening to the Fed about what is good for banks when they are involved in running the monetary policy of this country. If the Federal Reserve Board were, in my judgment, doing what it ought to be doing, it would be leading the charge, saying we need to regulate risky hedge funds because banks are involved in substantial risk on these hedge funds. Apparently hedge funds have become too big to fail. Then there needs to be some regulation.

The Fed, if it were thinking, would say we need to deal with derivatives, and that bank trading on proprietary accounts in derivatives is absurd and ought not happen. Some will remember in 1994 the collapse in the derivative area. You might remember the stories. ''Piper's Managers' Losses May Total $700 Million.'' ''Corporation After Corporation Had to Write Off Huge Losses Because They Were Involved in the Casino Game on Derivatives.'' ''Bankers Trust Thrives on Pitching Derivatives But Climate Is Shifting.'' ''Losses By P&G May Clinch Plan to Change.''

The point is, we have massive amounts of risk in all of these areas. The bill brought to the floor today does nothing to address these risks, nothing at all, but goes ahead and creates new risks by saying we will fuse and merge the opportunities for inherently risky economic activity to be combined with banking which requires the perception of safety and soundness.

We have all these folks here who know a lot more about this than I do, I must admit, who say: Except we are creating firewalls. We have subsidiaries, we have affiliates, we have firewalls. They have everything except common sense; everything, apparently, except a primer on history. I just wish, before people would vote for this bill, they would be forced to read just a bit of the financial history of this country to understand how consequential this decision is going to be.

I, obviously, am in a minority here. We have people who dressed in their best suits and they just think this is the greatest piece of legislation that has ever been given to Congress. We have choruses of folks standing outside this Chamber who spent their lifetimes working to get this done, to say: Would you just forget all that nonsense back in the 1930s about bank failures and Glass-Steagall and the requirement to separate risk from banking enterprises; just forget all that. Time has moved on. Let's understand that. Change with the times.

We have folks outside who have worked on this very hard and who very much want this to happen. We have a lot of folks in here who are very compliant to say: Absolutely, let me be the lead singer. And here we are. We have this bill, which I will bet, in 5, 10, 15 years from now, we will be back thinking of this bill like we thought of the bill passed in the late 1970s and early 1980s, in which this Congress unhitched the savings and loans so some sleepy little Texas institution could gather brokered deposits from all around America and, like a giant rocket, become a huge enterprise. And guess what. With all the speculation in the S&Ls and brokered deposits and all the things that went with it that this Congress allowed, what did it cost the American taxpayer to bail out that bunch of failures? What did it cost? Hundreds of billions of dollars. I will bet one day somebody is going to look back at this and they are going to say: How on Earth could we have thought it made sense to allow the banking industry to concentrate, through merger and acquisition, to become bigger and bigger and bigger; far more firms in the category of too big to fail? How did we think that was going to help this country? Then to decide we shall fuse it with inherently risky enterprises, how did we think that was going to avoid the lessons of the past?

Then the one question that bothers me, I guess, is—I understand what is in this for banks. I understand what is in it for the security firms. I understand what is in it for all the enterprises. What is in this for the American people? What is in it for the American people? Higher charges, higher fees? Do you know that some banks these days are charging people to see their money? We know that because we pay fees, obviously, to access our money at bank machines. But credit card companies, most of them through banks, are charging people who pay their bills on time because you cannot make money off somebody who wants to pay their bill every month.

If you have a credit card balance—incidentally, you need a credit card these days, because it is pretty hard to do business in cash in some places. You know with all the bills, everybody wants to use credit cards. Many businesses want you to use credit cards. So you use credit cards, then you pay off the entire balance at the end of every month because you don't want to pay the interest. Some companies have decided you should be penalized for paying off your whole balance. Isn't that interesting? You talk about turning logic on its head, suggesting we don't make money on people who pay off their credit card balance every month, so let us decide that our approach to banking is to say those who pay their credit card bill off every month shall be penalized.

Turning logic on its head? I think so. As I said when I started, I am likely to be branded as hopelessly old fashioned on these issues, and I accept that. I suspect that some day in some way others will scratch their heads and say, ''I wish we had been a bit more old fashioned in the way we assessed risk and the way we read history and the way we evaluated what would have made sense going forward in modernizing our financial institutions.''

Oh, there is a way to modernize them all right, but it is not to be a parrot and say because the industry has moved in this direction, we must now move in this direction and catch them and circle them to say it is fine that you are here now. That is not the appropriate way to address the fundamental challenges we have in the financial services industry.

I am not anti-bank, anti-security or anti-insurance. All of them play a constructive role and important role in this country. But this country will be better served with aggressive antitrust enforcement, with, in my judgment, fewer mergers, with fewer companies moving in to the ''too big to fail'' category of the Federal Reserve Board, with less concentration.

This country will be better served if we have tighter controls, not firewalls that allow these companies to come together and do inherently risky things adjacent to banking enterprises, but to decide the lessons of the 1930s are indelible transcendental lessons we ought to learn and ought to remember.

Mr. President, I have more to say, but I understand my time is about to expire.

The PRESIDING OFFICER (Mr. INHOFE). The Senator's time has expired.

Mr. DORGAN. Mr. President, at some point, I will have three amendments to offer, two of them on hedge funds and one of them on derivatives. I understand the Senator from Texas is in line and has the opportunity to offer two amendments.

My hope is to offer my first derivative amendment following the Senator from Texas. I understand the Senator

from Texas indicates he wants to try to finish the bill this evening. I understand managing the bill is difficult and he wants to get through these things. I will not speak at great length on my amendments.

I appreciate the Senator's courtesy this morning in allowing me to make an opening statement. If he intends to finish the bill tonight, I will be here. He said if we have amendments to bring them over. I will be here. If the Senator wants my amendments, I will offer them and that will give us a chance to talk about them and deal with them.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized.

Mr. GRAMM. Mr. President, this is an important bill. I have had problems myself with this bill in the past in other forms. I understand the Senator has strong feelings. It may well be that some of his amendments we can take. If the Senator will get them to us as quickly as he can, we will look at them, and if we can take them, we will. If we cannot, then the only thing we can do is have them presented, have him debate them, and then we will have a vote on them.

Mr. SARBANES. Will the chairman yield?

Mr. GRAMM. I will be happy to yield.

Mr. SARBANES. On the point of amendments, I think it would be very helpful to the managers if Members could now let us know in the next hour or so whether they have amendments they intend to offer and what the subject matter will be. That will give us a chance to think about how we might structure the day.

The leader's intent, as I understand it, is to try to finish this bill tonight. I think the chairman will probably agree with me that there is the real possibility that we could do that, but in order to accomplish that, it would be very helpful if Members who are thinking of offering amendments would let us know about them so we can incorporate that factor into our thinking as we think about how we are going to move the bill along. I would be most appreciative if people could do that.

Mr. DORGAN. May I inquire, if I can ask a question of the manager, if we have amendments when will they likely be considered? The Senator from Texas has now an opportunity to offer two amendments, right? Will there be substantial debate on those amendments?

Mr. GRAMM. I don't think so at this point. One of the reasons we are letting people go is to look at them. There will be a vote on one of them, sort of as a bed check to get everybody awake and ready to get going. I don't believe, or it is not my intention, that either one of them will be very controversial or be long debated.

If the Senator can get his amendments to us and let us look at them so we know what he is offering, again, it might be possible we can work something out and take the amendments or some part of them. It is always better not to talk if one can win without talking, but if you can't win, talking is often the best thing to do. Maybe we can work it out. Again, we are in an accommodating mood this morning.

Mr. DORGAN. I say the worst possible position is to not be able to win and not be able to talk.

Mr. GRAMM. I can assure the Senator, we are not going to prevent him from talking.

Mr. DORGAN. I will provide all three amendments to the chairman immediately and will be available all morning so I will not hold up his bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that, while holding our current order exactly as it is, I yield to the distinguished Senator from Pennsylvania to offer an amendment which he will debate and then withdraw.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SANTORUM. Thank you, Mr. President.

AMENDMENT NO. 307

(Purpose: To require the obligations of the Financing Corporation to be paid from certain excess funds of the deposit insurance funds and for other purposes)

Mr. SANTORUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 307.

Mr. SANTORUM. 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 appropriate place, insert the following:

(e) USE OF FUND RESERVES TO PAY FICO OBLIGATIONS.—

Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended by inserting after subparagraph (C) the following:

''(D) USE OF DEPOSIT INSURANCE FUNDS TO PAY CERTAIN FINANCING CORPORATION OBLIGATIONS.—

''(i) IN GENERAL.—Beginning on January 1, 2000, the Board of Directors shall use the funds of the Bank Insurance Fund and the Savings Association Insurance Fund in excess of 1.35 percent of estimated insured deposits or such level established by the Board of Directors pursuant to Section 7(b)(2)(A)(iv)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(iv)(II)) to pay the bond interest obligations of the Financing Corporation.

''(ii) LIMITATION.—If the funds available under clause (i) are insufficient to meet the Financing Corporation's annual interest obligations, the Board of Directors shall use such amounts available under clause (i) and shall impose a special assessment, consistent with 12 U.S.C. 1441(f)(2) and Section 2703(c)(2)(A) of the Deposit Insurance Funds Act of 1996, on insured depository institutions in such amount and for such period as is necessary to generate funds sufficient to permit the Financing Corporation to meet all interest obligations due.

Mr. SANTORUM. Mr. President, I rise as a member of the Banking Committee to, first, express my support for the bill. I think the chairman has done an admirable job in trying to fashion a bill that takes what was a very complicated, overly complex measure last year and simplified it and streamlined a lot of the organizational structures and dealt with things in a much more straightforward fashion. I think as a result, we have a much cleaner and much better, more understandable, from an administrative point of view, proposal than what we were dealing with last year. I commend the chairman for that.

Just like every other Member here, there are certain parts of the bill of which I am less supportive. In fact, some parts of the bill I am not supportive of at all and feel it is an obligation of mine to come forward and do what I can to make some of those changes.

One section of the bill that I do not support is section 304. Section 304 extends for 3 years the differential that savings institutions, thrifts, have to pay vis-a-vis banks on what are called FICO obligations or FICO bonds. That is the Financing Corporation bonds that were issued to resolve the Federal Savings and Loan Corporation during the savings and loan crisis a few years ago.

These bonds were necessary. The industry that was involved—more responsible, some will argue—the thrift industry, was assessed a higher assessment to pay those bonds. The banking industry, which had less problems, was assessed a lower assessment, five times lower. Without this bill, in a year's time, the amount of money, the amount of assessment would equalize. Instead of the thrifts paying 6 basis points and the banks paying 1.2 basis points, both the banks and thrifts would pay 2.2 basis points.

I think that is fair. It should be equalized. Certainly the thrifts have paid their fair share, and then some, with respect to resolving the crisis that occurred in their industry. To continue this competitive disadvantage I think is not wise, given, in particular, the fact this bill has a lot in it for large banks, has a lot in it for the banking industry, and a lot of my small banks and thrifts have said there really is not much in it for the smaller, more community-oriented banks and for thrift institutions.

While we are providing more opportunities for the larger banks, under the chairman's bill, the committee bill, we keep this additional disparity between

savings institutions and banks. So I think it is a fair way to move forward given the state of play.

The problem is that I do not think it is fair enough. Striking that section—I know there are several amendments out here to strike that section and allow the equalization of the assessments to go on—I think is a good step but, frankly, it is not a step that goes far enough. And the reason I say that needs a little explanation.

Right now the interest that we need, the amount of money that we have to pay for the FICO bonds, the Financing Corporation bonds, that runs about $780 million a year. That is to pay the obligations on the FICA bonds. That money is paid by this assessment on thrifts and banks.

Thrifts and banks also historically have another assessment that paid money into a reserve account, as is prudent, so we have a reserve fund that can pay on the guaranties for deposits in banks and savings organizations.

That capital fund is overcapitalized. There is more money in that account than is necessary to meet the reserve requirement of 1.25 percent of deposits. And so as a result, the assessments on banks and savings institutions have been basically eliminated with very few exceptions. But they continue to be assessed to pay the FICO bonds.

What I have found, in looking at these accounts, is that there is far more money in the reserve accounts than is needed to meet the 1.25 percent of deposits that we need in that reserve account. In fact, that reserve account, that money that was paid to capitalize the reserve account, is invested in Government bonds—should be invested, of course—and it is invested in Government bonds.

The interest on that reserve account, through the investment in Government bonds, is about $2 billion a year. That is about how much interest we are bringing in and adding to the reserve account every year. And it is growing, by the way. Every year it continues to grow. We are adding about $2 billion a year in interest. So the reserve account, which is already overcapitalized, continues to grow.

In fact, if you look at where this account has grown—remember, we are supposed to have in this reserve account 1.25 percent of deposits. In 1996, it was 1.3 percent; in 1997, it was 1.36; in 1998, it was 1.39. That is in the SAIF fund, which is the savings account fund. In the BIF fund, which is the bank, it is 1.34; it is going up to 1.38 in 1999. We are seeing a growth in both of those funds, and that is projected to continue to grow.

You may ask the question, Why are we letting it continue to grow? Well, because there are no failures in banks. We are not having to insure the deposits and pay the money. But it is well in excess of the amount that we need. And it is earning $2 billion a year, thereby growing.

What I am saying is that we have more than we need in this account; it is growing at a rate of about $2 billion a year, and yet we are still assessing banks and savings institutions money to pay FICO bonds. Why don't we use the interest that is being spun off from the investment in the reserve account to pay the FICO bonds and that way eliminate the assessment on banks completely, which is basically a $780 million tax, when we have a fund that is growing far in excess of what we need in the reserve accounts?

That is what my amendment would do. It would basically say that there isn't any reason to continue to assess banks and savings institutions to use that capital to pay FICO. Let the capital stay with the banks, stay with the savings institutions, be used to lend, to create more money, more capital available for more credit.

It is estimated that with my amendment next year alone it would make $10 billion of credit available—$10 billion of new credit available if we pass my amendment. That money, again, which has already been generated in excess of what we need, would be used to pay the FICO obligations.

I sort of like what is going on here with respect to the deposit insurance funds, the reserve funds, what goes on in a lot of trust funds in Government. We had almost the identical situation with the highway trust fund, and we had the courage, through the leadership of Chairman SHUSTER over in the House, to stand up and say, ''Look, we're paying all this money in gas taxes. It is going into the highway trust fund. But we are only appropriating a fraction of the money that is actually coming in.'' In other words, consumers—taxpayers—were paying much more money in taxes going into the trust fund than was ever going to be used in the trust fund.

What was happening to the difference? What was happening to the difference was we were just building up this highway trust fund money that we would never use. Why would we want to do that?

The same question here is, if we already have enough money to pay the FICO bonds with interest on the reserve accounts, why do we need to continue to assess banks? Well, there is only one reason why we continue to assess banks and savings institutions. It is because it counts as money to the Federal Government and it scores for the budget.

Wait a minute. What does that mean? What that means is that we can show a lower deficit because we have $780 million coming in. That money will never be spent. It will never be spent. It will just continue, in some way, to grow within the reserve account, which money will never be used because we have far in excess of what anyone has anticipated. By the way, that number continues to grow.

So we have in a sense here in the banking bill the identical situation as we had in the highway trust fund; which is, we are assessing somebody, ultimately the consumer, because they ultimately pay these taxes or these assessments, we are assessing them $780 million a year to go into a fund that does not need the money, that is used purely—purely—to hide the deficit so we can spend money somewhere else. So what we want to do is say, let's do here what we did with the highway trust fund.

The reason I am withdrawing my amendment—this is a good amendment. It is what we should do. This is truth in budgeting. We always talk about truth in budgeting and the Social Security trust fund and the highway trust fund. Here is another, in a sense, trust fund that we are putting money into that is never going to be used, simply to hide the deficit. But if we take that money out of the revenue stream, there will be some who will come down here to the floor and say, ''Aha, you're going to raise the deficit and thereby take money out of Social Security or thereby not have enough money for us to do a tax cut or thereby not have enough money to do whatever else we want to do.''

The fact is, this is money that we should not be assessing because there isn't the need to assess it. But it is there. It is a tax. It is a tax going into a trust fund that does not need the money. But we are going to put it in there anyway because then we can issue bonds.

Does this sound familiar to Social Security? We do not need the money in Social Security. We have enough money to pay, but we continue to charge people higher FICA taxes, higher Social Security taxes. We have a surplus. And what do we do with that surplus? We buy Government bonds. What does that surplus do? It hides the real deficit.

What are we doing here with this FICO? It is interesting—FICA-FICO. What are we doing with FICO? We are charging banks and savings institutions more money than is needed. To do what? To buy Government bonds. To do what? To hide the deficit. To do what? So we can spend the money somewhere else.

The trust fund scams that go on here in Washington, when we set up these separate accounts—but we count them in the general fund. We count them in the overall budget calculations and create some very troubling policies.

It is a policy that we fixed when it came to gas taxes in the highway trust fund. It is a policy we are going to try to fix when it comes to Social Security. It is a policy that we should fix when it comes to banks and savings institutions, although it is very difficult

to come to the floor and say, we should reduce taxes on banks and thrifts because they are paying too much in taxes.

It is not a very popular tax cut, if that is the way you are going to look at it. But this is not a tax cut; this is an assessment to make sure there is adequate money in reserves to pay the guarantee. These are banks putting money in there to make sure there is money available to pay insured deposits. That is what this is about. There is more money than we need in there right now, far in excess of the requirements, and yet we continue to assess it.

That is wrong. That is not a tax to pay for government. That is not a tax to pay for something else. It is an assessment to do a specific thing. There is more money than we need to do that specific thing. Yet we continue to assess. Why? Because it counts in the general budget, and we do not want to reduce the amount of money coming into the general budget, even though that money doesn't go to the general fund; it goes to this trust fund. The trust fund then buys bonds and then we use the money.

That is wrong. We should not allow that to happen. I will support the motion to strike section 304 because it is all we can accomplish, but I will continue to work, not just with this trust fund but with the other trust funds we have here in Washington that have been integrated into this budget, that hide the real cost of government. That is what we are dealing with here. We are hiding the real cost of government. We are making banks, savings institutions, pay money that there is no need for them to pay to hide the cost of government.

That is wrong. That is not truthful budgeting. If we want to tax banks more money, if we want to go out there and tax them, say you are not paying enough in taxes, we are going to tax you $780 million a year so we can have more money in Washington, then let's be straightforward. Let's just go tax them and have a debate on that. But to continue to have them pay this assessment—don't call it a tax; it is an assessment—when there is plenty of money in there that would alleviate the need to pay that assessment is wrong.

I am very disappointed that this amendment is subject to a budget point of order, which means I would have to get 60 votes to allow this amendment to go in. Why is it subject to a budget point of order? Because this assessment counts as revenue to the Government and would throw the budget out of balance, if we passed my amendment.

Some will claim, you are going to take this money out of this, or this, or whatever. The fact is, this is not a tax; it is an assessment for a particular purpose, to capitalize a reserve fund to make sure there is money there to pay guaranteed deposits.

There is more money. The reserve requirement is 1.25 percent. In the current accounts, it is almost 1.4 percent. There is almost a billion dollars more in the accounts than is necessary to pay to meet the minimum reserve requirement, yet we continue to assess more and more and more.

Again, I can't tell you how disappointed I am that we continue this fraudulent budget practice. It is certainly my intent, while we will not be successful today with this amendment, to fight this battle and other battles for truth in budgeting where fraudulent trust funds are used to subsidize other government spending. That is not right. It is not right to this industry. It is not right to those who want available credit, because we are driving credit by having these assessments. It is certainly not right with respect to Social Security and the other trust funds that are being abused by the general government to hide deficits for this country.

Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 307) was withdrawn.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant 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.

AMENDMENT NO. 308

(Purpose: To strike a provision relating to a 3-year extension for BIF-member FICO assessments, to provide for financial information privacy protection, and to provide for the establishment of a consumer grievance process by the Federal banking agencies)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Texas (Mr. GRAMM) proposes an amendment numbered 308.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. GRAMM. Mr. President, the Senate Banking Committee has worked on this bill for a long time. In fact, this has been a live issue in the Congress for over 25 years. We are making progress toward at least having the Senate act. I think no one is under any delusion about the fact that we have a lot of work to do. We have a conference, and we have a President who ultimately is going to have a say in this through his ability to veto. Obviously, at some point we are going to sit down with him in the process and listen to his viewpoint and see to what degree we can come together.

But I thought it was a good time in the process here in the Senate to take some action to try to clear out some differences that exist between proposals that Senator SARBANES made in committee and positions which were adopted by the committee itself. There are two areas in this amendment where we adopt the position of the Sarbanes substitute which was considered by the Senate yesterday. What I would like to do is to explain these differences and then give Senator SARBANES an opportunity to talk about it.

The first has to do with striking the FICO provision. It is always dangerous to try to do good things on an important bill. No good deed goes unpunished. I had a provision in the underlying bill which was trying to deal with a problem, and the problem is that we have two separate insurance funds and they have had very different insurance premiums; but we had set out an automatic pilot process to bring those two funds to the same insurance rate, with the idea that Congress, while this was happening, was going to end up merging the two insurance funds.

Well, as often happens, Congress ended up passing no bill related to merging the two insurance funds, and on the last day of the millennium, on December 31 of 1999, these two rates are going to be merged by law. And so I thought, well, this is a chance to have a good Government provision, so we will postpone that to give the conference and the Congress an opportunity to do what we said we would look at doing when we started merging these two rates.

It is clear now that there is sufficient opposition to this provision, and I am not sure where the votes would be if we tried to leave it where it is. But it seemed to me, with all the big issues we have to deal with in this bill, that it is not worth fighting this issue. And so the first provision of this amendment strikes the so-called FICO provision and allow current law to operate to assure that the insurance premiums of the two separate insurance funds for deposit insurance will be harmonized on the last day of this year.

The second provision deals with antifraud provisions and with this emerging issue of privacy. I want people to understand that by adopting the provisions of the Sarbanes bill on privacy, I am not saying to the Senate, nor is Senator SARBANES, I am sure—and he

will speak for himself—that this is the end of the debate. This is a very important issue. Privacy is a fundamental right that people have, and the question is trying to balance that right against the new technology which we all benefit from, and which we all find ourselves forced to operate within. It is not easy. This is a beginning.

What I want to say to Members of the Senate is that, as a gesture toward promoting bipartisanship, I want to move to adopt these provisions from the Sarbanes substitute. But I want to go further than that. I want to commit that the Banking Committee will hold hearings on privacy issues. I want to commit that we will hold those hearings in both the subcommittee and at the full committee level; that we will begin the hearings with testimony from any Member of the House or Senate who wishes to testify; that we will hold comprehensive hearings so that anybody who has a legitimate viewpoint or represents any group which has a stake in this issue would have an opportunity to testify and have their position heard.

Now, basically, in this amendment we make illegal a number of practices, where basically people are engaging in fraud and dishonest behavior. In addition, we require a GAO report on financial privacy. The amendment requires that GAO, in consultation with the Federal Trade Commission and the Federal banking agencies, report to the Congress on the efficacy and adequacy of the remedies provided to prevent false pretext calls to obtain financial information and recommendations for any additional legislation to prevent pretext calling.

We have a Federal Trade Commission report to Congress on financial privacy. The amendment requires the Federal Trade Commission to submit an interim report to Congress on its ongoing study of consumer privacy issues.

We establish a consumer grievance process. I think one of the things which has happened to every Member of the Senate is that we now find, in the absence of an organized process, that people tend to call us when they have problems of this nature. What we want to do in this amendment is require the Federal banking regulators to create a consumer grievance process for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under this bill. These are regulations in section 202 having to do with consumer protection. Each Federal banking agency is required to (1) establish a group within each regulatory agency to receive consumer complaints; (2) develop procedures for investigating such complaints, (3) develop procedures for informing consumers of rights they may have in connection with such complaints, and (4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

This is not the end of the debate. This does not solve the privacy problems in America. But I believe Senator SARBANES is correct that this is the beginning of the debate. I have just touched on a portion of the provisions. He is more expert than I on them. But I believe they represent an important step in beginning the debate on this issue of privacy.

I think it is important we begin this debate on a bipartisan basis. Therefore, I have sent this amendment to the desk adopting the privacy portions of the Sarbanes substitute.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, first of all, I want to indicate right at the outset that I am supportive of this amendment which the chairman has sent to the desk. I would like to address briefly the two aspects of it.

First of all, it would preserve current law that ends the FICO assessment differential at the end of 1999.

Actually, my colleague, Senator JOHNSON, was going to offer an amendment later, and part of that amendment would encompass this provision as well. That is an amendment that addresses the unitary thrift issue, which I believe is probably an amendment we will be able to get to fairly shortly this morning. In fact, the chairman and I are hopeful that when we do that, we will be able to work out a time agreement with those who are interested in the amendment so we could structure that debate, structure the vote, and Members would know how we are moving ahead.

We indicated earlier, and I want to repeat the request—I will do it after we vote on this amendment—that Members who have amendments to let us know. Of course, we know about the unitary thrift amendment. We know about the op-sub amendment. We know that some Members are thinking of offering amendments. The chairman indicated earlier that, if we could see them, we might be able to work out accommodations with people offering amendments.

It will be very helpful to us if Members will let us know. I think an opportune time will be when we have the vote on this amendment, or shortly thereafter we could begin to try to program and plan the day.

The FICO assessment differential—let me briefly describe the legislative background and show why the current law should be preserved.

In 1996, Congress passed the Deposit Insurance Funds Act of 1996 to resolve the disparity.

Let me just say this amendment has two things: the FICO differential and this antifraud privacy provision in it. As the chairman has indicated, that is just a small step. I am going to address that shortly.

Many Members have a very keen interest in the privacy issue. The privacy concerns which they have been focused on are sort of broader and separate and more extensive than what is in this amendment. But this amendment in and of itself, I think, is desirable, although it by no means addresses the privacy question in any broad or full manner.

Coming back to the FICO assessment differential, when we passed the Deposit Insurance Funds Act of 1996 to resolve the disparity between the assessments being charged by the SAIFs and the BIFs to the thrifts and the banks for payment of interest on bonds issued by the financing corporation, so-called FICO bonds, it paid depositors of institutions that failed during the thrift crisis.

Actually, the differential that caused thrifts to migrate assessable deposits to the BIF fund, the Bank Insurance Fund, in order to reduce their premiums, that obviously over time could have led to a destabilization of the SAIF funds.

The legislation in 1996 required SAIF-insured institutions to pay a one-time $4.5 billion payment to the SAIF funds, and for 3 years, until the end of 1999, to pay assessments at a rate of 6.1 basis points of deposits, which was five times the rate at which BIF-insured funds were assessed. Then, as it were, as part of the arrangement for the thrifts undertaking these large payments, a one-time $4.5 billion payment and the five-time multiple on the assessment rate going into the SAIF funds, the Congress provided that the assessments would be equalized in the two funds no later than January 1, 2000, and the same rate would be assessed on BIF and SAIF-assessable deposits thereafter.

The bill before has a provision in it, which the chairman has now proposed to strike, but that provision, if it remained, would extend the premium differential for another 3 years and, therefore, require SAIF-insured savings associations to pay a much higher deposit assessment for another 3 years, whereas the existing law would have eliminated that differential at the end of this year. This obviously would impose very significant additional and unexpected costs.

I think, in thinking about this, that we have to really think about it in terms of in the sense of what the understanding was in 1996, what the expectations were, what the planning has been, and, of course, if we don't allow the law to take effect as it was laid out to do in 1996 in the Deposit Insurance Funds Act, we markedly changed people's expectations and people's planning.

OTS Director Seidman and FDIC Chairman Tanoue both testified before the Senate Banking Committee opposing this section. Director Seidman testified that in a sense both BIF and SAIF-insured institutions have expected the FICO rate differential to end at the end of this year. Extending it could revive the incentive to shift deposits from the SAIF to the BIF.

Deposit shifting represents a waste of resources and could unnecessarily lead the SAIFs less able to diversify to risks. FDIC Chairman Tanoue testified that faced with the possibility of a persistent rate differential, holders of SAIF-insured deposits may feel it is in their best interests to try to shift deposits to the BIF. This would result in the very inefficiencies that the Funds Act was intended to eliminate.

Subsequently, FDIC Chairman Tanoue sent a letter to Chairman GRAMM urging the elimination of section 304, and stating if the differential is extended ''inefficiency and waste will reemerge as institutions expend time and money to avoid this unequal fee structure.''

Mr. President, I think obviously we need to give careful consideration to these arguments advanced by the FDIC and the OCC. The substitute which Senator DASCHLE and we proposed at the outset of these deliberations did not extend the differential. We did not have this provision in there, and, therefore, we stuck with existing law which would have eliminated the differential at the end of this year.

No compelling reason has been brought to my attention that would require us to reopen this issue and extending the differential. The thrifts have been performing their obligations under the Funds Act by paying the $4.5 billion one-time payment, plus the payment on their deposits, which is five times the payment the banks are paying under the BIF on their deposits.

I agree with the amendment in striking the provision that would have carried the differential out for another 3 years contrary to the understanding and everyone's assumption on the basis of the 1996 law.

Now, Senator JOHNSON will be offering an amendment which addresses the unitary thrift issue, and I think that is a very important amendment. He had, as part of that amendment, this particular provision with respect to the differential. I think it is very important as Members consider the Johnson amendment to understand that what he will be offering on the unitary thrift issue is in the context of this change, as well, with respect to the differential.

Looking at the Johnson amendment on the unitary thrift, to be fair to Senator JOHNSON and what he was seeking to accomplish, one would have to keep in mind or take into account that part of his approach encompassed this FICO assessment differential which is now contained in the amendment offered by the chairman.

Members, therefore, as they examine the Johnson amendment—and I will make that point later, as well—need to appreciate his effort to try to come up with what I call a balanced, well-thought-through, reasoned, balanced approach in trying to deal with these issues which are in some ways connected with one another. Senator JOHNSON was trying very hard to put together a balanced package. The adoption of this amendment makes it unnecessary to be in the Johnson amendment, which ought not result in perceiving that the Johnson amendment is in any way unbalanced. Because of its approach it essentially encompassed this proposal, as well.

Let me turn to the antifraud provision that is in this legislation. At the outset, let me be very clear. The chairman referred to the privacy provisions of the Sarbanes bill. There are two Sarbanes bills on this issue. I want to be very clear about it. One was the substitute which we offered which contained within it the provisions of last year's bill on the Financial Information Antifraud Act. Separately, there is a bill that I have introduced along with Senator DODD, Senator BRYAN, Senator LEAHY, Senator EDWARDS, and Senator HOLLINGS, and a number of other colleagues have expressed a very strong interest in this legislation which is a much more comprehensive approach to the privacy question.

That bill would give customers notice about how their financial institutions share or sell their personally identifiable sensitive financial information. We think it is an extremely important issue. Of course, the chairman has indicated that he also regards it as an important issue, and he made the commitment this morning that the committee would undertake a comprehensive hearing with respect to this question of financial privacy.

I support the specific provisions in this amendment. I am pleased that we are considering these welcomed and much needed antifraud provisions. However, I have to underscore, again, they do not begin to address the larger issues of financial privacy and the need to give customers an informed voice in what is happening with their most confidential financial data.

Some have called the amendment that is before the Senate a so-called privacy amendment, but I think it is more appropriate to call it an antifraud measure. What people are now talking about as a privacy issue really is much more encompassed by this separate bill, which I indicated Senators DODD, BRYAN, LEAHY, EDWARDS, and HOLLINGS have joined with me in introducing, and which many of our colleagues on both sides of the aisle have expressed an interest in. I know there are colleagues on the Republican side of the aisle, as well as on this side of the aisle, who are very concerned about the broader privacy question.

This amendment prohibits the use of fraud to obtain sensitive customer financial data from a bank. The use of fraud, in order to get this data from a bank, clearly is something we need to shut down. That is obviously a desirable and appropriate provision. However, this proposal does not require financial institutions to safeguard customer data. This goes to when people use fraud to somehow get that customer data out of the financial institution.

This amendment doesn't address the increasingly common situation where companies pay banks for sensitive information without the knowledge or consent of their customers. Unfortunately, few Americans know that under current Federal law a bank, stockbroker, or insurance company may transfer information about a customer's transactions or experience to a third party without notifying the customer that the information is being shared, or obtaining the customer's consent. Such information can include savings and checking account balances, CD maturity dates, security purchases and insurance payouts. Americans are becoming increasingly concerned about the issue. That is very clear.

Last month, the American Association of Retired Persons published a survey finding in which 78 percent of the people surveyed disagreed with this statement. Here is a statement that was put to people which 78 percent disagreed with:

> Current Federal and State laws are strong enough to protect your personal privacy from businesses that collect information about consumers.

Mr. President, 78 percent disagreed with that statement. In other words, they did not think that current Federal-State laws were strong enough to protect their personal privacy. Ninety-two percent of the respondents in this AARP survey said they would mind if a company they did business with sold information about them to another company.

At the start of this Congress I introduced S. 187, the Financial Information Privacy Act of 1999 to which I referred, in which Senators DODD, BRYAN, EDWARDS, LEAHY and HOLLINGS joined. That bill will give customers the right to be told before their banks sell or share their account balances, their CD maturity dates, their credit card purchasing history and other sensitive financial information. It will give them the right to object to the sharing of this information.

Think of the kind of information now that has no restraint upon it in terms of it being shared or sold. I think it is clear that most people have no real understanding or appreciation that this takes place and would not want it to happen.

S. 187 has received strong support from leading consumer and privacy advocate groups. This is an issue that is high on the President's agenda. Just this week, the President unveiled a plan for financial privacy and consumer protection in the 21st century. This plan would require institutions to inform consumers of plans to share or sell their financial information and give the consumer the power to stop it. In his radio address, the President said he was ''working to give you the right to control all the information on whom you write checks to, what you buy on your credit card and how you invest. We want to prevent anyone from encroaching on your privacy for their profit.''

In conclusion on this issue, first of all, let me again indicate my strong support for the provision that is before the Senate which seeks to stop the use of fraud to obtain a consumer's confidential financial information. That provision was in the bill we brought out last year. It was in the alternative which was offered earlier. We welcome the chairman's willingness to place it in the bill that is before the Senate.

However, I do want to note that this very limited amendment does not solve the serious problem of customers not knowing what is happening with their account balances, CD maturity dates and other transaction and experience information, and not having a choice as to whether this sensitive personal financial information is circulated to other companies.

This issue has the potential of being a controversial issue. I also think it has the potential on which a consensus can be worked out between protecting the consumer interest and the assertions which the financial institutions are making with respect to the burdens that might be placed upon them or how it would inhibit them from conducting legitimate financial activities.

That is something which needs to be carefully worked through, so I particularly welcome the indication by the chairman that we will hold hearings on these very important issues and undertake to develop real solutions to the growing problem of financial privacy. I think it is extremely important that we undertake that task. It is helpful this morning to have this indication and this commitment that the committee will do so.

Mr. President, I had indications earlier there were some Members on this side who wanted to address this privacy question, and I think we would give them a brief period to follow through on that indication of interest. If not, I would be prepared to move to a vote on this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we have a Kosovo briefing at 11:30. To try to accommodate our colleagues, since they are all going to be coming over here anyway, I ask unanimous consent that a vote occur on the pending amendment No. 308 at 11:30 this morning and the time until 11:30 be equally divided in the usual form. I further ask consent that no amendment be in order to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, let me say, if we have more Members on one side who want to speak than the other, I would have no concern about yielding more time to Senator SARBANES' side if they have people who want to come over to speak on the general issue itself.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant 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.

Mr. GRAMM. Mr. President, I yield 15 minutes to the distinguished Senator from Florida, Senator MACK, so he might speak on an unrelated subject as in morning business.

The PRESIDING OFFICER. Without objection, the Senator from Florida is recognized.

MACK TAX PLAN

Mr. MACK. Mr. President, I thank Senator GRAMM for providing this time to me to make a statement with regard to a tax cut proposal that I have.

Mr. President, my job as chairman of the Joint Economic Committee is to help Congress stay focused on the right policies to keep the U.S. economy energized. What that comes down to is finding ways to make sure Washington does less of what today it does most—tax, spend, and regulate—in order to let the American people do more of what they do best—which is to build, create and innovate.

With that in mind, I instructed the JEC staff to focus on creating a tax plan that would accomplish three goals: first, provide tax relief for all American income taxpayers; second, promote even stronger economic growth; and third, ensure continued technological leadership in the 21st century. The plan I would like to talk about today accomplishes these three goals, and does so within the parameters of the on-budget surplus as estimated in this year's budget resolution. It does not use one penny from the Social Security surplus.

As Ronald Reagan once said, when he was defining a taxpayer—''that's someone who works for the Federal Government but doesn't have to take a civil service examination.'' This comment really gets to the heart of how the size and scope of the Federal Government affects the way we live our lives. Americans are spending more and more time working to give more and more of their hard-earned dollars in taxes every year to the Federal Government.

According to the non-partisan Tax Foundation, the average dual-income family will work until May 11 this year to pay their federal state and local taxes. So, as of today, the average American family has not even finished working to pay off their taxes for 1999.

This year, the Federal Government will collect more tax revenue as a share of GDP than at any time since 1944. This is the highest level in peacetime history—20.7 percent of GDP consumed by the Federal Government.

Since 1993, federal tax revenues have grown 52 percent faster than personal income growth. Last year alone, federal revenues grew 80 percent faster than personal income.

We have a balanced budget in 1999 and we've got balanced budgets as far as the eye can see. Soon, we'll have a federal surplus as far as the eye can see.

Our challenge now is to deal with that surplus. And, I think it's easy to see what will happen to this overpayment by the American taxpayer—if we leave it in Washington's hands. There will be numerous new government programs and they will be paid for by the Federal surplus.

We have to change the terms of debate—and we have to do it now before the surplus is spent. First, let's not forget that the American economy does not exist to feed the Federal budget. Now that the budget is balanced, we have to get our priorities straight.

To begin with: there is no such thing as ''public money.'' Every dollar of the Federal surplus was paid into the U.S. Treasury by American taxpayers. If we have a persistent surplus, we have to give the money back.

For years, my fellow Republicans and I argued that it was wrong for the Government to spend more than it took in. We were right. But now, it is equally wrong for the Government to take in more than it spends.

Yes, we should cut taxes so that people can keep more of what they earn. Yes, we should cut taxes because lower taxes spur economic growth. But the real rationale for lowering taxes—the reason tax cuts are an article of faith in the Republican Party—is that high taxes trespass on our freedom—our freedom to work, our freedom to invest, our freedom to support our families.

So in my mind, it is not a matter of if we cut, but how much, and how can we maximize the pro-growth impact of whatever tax cuts we decide to enact.

With these thoughts in mind, I would like to focus on what they Joint Economic Committee staff has come up with as a way to give the American income taxpayer meaningful tax relief,

promote savings and economic growth, and ensure the United States remains a technological leader in the 21st century. And, Mr. President, I would like to elaborate on how this plan will accomplish each of these goals.

The first goal is tax cuts for all American income taxpayers.

Under this plan we would double the standard deduction to $14,400 for married filers and raise the standard deduction for single filers to $7,200. Increasing the standard deduction would provide much-needed relief to all low-income taxpayers. Moreover, this provision would significantly reduce the much-discussed marriage penalty and simplify the Tax Code. Nearly three-quarters of all taxpayers use the standard deduction and would benefit from this increase.

In addition, our plan would repeal the 1993 Clinton tax increase on Social Security benefits. In 1993, President Clinton imposed this tax increase on the elderly's benefits because he said it was needed to eliminate the budget deficit. Since there is no longer a deficit, we no longer need this tax. It is time to repeal this unnecessary surcharge on Social Security recipients.

The second goal is economic growth.

The U.S. economy is enjoying unprecedented prosperity. In fact, our economy has grown for more than 16 years with only 9 months of recession. That is the longest period with only 9 months of recession since at least the 1850s! But while my Washington colleagues and I may be able to take pride in the performance of the economy, we really cannot take credit. The credit for the strength of our economy belongs to the American people—because the strength of our economy is a tribute to every American who uses his or her freedom to turn work into reward. To every individual who turns energy into a business plan—an idea into a new product.

These are the heroes of the American economy—the entrepreneurs and innovators who are creating economic growth, generating trillions in new wealth and reordering the global economy. We must provide pro-growth tax cuts that will ensure the continued strength of our economy and allow our entrepreneurs and innovators to flourish.

My plan would provide pro-growth tax cuts that would spur economic growth in four ways: by cutting capital gains tax rates 25 percent to 7.5 percent and 15 percent and indexing them for inflation; by cutting dividend taxes to 7.5 percent and 15 percent, making them uniform with capital gains tax rates; by repealing estate and gift taxes; and by indexing the individual AMT exemption amount.

Lowering capital gains tax rates will stimulate greater investment and keep the economy humming. Indexing capital gains for inflation will end the Government's unfair practice of taxing people on phantom gains due to inflation.

Currently, people earning dividends face among the highest tax rates in the Tax Code—as high as 60 percent—because they are double-taxed. Many investors, particularly the elderly, count on their dividends as a major source of income during their retirement years. Therefore, this change would have a significant, positive impact on their standard of living. Furthermore, the Tax Code would no longer encourage companies to hold onto locked-in earnings that investors could use more wisely. By making the dividend and capital gains rate uniform, this plan eliminates the current bias against dividend income, making investing a more level playing field.

Another major problem with the Tax Code concerns the alternative minimum tax, AMT. The AMT was designed to ensure that all taxpayers paid their fair share of taxes, but in recent years it has become an additional tax burden on middle income taxpayers for whom it was never intended. Since the AMT exemption amount was never indexed for inflation, each year more and more taxpayers are subject to it. My plan would stop this AMT creep by indexing the exemption amount for inflation, and relieve the unintended consequences of this counterproductive tax that undermines other tax relief already provided in the Tax Code.

My plan also calls for the elimination of the estate and gift tax, sometimes referred to as the death tax. Death and taxes may be inevitable, but they should never be simultaneous. Death taxes are among the worst provisions in the Tax Code, imposing tax rates as high as 55 percent. After paying taxes all your life—surely people shouldn't have to pay even more taxes upon their death. That is just not fair, and this tax should be abolished.

The third goal is to maintain U.S. technological leadership in the 21st century.

Last, but definitely not least, my plan recognizes the importance of the technology industry to the success and continued growth of the U.S. economy. We need to maintain policies that give the strongest possible support to innovation, and my plan seeks to do this in two ways: by making the research and development tax credit permanent, and by raising the capital expensing limit from $25,000 to $500,000, indexed for inflation.

Studies have shown that the R&D tax credit creates $2 of research and development for every one dollar of credit. It more than pays for itself, and we need to quit playing games with it. Our current practice—extending it one year at a time, letting it expire and then bringing it back to life—is completely counterproductive. No company can plan and invest for the long-term against a policy that changes every 12 months. This inefficiency impedes innovation and will make it more difficult for the United States to maintain its technological edge in the 21st century.

Especially in high technology industries, rapid innovations are rendering equipment obsolete within a year. We are all familiar with this phenomenon regarding computers. But, the same problems arise with medical, telecommunications and other high-tech equipment. Under current law, companies are required to spread these costs over time periods of five or more years. Under my plan, the capital expensing limit would be raised from $25,000 to $500,000 so companies would be able to keep pace with ever-changing technology. This will particularly stimulate investment in small firms.

Mr. President, to sum up my tax plan, it would provide $140 billion in tax relief over the next 5 years and $755 billion over 10 years—well within the estimated $800 billion surplus in this year's budget proposal.

I think it is important to take a minute to look at who would benefit from the majority of the cuts I discussed today. In the context of my plan, I think it's important to stress that over one-half of the tax relief associated with the individual tax cuts would flow to households earning less than $75,000 a year. In addition, nearly one-third of my tax plan would go to people with incomes under $50,000, who currently pay 22 percent of taxes. So, in addition to providing cuts for economic growth and ensuring the U.S. remains a technological leader, my plan provides substantial relief for all American income taxpayers, and simplifies our burdensome Tax Code.

Mr. President, we are living in a new economy. And right now, the world is playing America's game. We can outperform, out-produce, out-compete, and out-create anyone in the world. We need to ensure the United States keeps its status as an economic powerhouse in the 21st century. The Federal Government's role in ensuring this happens is to get out of the way and give the American people freedom—the freedom to work, the freedom to invest, the freedom to support our families, and the freedom to continue strengthening our economy. Our plan does just that—cuts taxes and gets the Government out of the way to give the American people the freedom to pursue their own dream—not Washington's.

Mr. President, I yield the floor.

Mr. GRAMM. Mr. President, 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.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that following the 11:30 vote, Senator Johnson be recognized to offer an amendment related to thrifts, and, further, the time on the Johnson thrift amendment—this is the unitary thrift amendment, for those who want to engage in the debate—that time on the Johnson thrift amendment, prior to the motion to table, be limited to 60 minutes, equally divided, and no amendment be in order prior to the motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. 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.

Mr. BROWNBACK. Mr. President, I rise to make a few remarks concerning Senate Amendment 308 to S. 900, the Financial Services Modernization bill. Unfortunately, I was unable to vote on this amendment because I was out in Wichita with Vice President GORE and FEMA director James Lee Witt surveying the enormous damage that was caused by the tragic tornadoes that passed through Kansas on Monday. These fatal tornadoes that swept through the Wichita area on Monday caused 5 Kansans to lose their lives and injured more than 70 people. More than 500 homes have been damaged or destroyed, leaving many people homeless and without power. In the town of Haysville, 27 businesses have been wiped out, virtually eliminating the business district of this Wichita suburb. I am pleased that federal relief for the Wichita area is on the way and I will continue to assist federal, state, and local authorities as they help the people of Wichita recover from this natural disaster.

I support Senate Amendment 308 and would have voted for it if I had been present. This amendment was passed in the Senate by a vote of 95–2 and I believe that it will strengthen an already strong financial modernization bill. The Financing Corporation bonds (FICO) provision in the Financial Modernization bill would require Savings Association Insurance Fund (SAIF) institutions, or thrifts, to pay premiums at a rate five times higher than that paid by banks in the Bank Insurance Fund (BIF) for three more years before merging both funds. Under the Funds Act of 1996, these funds were supposed to merge on January 1, 2000 and all FDIC institutions were to pay an equal amount. This amendment would strike the FICO provisions in S. 900 and equalize the deposit insurance premiums of bank and thrift institutions.

I hope we now can move forward with the passage of the Financial Services Modernization bill. S. 900 would permit banking, securities, and insurance companies to exist within a single corporate structure. This could lead to greater competition and more innovative and consumer-responsive services. Competition would not only benefit consumers, but will help America's employers by making it easier and cheaper for them to raise the capital they need for growth.

I am especially pleased that S. 900 would modernize the Federal Home Loan Bank System (FHLB) by banks. Under S. 900, the FHLB System would be easily accessible as an important source of liquidity for community lenders and would enable community banks to post different types of collateral for various kinds of lending.

Community banks are finding it increasingly tough to meet deposit and withdrawal demands as customers shift their deposits into higher-yielding investments like mutual funds. With less liquidity, there isn't as much money available for lending as the community demands. A reduction in community lending will hurt the economies of these small communities. This bill will facilitate more small business, agriculture, rural development, and low-income community development lending in rural communities.

Mr. GRAMM. 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.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Kansas (Mr. BROWNBACK) is necessarily absent.

Mr. REID. 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 95, nays 2, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—95

Abraham	Allard	Baucus
Akaka	Ashcroft	Bayh
Bennett	Graham	McConnell
Bingaman	Gramm	Mikulski
Bond	Grams	Moynihan
Boxer	Grassley	Murkowski
Breaux	Gregg	Murray
Bryan	Hagel	Reed
Bunning	Harkin	Reid
Burns	Hatch	Robb
Byrd	Helms	Roberts
Campbell	Hollings	Rockefeller
Chafee	Hutchinson	Roth
Cleland	Hutchison	Santorum
Cochran	Inhofe	Sarbanes
Collins	Inouye	Schumer
Conrad	Jeffords	Sessions
Coverdell	Johnson	Shelby
Craig	Kennedy	Smith (NH)
Crapo	Kerrey	Smith (OR)
Daschle	Kerry	Snowe
DeWine	Kohl	Specter
Dodd	Kyl	Stevens
Domenici	Landrieu	Thomas
Dorgan	Lautenberg	Thompson
Durbin	Leahy	Thurmond
Edwards	Levin	Torricelli
Enzi	Lieberman	Voinovich
Feingold	Lincoln	Warner
Feinstein	Lott	Wellstone
Frist	Lugar	Wyden
Gorton	McCain	

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—2

Brownback Biden

The amendment (No. 308) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota is recognized.

AMENDMENT NO. 309

(Purpose: To make an amendment with respect to the Federal deposit insurance funds and unitary savings and loan holding companies)

Mr. JOHNSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from South Dakota (Mr. JOHNSON), for himself, Mr. THOMAS, Mr. KERREY, Mr. DASCHLE, Mr. DORGAN, Mr. KOHL, and Mrs. LINCOLN, proposes an amendment numbered 309.

Mr. JOHNSON. 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 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

"(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on March 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on March 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

Mr. SARBANES. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. JOHNSON. Certainly.

Mr. SARBANES. Mr. President, it is my understanding that there are 60 minutes of debate equally divided.

The PRESIDING OFFICER. That is correct, before a motion to table.

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. Mr. President, I ask unanimous consent that Mr. Steven Miteff, who has served in my office for 2 months as a participant in USDA's Senior Executive Service Candidate Development Program, be provided floor privileges during today's consideration of S. 900.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON. Mr. President, today I am offering an amendment for myself and Senators THOMAS and KERREY. I thank Senators DASCHLE, DORGAN, KOHL, and LINCOLN, who are also cosponsors of this amendment.

I believe that several of my colleagues plan to speak in behalf of this important effort.

This amendment addresses the issue of unitary thrift charters.

Initially this amendment also dealt with an unnecessary owners provision that needlessly penalizes thrifts by removing the FICO insurance differential from the underlying bill. However, Chairman GRAMM has offered an amendment that accomplishes that portion of the original amendment. Nonetheless, the remaining unitary thrift issue must be addressed, and that is what this amendment does.

Thrifts are different from banks. Many believe that a thrift charter is superior to a bank charter. It gives thrifts more flexibility. It also demands certain specific things of them.

We recently went through an extensive debate over the merits of the thrift charter. I don't want to open old debates. I do seek, however, to close a loophole that permits the dangerous combination of banking and commerce. Under current law, commercial firms can own and operate unitary thrifts. That is the only breach of the banking and commerce firewalls currently allowed under our financial services law. Of course, the Glass-Steagall repeal and other opponents of this legislation open a range of financial activities to each other. But this bill is carefully structured to prevent the mixing of banking and commerce and closes the single loophole that remains where banking and commerce can mix.

Let me explain what this amendment would to. There has been some misperception floating around about it. But I have made the language available for review now for a number of days.

The Johnson-Thomas-Kerrey amendment does not interfere with the current ownership of thrifts. Any commercial firms that currently own a unitary thrift charter will be able to continue to own and operate their institution without restriction. Their current status would be undisturbed. Existing unitary thrifts would be grandfathered and can still sell themselves to any of the thousands of other financial entities that exist in our country. There will remain a strong market for the sale of unitary thrifts—no doubt about that.

The only limitation this amendment would impose involves the transferability of the charter. The charter would not be transferable to another commercial entity. Any bank, insurance company, or security firm that wanted to acquire a charter could do so. A new entity could be created to operate that thrift.

This amendment brings the two issues that concern the thrift industry to a consensus compromise which addresses the issues most critical to average banks and average thrifts. It restores the language agreed to in last year's agreement effort in H.R. 10. That agreement, which is embodied in this amendment, was supported by the banks and by the thrifts. It also received the overwhelming support of the Senate Banking Committee. House Banking Committee Chairman LEACH also supports closing this loophole.

Moreover, this amendment would further the goals of financial modernization by leveling the playing field between banks and thrifts and remove the dangerous threat of further weakening the walls between banking and commerce.

OTS Director Seidman acknowledges that requests have been made by thrifts to relax the current restrictions on commercial lending, and as we enter a new world of one-stop-shopping financial services, pressure will no doubt only increase to allow more charters to be further exploited.

This amendment has the strong support of the American Bankers Associations and the Independent Community Banks of America. The amendment is the top priority of the banking associations relative to this bill, which is the most important legislation, as we all know, impacting financial institutions which Congress will address this year. This week, bankers from all across the country were here in Washington to speak with their Senators about the importance of this amendment.

The amendment also has the strong support of the Secretary of the Treasury, Robert Rubin. Secretary Rubin has long articulated the dangers of mixing banking and commerce and expressed concern about the unitary thrift loophole.

The Chairman of the Federal Reserve Board, Alan Greenspan, advocates closing this loophole. He testified before the Senate Banking Committee several times on this point. Let me quote Chairman Greenspan directly:

> In light of the dangers of mixing banking and commerce, the [Federal Reserve] Board supports elimination of the unitary thrift loophole, which currently allows any type of commercial firm to control a federally insured depository institution. Failure to close this loophole now would allow the conflicts inherent in banking and commerce combinations to further develop in our economy and complicate efforts to create a fair and level playing field for all financial service providers.

We might keep in mind the recent experiences in Japan. Part of their economic and financial crisis can be directly attributable to the keiretsu system that closely binds banks and commercial firms. Although our current system is a long way from that level of mixing banking and commerce, I concur with Secretary Rubin and Chairman Greenspan in the potential dangers.

Other observers have noted the dangers posed by the unitary thrift loophole, including former Federal Reserve Governor Paul Volcker, who said:

> Recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia and Russia demonstrates the folly of permitting industrial-financial conglomerates to dominate financial markets and potentially larger areas of the economy. But we need look no further than our own savings and loan crisis in the 1980s. Combinations of insured depository institutions and speculative real estate developers cost American taxpayers, who ultimately stood behind the thrift insurance funds, tens of billions of dollars.

That is former Chairman Volcker.

There are other amendments pending which will purport to address these issues, but we should be clear; this JOHNSON-THOMAS-KERREY amendment is the only amendment that helps average banks and average thrifts. It improves the safety and soundness of our financial system by eliminating the mix of banking and commerce.

I urge support of this effort to join with the expression of views of Secretary Rubin and Chairman Greenspan in what I believe is a commonsense, compromise approach to this critically important issue.

I reserve the remainder of my time.

Mr. GORTON. Mr President, today's thrift industry is an important provider of mortgage loans and consumer financial services.

The thrift industry is required to focus its resources on providing consumer and community-oriented credit. For example, current law requiries a unitary thrift to devote at least 65 percent of its assets to mortgage, consumer, and small business loans. In addition, the commercial lending authority of federal thrifts is strictly limited to 20 percent of assets of which half must be to small businesses.

This ''specialization'' works. The last time Money magazine published an article identifying ''the best bank in America'' for quality and low cost pricing of its services, the recognized institution was a thrift—USAA Federal Savings Bank.

Similarly, the last time Consumer Reports surveyed ''the best deals in 25 cities'' for checking accounts, 77 percent of the leading institutions were thrifts. This large percentage is noteworthy becasue less than 18 percent of the banking institutions existing at the time were thrifts. Thrifts are a minority of the competitor but offer a majority of the best deals.

The unitary thrift structure allows the capital from commercial companies to support the community lending activities of the thrift charter.

More than 166 applications from nonbanking firms have been filed with the federal thrift regulator to charter new thrift institutions since January 1997. These new charters, if approved, will add competition in the marketplace which will benefit the consumer.

The OTS has testified that commercial firms contributed more than $3 billion in capital to support thrift institutions in the 1980s.

No safety and soundness issues have been presented by the unitary charter.

In February 1999, the FDIC testified on the subject of financial modernization before the U.S. House Banking Committee. In its testimony, the FDIC argued that commercial companies have been a source of strength rather than weakness to the thrift industry and that limiting the non-financial activities of thrifts ''would place limits on a vehicle that has enhanced financial modernization without causing significant safety-and-soundness problems.''

Similarly, the OTS director has testified that there is no evidence that the concerns about the mixing of commercial banking and commerce apply to thrift holding companies with commercial affiliates: ''Congress made a deliberate distinction in the treatment of thrifts and their holding companies based on the fact that thrifts cannot engage in the traditional type of banking activity—unlimited commercial lending—that raises concerns with the mixing of banking and commerce.''

The combinations of thrift and commercial firms have compiled an exemplary safety and soundness record. During the height of the thrift crisis, the failure rate of commercially affiliated thrifts was approximately half that of other thrifts. Moreover, the federal thrift regulator has reported that only 0.3 percent of enforcement actions against thrifts and thrift holding companies from January 1, 1993, through June 30, 1997 were against holding companies engaged in non-banking activities. In short, the industry's experience with commercial affiliates has been the opposite of what the critics contend.

Concerns about commercial banking and commerce are misplaced in the context of the thrift charter.

Current federal law expressly prohibits a unitary thrift from extending credit to a commercial affiliate and prohibits a thrift from tying deposits and loan services to non-financial services.

The statutorily mandated focus of the thrift charter on providing mortgage, consumer, and small business credit along with these other lending limitations distinguishes the thrift and commercial banking industries.

Martin Mayer, a guest scholar at the Brookings Institution and foe of mixing banking and commerce, supports the commercial ownership of thrifts because of their unique lending focus on consumers and small businesses.

Financial modernization should be about expanding chartering options and choices for consumers, not contracting these options.

While I believe there is a very strong case for fully maintaining the unitary thrift charter as a viable chartering option going forward, this Congress should, at a minimum, not limit the authorities of existing companies in the absence of any compelling safety and soundness evidence about this charter.

The grandfather provision in S. 900 accomplishes this minimum treatment for these existing companies that are focused on delivering consumer and small business credit in our communities.

The Senate and House Banking Committees both have adopted substantially identical unitary thrift grandfather provisions, which already represents a delicate compromise taken by both committees on this issue. We should not reopen this issue.

I urge you to oppose the Johnson amendment as a serious step backwards in our efforts to modernize our nation's financial services laws.

Mr. GRAMM. Mr. President, I rise in opposition to this amendment. Let me try to set the record straight in terms of this amendment. The argument on the amendment is very simple, and I think it will not take very long to make the case against the amendment.

First of all, we hear the statement made that the unitary thrift provision in current law is a loophole, that somehow commercially owned savings and loans have come into existence as a result of a loophole—hence, as Senator JOHNSON says, ''the unitary thrift loophole.''

Let me remind my colleagues that a loophole had nothing to do with unitary thrifts. In 1967, the Congress passed the S&L Holding Company Act. That S&L Holding Company Act intentionally, after a very large number of hearings in the House and the Senate, intentionally placed into law the provision that allowed commercial companies to own and charter S&Ls. Congress did this for a very simple reason. In fact, the law said clearly, in black and white, the purpose of allowing commercial interests to own S&Ls, hence the creation of what we call a unitary thrift, was to encourage capital and management to come in to the troubled S&L business.

So this new ''loophole'' is no afterthought. This is no mistake. This is no provision that was created by accident. In fact, we had an entire bill, the S&L Holding Company Act, which is the Unitary Thrift Act. That was passed in 1967 after extensive hearings in both the House and the Senate where strong action was taken by both parties in support of this provision.

This is no loophole. This is no accident. This is a creation of Congress that came into existence through a well-reasoned, extensively debated law, and the decision was made to encourage commercial companies to put real capital, real money, and good management into S&Ls.

Let me outline the figures, to give Members the magnitude of the problem. There are 561 thrift holding companies. What is a thrift holding company? A thrift holding company is a company that may be in many different businesses, but it owns a thrift charter. These are 561 thrift holding companies that are engaged in some other business as well as the thrift business. Many are in insurance, many are in securities. There are 561 of them.

Mr. President, 22 are now owned by nonfinancial unitary thrifts. Therefore, 541 of these will be legal under this bill, because it is legal under this bill for an insurance company and a securities company to own a bank, so it will be legal to own a thrift.

What is the ''universe'' we are talking about here in terms of actual commercial interests that own thrifts? The universe is just 22—22 thrift charters that are owned today by a commercial interest other than insurance and securities that will be able to own banks under this bill.

What is special about these 22 companies? What is special about it is that most of them came into existence during the S&L crisis. I remember vividly offering an amendment to assess the thrifts $15 billion to begin to close troubled thrifts, 3 years before that amendment ever passed. It was defeated in the Banking Committee. I remember Senator DODD voting with me on it; I don't remember exactly how the vote broke down, but I know we lost. During that period, we were desperate to try to get people to put money into troubled S&Ls to try to prevent the taxpayer from ending up paying billions of dollars in defaulted deposits.

Most of these 22 thrifts were commercial companies that were enticed by the Office of Thrift Supervision—the Federal Home Loan Bank Board—to come in and buy troubled thrifts, to bring good management, and to bring in hard cash. And these commercial companies responded. No one would dispute that the S&L collapse cost tens of billions of dollars less than it would have had these commercial companies not come in and invested their hard-earned money in thrifts.

Let me note another thing. You get the idea from this amendment that there is something wrong with unitary thrifts, that there is something wrong with commercial companies owning thrifts. First of all, during the S&L crisis from 1985 to 1992, the default rate of thrifts that ended up going into insolvency—the bankruptcy rate among thrifts that were owned by commercial companies—proportionately speaking, was half the rate of default on thrifts that were not owned by commercial companies. So the plain truth is, today these S&Ls that are owned by commercial interests are among the most stable, most secure S&Ls in America.

Let me also note that in terms of the regulatory review currently underway, consistently those thrifts that are least subject to complaints about violating various provisions of Federal law—the thrifts that behave best in complying with the law—are consistently the unitary thrifts, the thrifts that are owned by a commercial interest.

There is no evidence, therefore, based on any safety and soundness concern, that unitary thrifts are anything less than safer, sounder, better run and, as a result, more compliant with existing law than other thrifts. In fact, the Office of Thrift Supervision has indicated that out of 1,428 enforcement actions against thrifts from January 1993 to June 1997, only 3 of those enforcement actions involved unitary thrifts. These are the best performers and they are the best in terms of complying with the law.

What is the problem here? Under the bill which is pending before the Senate, which passed the Senate Banking Committee, we changed the law so there could be no more unitary thrifts. We have a cutoff date, which is the date the committee markup document was released to the public. As of that day, under our bill no commercial interest can get a new thrift charter.

I think it is important to note that when you look at the applications that are pending—and we have a lot of applications pending for thrift ownership—most of them are by insurance companies and securities companies. They would rather own a bank, but until we pass this bill—and I hope we do pass this bill—they cannot do it, so they have applied to own a thrift. If we pass this bill, many of those applications will be withdrawn. But this amendment does not have anything to do with them.

Of the proposals for unitary thrifts—that is, commercial companies that are trying to buy a thrift charter or get a thrift charter issued—there are only seven of them. So here is the point. This ability of commercial companies to get a thrift charter is over 20 years old. It has existed for 20 years. Any commercial company—from General Motors to A&P, to Kroger's, to Bell Telephone, to whatever—could apply for a thrift charter. For 20 years they have had that right. Mr. President, 22 have done it, 22 have gotten the charter, and most of them got the charter when they were basically cajoled by the Government to do it, to bring in billions of dollars to try to help us solve the S&L problem.

My trusty staff tells me it was 30 years they have had the opportunity—there are 22 of them—not 20 years.

Now, with all the talk of ''runaway unitary thrifts,'' only seven applications are pending. So, what does our bill do and what does the Johnson amendment do? Our bill says that—for the 22 commercial interests, most of whom got into the S&L business as part of our effort to stop the collapse of the S&L industry—our bill says, after the date we introduce the bill, any application coming after that date cannot be considered; that the 7 applications which are already pending can be considered; and the 22 which already exist can continue to operate.

To that extent, the committee bill and the Johnson amendment are very, very similar. The difference is that the Johnson amendment, in addition, provides that if you own a unitary thrift you can't sell it to any other commercial interest; and if you sell a thrift holding company—which, in virtually every case, has a commercial interest—it has to be broken up upon its sale, because you cannot sell it with any commercial interest as part of it.

We have a simple term for this kind of action. It is in the fifth amendment of the Constitution. It is called ''takings.'' This is a constitutional issue. This is not some philosophical position of competition and free enterprise. This is not an issue directly about how we can make the industry better or what might help or harm the consumer. This is about private property. This is a constitutional issue. If we could go back and start this whole thing over again, if we were starting with an absolutely clean slate, I would, in all probability, oppose permitting commercial companies owning thrifts—if we were starting with a fresh slate.

But the problem is, we are starting with 22 companies that have already invested billions of dollars, most of them doing so during the S&L crisis when we begged them to do it. They have now built businesses and part of the value of their franchise is based on their ability to be able to sell it. If it has to be broken up when it is sold, as every thrift holding company would have to be, under the Johnson amendment, if it had any commercial interest—and almost all of them do—the net result is, our estimates are, that the passage of this amendment would destroy between 10 and 15 percent of the value of these S&L charters.

If our colleague from South Dakota had proposed an amendment that would have taken money out of the insurance fund and assessed what it would cost these owners of thrift charters to limit their ability to sell them to other commercial interests, and to require they be broken up if they were sold, and we were going to compensate them from the insurance fund, I might support such an amendment. But the idea that on an ex post facto basis we are going to come in and destroy the value of charters, that we are going to lower their value estimated between 10 and 15 percent simply because we do not have commercial ownership of banks, is simply unconstitutional.

What is going to happen on this? I can tell you what is going to happen: We now have had a series of Supreme Court rulings related to takings. The Supreme Court, thank God, has suddenly awakened to the provision in the fifth amendment which is as important as any provision in the first amendment. In fact, John Locke would have said ''more important.'' The Founding Fathers understood its importance. And that provision says:

> No private property shall be taken for public purpose except through compensation.

How do I know how the Court is going to rule on this? They have already ruled on a similar issue. You remember something called ''supervisory goodwill''? Here is what happened: Congress got a number of businesses to buy troubled thrifts—one of the things we did when we had no money—so the thrift was worth a negative $500 million and they came in, took it over for nothing and assumed its liabilities.

So, having no money to protect the depositors, we said, if you will protect the depositor, we will give you $500 million of regulatory goodwill and for a period of time you can hold it as capital. Do you know what happened? Congress decided that was not a good idea. So we passed a bill, called FIRREA, that took it back. And these thrifts went to court and argued: We made investments under a certain set of rules, Congress on an ex post facto basis came back and repealed those rules.

They took our property. There was a taking. Congress took billions of dollars from us and, in fact, the Federal Claims Court on April 9 of this year ruled that the Federal Government owes Glendale Federal Bank $990 million in damages for this taking. I remind my colleagues, there is a list of S&Ls which takes up half a page that has exactly the same claim against the Federal Government.

Whether you like the idea of a commercial company owning a thrift—and, I remind you, they have a better record of safety and soundness, they have a better record of performance, they have a better record of complying with the laws and regulations than thrifts as a whole—but even if you don't like it, do you think we have a right to steal their property? Even if you don't like them, do you think Congress has a right now to change the rules and say, ''Oh, yes, you can hold your charter, but if you ever sell it, it will have to be broken up because it has a commercial interest as part of it''?

It is estimated that this amendment, the moment it becomes law, would destroy 10 to 20 percent of the stock value of these companies through a taking.

If we adopt the Johnson amendment, these companies are going to file a lawsuit against the Federal Government.

I believe, based on the rulings that have occurred on regulatory goodwill, that they are going to win these lawsuits, and then where are these billions of dollars coming from? Are they going to come out of the insurance fund? Are they going to come from the taxpayers? Maybe we should have a second-degree amendment that says if this is a taking, we will raise the insurance assessment to raise the money to pay for the taking rather than having it foisted onto the Treasury. I don't know if our colleague from South Dakota would vote for such an amendment, but it seems to me a pretty reasonable amendment.

If we did not have unitary thrifts, I doubt we would create them. I am not ready yet to have commercial companies own banks. I have no doubt in 20 years they will, but we are not ready yet. If we didn't have unitary thrifts, we would not create them.

To sum up, here are the critical points: We did not create unitary thrifts by accident. There is no loophole. The 1967 bill was extensively debated; there were hearings and the bill was adopted overwhelmingly on a bipartisan vote to bring in new capital and new management that was desperately needed.

Thirty-two years later, we are coming in and saying, ''Boy, you have given us those tens of billions of dollars and we really appreciate it, but we're not going to live up to our end of the bargain.'' We are going to say, ''Yes, we took your money and it saved us tens of billions of dollars of taxpayers' money, but now we don't like you anymore, and so if you ever sell your thrift, you are on notice right now your thrift holding company will have to be broken up.''

Unitary thrifts might have become a big problem if we were not considering this financial modernization bill. But if we pass this bill, all but 22 S&Ls that are owned by commercial interests will be owned by insurance companies or securities firms. So this is a problem that some people imagined existed before this bill, but we are talking only about 22 companies and 7 pending applications.

I have received calls from many banks that say they want this amendment passed. But when I explain to them that it might sound like a great idea, until you realize you are taking somebody's property and violating the Constitution, I have found people understand that. The fact that we have lobbyists calling up telling us to do this does not mean we have to do it.

I urge my colleagues to reject this amendment. I preserve my ability to offer a constitutional point of order if the motion to table fails. I reserve the right to offer a second-degree amendment which would require the insurance rates to be raised to pay for any takings, but I hope those will not be necessary.

This is not a good amendment. I know there are a lot of interests for it, but it is not a good amendment. I urge my colleagues to take the long view on this and not vote for it so we are not back here in 2 years trying to come up with billions of dollars to pay off these lawsuits.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSON. Mr. President, I yield 5 minutes to my colleague from Nebraska, Senator KERREY, a cosponsor of the amendment.

Mr. KERREY. Mr. President, first, I thank the distinguished Senator from Texas and the Senator from Maryland. There are a number of provisions in this legislation for which I thank them.

One of the things all of us have to do when looking at this piece of legislation is ask the question whether or not we are going to be able to maintain the safety and soundness of the banking system. It is a pretty dramatic change allowing companies that previously had been prohibited in certain lines of business to engage in those lines of business.

I want to make it clear, I reached the conclusion that we do have the regulatory capacity to maintain safety and soundness, whichever piece of legislation emerges here. I appreciate very much the work of the Senator from Texas on this, as well as the work of the Senator from Maryland.

I will point out a couple of things, as well, that I am very much grateful for,

and one of them has to do with modernizing the Federal Home Loan Bank System that allows rural banks and other banks to have access to credit. I think it is a very important provision. Senator HAGEL offered it, and I commend him for his leadership on it.

I also want to make it clear on the CRA, at some point it is going to get to conference. I do support what Senator GRAMM is doing to provide exemptions to banks under $100 million. Under urgings, I had conversations with my larger banks who do not find themselves with the kind of difficulties of being coerced into making payments, as he noted exists in other parts of the country. While I support under 100, I do not support the other changes that are being proposed.

As to this amendment, the takings issue, Congress does this all the time. In fact, my guess is there could be people who make a claim that because the bill itself is passing, they are going to suffer a loss of value in their business.

Gosh, we debate the ethanol provision and we debate tax credits for the oil industry all the time. Sometimes you get it, sometimes you do not get it, but you do not file a claim against the Government as a consequence of that action.

People could file a takings action against this bill based upon what the Senator from Texas just argued. The Winstar case does not open up the door. Indeed, the Winstar case is being appealed itself. The Winstar case does not open up the door to prevent Congress from passing legislation in trying to modernize our banking system.

Mr. JOHNSON. Will the Senator yield?

Mr. KERREY. Yes, I yield.

Mr. JOHNSON. Does the Senator not agree that the Winstar case was a contract violation case as opposed to the statutory change of regulation being proposed here?

Mr. KERREY. I quite agree. Not only is it a contract case, but the decision by the D.C. Court of Claims is on appeal. We do not know what the outcome is going to be. It was a specific contract that was signed between the Government and these businesses. They have a legitimate case that they are making that a contract was broken.

If the takings argument is going to provoke a fear every single time Congress proposes a change in the law, it is going to make it awfully difficult for Congress to do the very thing that the Senator from Texas, the Senator from Maryland, and the Banking Committee is proposing to us, which is that we ought to modernize our banking system. There will be losers as a consequence.

Can you imagine coming to the floor and saying, we cannot pass fast track? There are losers when we have free trade. So if I vote for fast track, and we give the President normal trade negotiating authority, and somebody loses, can they file a claim as a consequence and say I have taken their property? No.

So I appreciate very much some of the other arguments the Senator from Texas is making, but I think the takings argument would cause this Congress a great deal of difficulty. In fact, we should withdraw the bill altogether if takings is the concern that we have, because there will be losers. There will be economic losers as a consequence of this piece of legislation who could, if they chose to, file a takings action based upon the argument that was made earlier.

This is a fairly simple amendment. I urge colleagues to look at it. The concern that the Senator from Texas is raising may be a legitimate concern. Some of the details he was talking about may need to be modified. But we are saying that, ''Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May . . . unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association). . . .''

It is an attempt to say, yes, we needed to do what the Senator from Texas described earlier in order to be able to clean up the savings and loan problem.

We make no judgment here that the unitary thrifts are not safe or sound. We have an outstanding one in the State of Nebraska that is doing a tremendous amount of business, and they are a very safe operation, very sound operation. We make no judgment about that at all. But we are just saying the Banking Committee already has spoken on the issue by eliminating the commercial market basket.

What we are doing with this is to prevent further kinds of transactions precisely because we are ending the restrictions that were under Glass-Steagall for 60 years. We are eliminating those. We are going to get all kinds of new transactions going on in that environment anyway. We are concerned about whether or not we are going to maintain safety and soundness.

I believe we can. I believe we can in the new regulatory environment. I am willing to do that. But this just adds considerable new risk to the transaction, considerable new risk. I believe the Office of Thrift Supervision is down to about 1,200 employees. I am not sure they have the capacity to regulate. It provokes a whole new concern about this legislation, as to whether or not we are going to be able to maintain the safety and soundness that the people of the United States of America expect.

To be clear, I have not had a single citizen in Nebraska come to me and say, ''I need financial services modernization''—that is, borrowers and depositors. Indeed, I have only a few banks in Nebraska altogether that are interested in this. The people who are interested in this are people who are much larger operators. They have come to me and asked my support for this legislation, and I have given it to them. I do not believe there is any more reason for us to maintain these barriers between these various industries. But we need to be very careful.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. KERREY. Thirty seconds.

Mr. JOHNSON. I yield the Senator 30 more seconds.

Mr. KERREY. I believe we need to be very careful not to increase, in an unnecessary fashion, that risk. And this amendment will reduce that risk. It will not increase takings claims against the Government. It will not increase litigation as a consequence of saying that we are not going to allow continued and new unitary thrift acquisition and new commercial interests to come in and purchase savings and loans.

Mr. President, I appreciate the fine work the Senator from Texas has done and the Senator from Maryland has done. I hope we can get this legislation in a form that I can support, because I believe financial services modernization is something that has long been needed and is long overdue.

Mr. JOHNSON. How much time remains on our side?

The PRESIDING OFFICER. Senator GRAMM has 6 minutes 20 seconds; the Senator from South Dakota has 17 minutes 9 seconds.

Mr. JOHNSON. I yield 5 minutes to my colleague and cosponsor of this amendment, Senator THOMAS from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Thank you, Mr. President. I thank you very much for the opportunity to discuss this important issue.

First, let me, too, say that I appreciate the work that is being done on this whole financial modernization bill. I think it is something that certainly needs to be done and that I support.

I also believe very strongly in what the Senator from Nebraska has just said with regard to takings—that the idea that we cannot change the rules in the Congress without it being exposed to takings is one that is very threatening. I think that is the case.

So I am very pleased to be a sponsor of this thrift charter amendment with my colleagues, Senator JOHNSON and Senator KERREY. I think the amendment will improve the underlying legislation by stopping a mixture of banking and commerce through the unitary thrift charter arrangement.

This amendment freezes the number of commercially owned thrifts and bans

the future number of sales of unitary thrift charters to commercial entities. Commercial firms that already own thrifts would be able to continue the endeavor, and they are grandfathered.

The integration of banking and commerce raises significant questions about the concentration of economic resources. I happen to be chairman of the Subcommittee on Asia and the Pacific Rim and have had some opportunities recently to be in South Korea and Japan. I have to tell you that I am impressed with the problems they have had with that kind of integration, and I do not want us to get into that.

I have already mentioned that I do not believe this is a taking. I believe this is actually a change in direction, one that very much needs to be made, and I think it will help us in terms of this mixing of banking and commerce. It is a significant cause for the Asian economic crisis.

I believe we should learn from the lessons of the Asia financial crisis and be very careful about this integration. I think this will help do that.

In testimony before the Banking Committee last year, Federal Reserve Chairman Alan Greenspan spoke to the risks that can arise if the relationships continue between banking and commercial firms. Both he and Secretary Rubin have testified to the need for closing the loophole. This amendment secures the safety and soundness of our financial system, and I urge that it be supported.

Let me just comment on some things that very knowledgeable people have said.

Secretary Rubin has said:

> [W]e support the prohibition against forming additional unitary holding companies, and [we] would further support an amendment terminating the grandfather rights. . . .

Former Federal Reserve Board Governor Paul Volcker said:

> Recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia, and Russia demonstrates the folly of permitting industrial-financial conglomerates to dominate financial markets and potentially larger areas of the economy.

The American Bankers Association, which has studied this very carefully, said:

> [C]ommercial and banking should not be allowed to mix in the wholesale fashion permitted under the unitary thrift concept. . . .

The Independent Bankers Association of America said:

> IBAA cannot support, and will oppose, any legislation that does not narrow the unitary thrift holding company loophole.

The Consumers Union said:

> We oppose permitting federally-insured institutions to combine with commercial interests because of the potential to skew the availability of credit. . . .

I close by saying that a mixture of banking and commerce is widely considered to be a significant cause of the recent Asian economic crisis. As Federal Reserve Board Chairman Alan Greenspan testified last year before the Senate Banking Committee:

> The Asia crisis has highlighted some of the risks that can arise if relationships between banks and commercial firms are too close.

Mr. President, I hope we will adopt this amendment. I think it strengthens the overall bill. I certainly intend to support the bill and intend to support this amendment. I urge support of it.

I yield the floor.

Mr. JOHNSON. I yield 5 minutes to my ranking member of the committee, Senator SARBANES.

Mr. SARBANES. I commend the very able Senator from South Dakota and his colleague from Wyoming for offering this amendment. I think it is a very important amendment. They have made some very strong arguments for it.

Both Chairman Greenspan and Secretary Rubin, who differ on other aspects of this legislation that is before us, are in agreement, along with Chairman Volcker and Henry Kaufman, and many others who have examined this issue, that we need to address this question.

It is called the unitary thrift loophole, because over time the powers of the thrifts have been expanded. So a provision, which at an early time may not have appeared to be a loophole, now becomes a loophole through which commercial companies can acquire thrifts and, in effect, eliminate the line drawn between banking and commerce.

The recent experience with banking crises in other countries—Japan, Korea, and so forth—where they had industrial financial conglomerates, indicates the difficulties and the dangers of allowing these arrangements.

I want to address very specifically the argument of limiting the transferability of a unitary thrift holding company—and this would limit it only in terms of being transferred to a commercial company; it would not limit it in terms of being transferred to a financial company. It would be unfair because companies bought thrifts at a time when they could sell them to any commercial company, and it is now being asserted that this would be a taking under the fifth amendment of the Constitution or perhaps, alternatively, a breach of contract by the government.

You cannot keep people from making any argument that is available to them. They can sort of reach out and grab hold of any argument that exists and sort of bring it in and try to set it down here in the middle of the Senate and say, aha, here is this argument and you have to pay attention to it.

You need to look at the argument and what is involved.

Let me just for a moment analyze this argument that it is a taking. The Supreme Court's rulings in the area of the fifth amendment takings of property have generally dealt with real property, not with business charters issued by the government, such as a thrift charter. However, even if a thrift charter did qualify as property for taking purposes, prohibiting transfers of thrifts to commercial companies would not give rise to liability under the standards which the courts have used to require compensation.

It is being asserted here that this is going to be a taking; you are going to have to pay compensation. Then you have to take a look at it. Is this limitation that is involved in this amendment, this limited limitation with respect to the transferability of this thrift, is that going to be considered a taking by the court? I submit it would not give rise to liability under the standards which the courts have used to require compensation. Courts have held that no compensation is owed if there is not an invasion of the property or a total diminution of economic value of the property. Closing the loophole would not involve either of these two things.

There is a considerable value in the thrift charter which would continue even if this limited amount of transferability is no longer permitted. In fact, these thrifts may be sold to thousands of other thrifts, banks, securities broker dealers, insurance companies and other financial companies under this legislation. Of course, this is the very kind of transfer that occurs in the vast majority of thrift transfers. It is to some other financial institution.

Of course, the legislation would permit that, and this amendment does not touch that. The potential for change in the powers of a unitary thrift holding company is in fact inherent in having an S&L charter. The holder of a federally granted charter cannot expect that the government will never change the laws under which the charter operates. The Constitution does not guarantee that a company allowed to engage in some activity will have the right to continue to do so in perpetuity.

I am as sensitive as any to the takings question. It is a very important part of our Constitution. It is an important part of the workings of our economic system. But we need to look at the cases in terms of what the court has interpreted as constitutional. We need to exercise some practical sense judgments. Clearly, the law has never been that a company engaged in some activities can never be limited or restrained by the government and has that right to go on in perpetuity. In the past, Congress has changed statutes governing savings associations and has required compliance with the amended statute.

In 1987, Congress imposed a qualified thrift lender test requiring thrifts to

hold a percentage of their total assets as qualified thrift investments. New requirement. New limitation. A unitary thrift holding company owning a thrift that failed to comply with those new requirements would have been required to divest its commercial activities.

Also in 1987, we limited the transferability of nonbank banks by requiring that upon transfer the new owner bank would be required to register as a bank holding company. These actions have not been found to be takings.

Let me turn to the other possible argument; that is, that there is a breach of contract by the government.

The argument has been raised that closing the loophole may break a supposed contract. The Winstar case, U.S. v. Winstar Corporation et al, 518 U.S. 839, a 1996 case, has been used as a basis for this concern. However, closing the unitary thrift loophole involves facts that are materially different from those on which the case of U.S. v. Winstar Corporation was decided. In Winstar, the Supreme Court determined that the United States had made specific contractual promises to acquirers of failed thrifts and had breached those specific contractual promises.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. SARBANES. How much time does the Senator have remaining?

The PRESIDING OFFICER. Five minutes 17 seconds.

Mr. SARBANES. Will the Senator yield me 2 more minutes?

Mr. JOHNSON. I yield such time as the gentleman requires.

Mr. SARBANES. The court found the government liable for breaching its contracts by not permitting the thrifts to count goodwill and capital credits toward regulatory capital requirements after the enactment of FIRREA. There had been a specific undertaking in the S&L cases that those goodwill arrangements could be counted and, in fact, they wouldn't have taken over the failed thrifts had they not been able to do so.

It is vastly different from the situation that we are confronting here.

There are no specific contracts here that promise acquirers of thrifts that they could sell them to commercial companies or that the law governing permissible thrift affiliations would never change. Prohibiting unitaries from affiliating with commercial companies is no different than many prohibitions the government legislatively imposes on industries each year with no financial liability to the government.

The difference with the supervisory goodwill cases couldn't be clearer. Those cases were based upon contract law. No contracts are involved in the unitary provisions of H.R. 10. No guarantee was made by anyone that these affiliations with a commercial firm could continue and the government is entitled, in order to achieve important public policy objectives, to make reasonable changes. I submit to you that this is one such reasonable change in order to ensure that the dividing line between banking and commerce remain firm.

All of the people have told us about the dangers of mixing banking and commerce. From the Fed, Alan Greenspan says:

> Failure to close this loophole now would allow the conflicts inherent in banking and commerce combinations to further develop in our economy and complicate efforts to create a fair and level playing field for all financial service providers.

Secretary Rubin has echoed those comments, as has Paul Volcker and many other distinguished commentators.

Mr. President, I reserve the remainder of our time. How much time is remaining?

The PRESIDING OFFICER. Twelve minutes 26 seconds.

Mr. GRAMM. Mr. President, how much time do we have?

The PRESIDING OFFICER. You have 6 minutes 20 seconds.

Mr. GRAMM. Six minutes. I yield 2 minutes of it to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, 2 minutes is all I will need.

In a perfect world, I would oppose the amendment with respect to the unitary thrift situation, but as the Senator from Texas has made clear, we do not live in a perfect theoretical world. We have existing institutions who have obligations to their shareholders and who have past history. However much I might like to see the past history be different, it is as it is.

Under those circumstances, I think we cannot penalize people who have gone forward on assurances from the Federal Government and say that those assurances will not now be honored just because we do not think they should have been given in the first place.

For that reason, Mr. President, I will be joining with the chairman of the committee and voting as he does on this issue.

I yield the floor.

Mr. GRAMM. Mr. President, as a courtesy to Senator JOHNSON, let me conclude my remarks, and then let him give the concluding remarks on the amendment.

First of all, we have had several references to the Asian crisis. I want to remind my colleagues that the Asian crisis was banking and government, not banking and commerce.

The second point is that Ford Motors, for example, at the strong urging of the Federal Home Loan Bank Board, put a billion dollars into Nationwide in the 1980s, and that billion dollars reduced the amount the taxpayer had to pay to guarantee those deposits by a billion dollars.

Here is the point. Nobody makes you go into some industry where your tax laws might be changed ex post facto. I am not for ex post facto laws, but we have passed them from time to time. But in this case, these thrifts were requested, asked, begged to make investments in the S&L industry for the benefit of the taxpayer and the insurance fund. I just want to read a couple of lines from some letters.

This is from the National Retail Federation:

> Seventy-nine failing thrifts were purchased and infused with $3 billion of new capital. Had these institutions undergone liquidation at taxpayers' expense, the cost would have been billions more. Capital from our industries looked pretty good at the time. We don't see what has changed.

They put up $3 billion to go into industries that let them be in retailing and in the S&L business, and now we are going to say to them, if you sell your holding company, you are going to have to tear up your business, drive down its value by 10 or 15 percent. They don't understand how we changed the rules of the game when they were asked to get into the business.

The National Association of Manufacturers wrote:

> Unitary thrifts were established in 1967 to attract private capital into the thrift industry during the thrift crisis. The National Association of Manufacturers' members responded, saving the taxpayer billions of dollars. Putative grandfathering of existing unitary thrifts serves only to eliminate competition and innovation.

I could read from the Home Builders, and others, but the bottom line is this: These companies have a case that they were urged to invest this money by the Government based on a set of rules. If we now come in and change the value of their companies on the equity market instantaneously by 10 or 20 percent, I believe there has been a taking, and I think most people would believe there has been a taking. As we all know, the Supreme Court has been increasingly willing in cases such as Lucas v. South Carolina and Dolan v. City to rule on takings, and to force the Federal Government to pay for it.

So if this amendment is adopted, I believe it would probably be prudent to have a second-degree amendment, which I hope would be agreed to, which would simply say that if there are court rulings that there has been a takings, we should raise the fees for the insurance fund to pay those costs, rather than letting those costs fall on the taxpayer.

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

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Mr. President, I commend the chairman for his work on the

differential issue, which was originally a component of the Johnson-Thomas amendment. But we need to go further. It is an opportunity for this body to implement a financial services policy consistent with where both the banking and consumer organizations of the country want to go to implement policy that is agreed upon, in the agreed-upon direction that Mr. Greenspan and Mr. Rubin want to go. This is an opportunity that we cannot allow to be missed.

Mr. SARBANES. Will the Senator yield?

Mr. JOHNSON. Yes.

Mr. SARBANES. Mr. President, I commend the able Senator from South Dakota because the amendment, as he was going to originally propose it, included this closing of the unitary thrift company loophole but maintained the existing law on the differential payment by the S&L's and the banks. The chairman offered that and it was accepted earlier this morning. I think the fact that it was embraced—and I think the adoption of that amendment should be taken in the context of this amendment—reflects an effort to come up with a very balanced approach on the part of the able Senator from South Dakota.

Mr. JOHNSON. I thank the Senator. It would seem to me at this point there is no constitutional mandate that for some reason we must go down the road of mixing banking and commerce, that that is some of an irretrievable decision that is made and we are unable now to change that policy. This is an opportunity, I believe, to do what needs to be done in this legislation. One, to strike the provision of the bill which would, as it stands, permit commercial firms to acquire any of the 500 existing unitary thrift holding companies. And our amendment inserts a provision to allow existing unitary thrift holding companies to be transferred only to financial firms.

There are thousands of financial firms. The marketability of these unitary thrifts will remain high; there is no question about that. So I believe this is an amendment that is badly needed if this bill is going to ultimately be signed by the President. But it is also an amendment that is necessary for us to embark on what I think is a sensible and prudent fiscal policy, financial policy for this country. I ask support for the Johnson-Thomas amendment.

I yield back such time as I may have remaining.

Mr. GRAMM. Mr. President, I ask unanimous consent that following debate time on the pending amendment, it be temporarily set aside and the vote occur on or in relation to the Johnson amendment No. 309 at 3:45.

Let me also say, in fairness to Senator JOHNSON, why don't we have 5 minutes each at that point. We can probably do it a little faster. Would 3 minutes work for the Senator?

Mr. JOHNSON. Two or 3 minutes would be fine.

Mr. GRAMM. I ask that we have 3 minutes each prior to the vote to give each side an opportunity to restate the issue at that point.

Mr. SARBANES. If I could put a question to the chairman. There would be no intervening business between now and the vote on or in relation to the Johnson amendment, other than the debate time?

Mr. GRAMM. That's correct.

Mr. SARBANES. No intervening business with respect to this amendment?

Mr. GRAMM. Right. We are going to do a lot of other business, though.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I think we have come to the point where we are ready to begin debate on the question of whether or not banks should be able to provide broad financial services within the bank itself, or whether it should do so outside the bank. So let me request that Senator SHELBY and all those who wish to debate this issue come over. I am going to suggest the absence of a quorum for 15 minutes or so to give everybody an opportunity to come over.

I am hopeful that with a good outcome on this coming vote, we will be well on our way to passing this bill. I urge, again, anyone who has an amendment, Senator SARBANES and I are willing to look at them to see if we can take them, so please let us see that amendment.

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. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

Mr. ROBB. Mr. President, I ask unanimous consent I be permitted to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. ROBB pertaining to the introduction of S. 973 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROBB. Mr. President, 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. LEVIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I ask unanimous consent I be allowed to proceed in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIOLENCE IN OUR SOCIETY

Mr. LEVIN. Mr. President, earlier this week I addressed the Economic Club of Detroit, one of the most influential groups of community leaders in my State. I expressed the depth of my continuing concern about the level of violence in our society, particularly youth violence. I committed myself to continue to speak out against the easy access to guns, especially by young people. I intend to comment on this subject every week in the Senate, when the Senate is in session, to highlight the need of our Nation to face this critical issue, to discuss the growing crisis fueled by weapons among our young people, and to urge action to meet our responsibility in the Senate to work towards solutions.

There is no one cause of youth violence. The causes are many. But among them there is one that cannot be ignored or denied, the easy access to deadly weapons for our young people. If we are honest with ourselves, we will admit it is too easy for children to get their hands on guns because we made it too easy to get guns, period; too easy to get guns that have nothing to do with the needs of hunters and sportsmen, guns that are too often used to kill people.

Yes, we have all heard the glib rhetoric of the NRA, that "guns don't kill people, people kill people." This bumper-sticker logic obscures the real truth. People with guns kill people, and they do it some 35,000 times a year in this country. That is more deaths than we suffered in the 3-year-long Korean war. The number of times that handguns were used to commit murder is itself staggering, some 9,300 times in the United States in 1996. In that same year in Japan, a nation almost half our size, there were 15 murders with handguns—just 15 handgun murders for a country with half our population. There were 9,300 murders here in the United States.

We have every right as parents and as consumers to expect some responsibility from the entertainment industry. But I am told Japanese popular culture is even more violent than our own.

However severe this plague of gun violence is for society as a whole, for the young it is far worse. For young males, the firearm death rate is nearly twice that of all other diseases combined. A National Centers for Disease Control study found 2 of every 25 high school students reported having carried a gun in the previous 30 days. If those numbers were evenly distributed among communities and schools, that would

mean that in the average classroom, two students have carried guns at some time in the previous month.

These figures are shocking, but they are hardly secret. We have grown so accustomed to the carnage that guns cause in America that only the most horrific acts of violence are capable of shaking us from our slumber. As I told the Economic Club of Detroit, the question we have to ask ourselves in the wake of the Columbine High School tragedy is: Are we willing to say that enough is enough? And will we say it not just today but next week and next month and next year?

The NRA is betting we will not. They believe their brand of single-minded, single-issue politics can once again paralyze us from acting, once these images of death and pain in Colorado fade from view. They are going to go on telling their members that even the most measured gun control proposal is a thinly veiled attempt to take away their legitimate hunting weapons. It will not stop there. They will use that membership as a potent political tool to intimidate candidates for office. It is a sad fact that, thus far, too many Americans and too many American children and their parents live in fear of gun violence because too many of us in Washington live in fear of the political power of the lobbyists of the NRA.

I believe there is also a power when people unite to demand action—businesspeople, labor union people, parents, teachers, police officers, young people, the clergy. When I look at the kind of coalition that could be represented by groups like that, I see a potential power that could dwarf any narrow special interest. The question is not whether we are in the majority. The polls show that a large majority of Americans will support strong action to reduce access of minors to guns. The question is not whether we have the power. We do. The question is whether we are willing to act to make America a safer country. For starters, we must ban the possession and sale of handguns, semiautomatic weapons, by and to minors.

We paused in this Chamber to observe a moment of silence in honor of the victims of gun violence in Colorado. We observe these moments of silence to pay tribute to those who have died and to express our sympathy for their loved ones. But now, with this latest tribute behind us, we need to be anything but silent. Those of us who want to act to reduce the gun violence need to be louder and clearer and stronger and, yes, more persistent than the NRA.

Mr. President, 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.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that when Senator SHELBY offers an amendment related to operating subsidiaries there be 2 hours equally divided in the usual form prior to a motion to table, and that no amendments or other motions be in order to the amendment prior to the vote on tabling.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. 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. DORGAN. 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. DORGAN. Mr. President, I have sought recognition, because I intend to offer a couple of amendments to the pending legislation. I would like to discuss the underlying bill just a bit more, and then also offer the amendments and discuss the amendments.

I spoke earlier today about this legislation, which is called the Financial Services Modernization Act of 1999, and said then that I am probably part of a very small minority in this Chamber, but I feel very strongly that this is exactly the wrong bill at exactly the wrong time. It misses all the lessons of the past and, in my judgment, it creates definitions and moves in directions that will be counterproductive to our financial future.

What does this bill do? It would permit common ownership of banks, insurance, and securities companies, and to a significant degree commercial firms as well. It will permit bank holding companies, affiliates, and bank subsidiaries to engage in a smorgasbord of expanded financial activities, including insurance and securities underwriting, and merchant banking all under the same roof.

This bill will also, in my judgment, raise the likelihood of future massive taxpayer bailouts. It will fuel the consolidation and mergers in the banking and financial services industry at the expense of customers, farm businesses, family farmers, and others, and in some instances I think it inappropriately limits the ability of the banking and thrift institution regulators from monitoring activities between such institutions and their insurance or securities affiliates and subsidiaries raising significant safety and soundness consumer protection concerns.

This morning I described what is happening in the financial services sector by showing a chart of big bank mergers just in the last year. You couldn't help but to have picked up a daily paper at some point last year and read a headline about another bank deciding to combine or merge with another large bank.

April 6, Citicorp decided it was going to grab up Travelers Group and have a $698 billion combined asset corporation—not exactly a mom and pop, but two big very successful companies decide they want to get hitched.

NationsBank apparently fell in love with BankAmerica. Bank One decided it wanted to be related to First Chicago, and Wells Fargo likes NorWest. So we have merger after merger, buyout after buyout, and the big banks get bigger.

We already have a circumstance in this free market economy of ours in which you ought to have easy entry and easy exit into the marketplace and the right to make money and to lose money. We already have a circumstance in banking called ''too big to fail.'' If you are big enough, the ordinary market rules don't apply to you. You have the old Federal Reserve Board out there. And the Fed says we have a list of banks that are ''too big to fail,'' meaning they have become so big that if they were to fail and made some pretty dumb decisions, lose a lot of money, that their failure would be so catastrophic and such a shock to the economic system in this country that we couldn't possibly let that happen. So we have a list of banks at the Federal Reserve Board. That list says these banks are ''too big to fail''—no-fault capitalism. But the list is growing. That list of ''too big to fail'' banks in America is growing because the big banks are getting bigger, and this record-breaking orgy of mergers in our country moves now at an accelerated rate unabated.

In the context of all of this—it is not just with banks but all financial services companies—at a time when banks, investment banks, underwriters of securities, insurance, and others are showing very handsome profits in our country, we are told, ''You know, what is really wrong here with America is we need to modernize this system. The lack of modernization is hurting us. In fact, some U.S. banks are able to do things overseas they can't do here. What a shame. It is awful to hold them back,'' we are told. ''So let us modernize.''

In ranching parlance, this would be like if the horse gets out of the barn, you decide, ''Let's find out where the horse is and build a new barn around the horse.'' That is what this is all about. Where I grew up we raised

horses. When a horse got out of the barn, you know what we did. We went and chased the horse, caught the horse, and brought the horse back to the barn. That is not rocket science. I didn't have to take a lot of school courses to teach me that. You go bring the horse back.

But now, what they have decided is no. We will just decide, all right, the horses are out of the barn, and in the way things are supposed to work, in a manner that preserves safety and soundness of our banks, in a manner that preserves separation of certain kinds of activities—some that are inherently risky as opposed to those that require safety and soundness—things have happened. We are persuaded to get rid of all of the old rules, and we will rewrite them in a way that circumstances and activities have been happening in our country. We'll say those who have done it, OK, that is where you are, a new day, we will call it modernization. We will just say it is just fine. Well, it is not fine with me.

It is interesting that we live in 1999, now in the month of May, having experienced this remarkable economy. I am one who, with all of my colleagues, would say what a remarkable opportunity, to live in an economy that has virtually no inflation, has virtually full employment, seems to have economic growth that continues unabated, and whose stock market continues to set new records—23 days, another 1,000 points. You get the feeling, gee, the stock market is like one of those slot machines that pays off every time you pull the handle. Every time you put a quarter in you get a return back beyond what you put in.

There are people who have begun to invest in this economy of ours through mutual funds, and in the markets and so on who apparently believe there is only one direction for our economy and only one direction for our markets, and that is up, and single digit returns are not sufficient. Returns are now expected of 15, 20, 25, 30 percent a year. Of course, that will not continue.

We want a country with the twin economic goals of stable prices, full employment, and economic opportunity and growth. But we have been through periods in this country where when you sit down and add things up somehow the answer doesn't seem correct. This isn't all going to continue. One day in one way there will be adjustments. Companies selling 300 and 400 times earnings, we think that is going to continue? I don't think so.

What has happened in recent years in this country, despite all of the good news, is a series of economic activities by firms that 20 and 40 years ago would never have thought of engaging in those activities, and those activities which really represent kind of a new form of gambling by firms that should not be involved in gambling represents now an acceptable kind of behavior.

Let me give you some examples of some of it. I started this morning. But I am going to read a bit more, because I think it is important for everybody to understand and hear this.

I mentioned ''too big to fail''—big banks that have become so big that our Government says they can't be allowed to fail. Of course, we continue then every day to see more mergers to allow more banks to join that ''too big to fail'' list.

It is not just the banks. I want to read the story again of Long Term Capital Management in an article from the Wall Street Journal last fall, because I think it is illustrative of not just what is happening at this moment in this chapter of our history but also what happened in 1994 with the massive losses across our country in derivatives described in this Fortune article, ''The Risk That Won't Go Away,'' ''Financial derivatives tightening their grip on the world economy, and no one knows how to control them.''

Derivatives, unregulated hedge funds, banks, holding companies that now fuse and merge, banks underwriting securities, insurance—is all of that a cause for concern?

Let me read a couple of things and see whether perhaps this can be interpreted in a manner differently than those who have drafted the current legislation.

It is not a secret that I have said I think this current bill, the underlying bill, financial modernization for 1999, is a terrible bill. I don't mean disrespect to either the chairman of the committee or the ranking member of the committee. I don't mean any disrespect to them.

This is moving this country in the wrong direction. This is terrible legislation to be considering at this point.

Long Term Capital Management is a private company; big investors, all rich. You have to be rich to invest in Long Term Capital Management. You have to be smart. A smart operator with lots of money formed a private company called Long Term Capital Management and began betting. I will describe the bets in a moment.

It was Aug. 21, [last year] a sultry Friday, and nearly half the partners at Long-Term Capital Management LP were out of the office.

Inside, the associates that day logged on to their computer and they saw something that began to strike some fear in their hearts:

U.S. Treasuries were skyrocketing, throwing their relationship to other securities out of whack. The Dow Jones Industrial Average was swooning—by noon, down 283 points. The European bond market was in shambles. LTCM's [Long-Term Capital Management, this hedge firm, their] bets were blowing up, and no one could do anything about it.

By 11 a.m. [in the morning] the fund had lost $150 million in a wager [they made] on the prices of two telecommunication stocks engaged in a takeover. Then, a single bet tied to the U.S. bond market lost $100 million. Another $100 million evaporated [the next hour] in a similar trade in Britain. By day's end [this private hedge company] LTCM had hemorrhaged half a billion dollars. Its equity had sunk to $3.1 billion—down a third for the year.

This is the Wall Street Journal's recount of the story:

Partners scrambled out of their offices and onto the trading floor as associates stared at their screens in disbelief. Making frantic phone calls around the globe, they reached John Meriwether, the fund's founder, at a dinner in Beijing. He boarded the next plane to the U.S. Eric Rosenfeld, a top lieutenant, called in from Sun Valley, Idaho, where he was settling in for a vacation. He left his wife and children behind and made an all-night trip back to Greenwich.

Then the brass assembled the next morning. It is 7 o'clock now, 7 a.m. on Sunday.

One after another, LTCM's partners, calling in from Tokyo and London, reported that their market had dried up. There were no buyers, no sellers. It was all but impossible to maneuver out of large trading bets [that they had.] They had seen nothing like it.

The carnage that weekend set off events unprecedented in the world of high finance, culminating with a $3.625 billion bailout funded by a consortium of 14 Wall Street banks and engineered by the Federal Reserve [Board.] LTCM lost more than 90 percent of its assets by the time it was bailed out, and the markets were roiled for weeks. Longer term, it forced many of the world's most sophisticated institutional investors to redefine the ways they manage risk and triggered calls for tougher regulation of hedge funds, those freewheeling investment pools that cater to the wealthy.

Here is a company that lost $3.6 billion. What happened? It gets bailed out in a consortium of banks investing at the behest of the Federal Reserve Board at meetings arranged by the Federal Reserve Board.

We will hear a bit more about this case because it relates to an amendment I will be offering.

In an industry populated by sharp money managers, LTCM had the most renowned of all—including Nobel Prize winners Robert Merton and Myron Scholes. But in the end, it wasn't all rocket science. It was about smart marketing-appealing to a wealthy clientele who wanted to be able to say their money was being managed by a passel of Ph.D.s. And it was about massive borrowing, up to $50 for every dollar invested. Long-Term Capital Management was, ultimately, like a supermarket—a high-volume, low-margin business, trying to eke out small profits from thousands of individual transactions.

''Myron once told me they are sucking up nickels from all over the world,'' says Merton Miller, a University of Chicago business professor and himself a Nobel Prize winner in economics.

Continuing the quote:

''But because they are so leveraged, that amounts to a lot of money.''

All of which helps to explain how so many geniuses, sometimes overcoming divisions within their ranks, got it so wrong. And all the while, vanity, greed and a cult of personality blinded some of the world's most reputable financial institutions, from Wall

Street stalwarts to Swiss banks, to the pitfalls inherent in such a strategy.

The reason I offer this is to say we are now talking today on the floor of the Senate about a strategy that says we want to ignore the lessons of history. We want to ignore the fact that in the go-go 1920s, everybody was making money at about everything, and banks decided to fuse their activities and be involved not just in banking, but also in underwriting securities and a range of other very risky enterprises. We are going to ignore those lessons we learned during that period.

When studies were done to determine what happened in the 1920s, one of the things they discovered was what you expect. If you have something called banks whose perception of safety and soundness is at the root of their stability and viability, when banks are fusing their activities with inherently risky activities—underwriting securities, for example—ultimately those kinds of risks, those bets that exist, overcome the perception and the reality of safety and soundness, and people begin getting worried and nervous and pulling their money out of banks and we have bank failures.

So the Congress in the 1930s passed a bill called Glass-Steagall which said: Learn the lessons; my gosh, let us not put activities together with banks that are so inherently risky. We should separate them forever.

So we did. And we prohibited certain kinds of investment and acquisition by banks and required that certain enterprises do business and compete in their own sphere. Banks were prohibited from being involved in most of the securities issues, underwriting securities and insurance and more.

Over the years that served this country pretty well. Banks have made the case in recent years—and they are right about this—everybody else has wanted to invade their territory. Everybody now wants to be a bank. If you are selling cars, you want to finance the cars; you want to be a bank. Everybody wants to create some sort of homogenized one-stop station where people can buy their insurance, buy their home, finance it. So banks say people are intruding on their turf and the only conceivable way we can compete is if we can compete on their turf as well. They want Glass-Steagall repealed.

Guess what? Here it is. The bill that sits on the floor of the Senate today repeals Glass-Steagall. It forgets apparently 60 or 70 years of history. It will all be all right. Don't you see, the economy is growing, unemployment is down, inflation is down, the stock market is up. Don't you understand, Senator DORGAN?

I guess not. Maybe I am hopelessly old fashioned. I think it is a fundamental mistake to decide to repeal Glass-Steagall and allow banks and all of the other financial industries to merge into a giant smorgasbord of financial services. Those who were around to vote to bail out the failed savings and loan industry, $500 billion of the taxpayers' money, are they going to want to be around 10 or 15 years from now when we see bailouts of hedge funds putting banks at risk? Or how about the banks not just bailing out a hedge fund but banks having the ownership of the hedge funds?

That is what we have now. This bailout of Long Term Capital Management says we have significant investments by some of the largest banks in these hedge funds.

Or how about derivatives? I am not an expert in this area, but I wonder how many Members of this body know about derivatives. How many know that banks in this country are trading in derivatives—not for customers, but in their own proprietary accounts? They could just as well set up a bingo parlor in their lobby. They could just as well decide to have a casino somewhere in their lobby. The kind of betting and wagering that is going on in proprietary trading of derivatives in an institution whose assets are guaranteed by the taxpayers of this country is just wrong. Someday somebody is going to wake up and say: Why didn't we understand that? Why didn't we understand the consequences of hundreds of billions of dollars or, yes, even trillions of dollars of wagers out there with deposits at risk? Why didn't we understand that did not make any sense?

I wrote an article about this in 1994 that was published in the Washington Monthly. At that point there were $35 trillion in derivatives being traded. Now it is $70 trillion. It is hard for me to even say the number; $70 trillion in derivatives. Does anybody here know the exposure that exists in the largest banks of proprietary trading on derivatives? I will bet not. Does anybody understand what this bill does in these areas? It says: Hedge funds, we don't want to manage those; let them go, let them do what they will. How about derivatives? It doesn't do anything.

This is a GAO report from May, 1994. It is 5 years ago: ''Financial Derivatives, Actions Needed To Protect The Financial System.'' That report has been available for 5 years to all of the Members of Congress. If this legislation really was a modernization bill for financial institutions, you would have a solution to this issue in it. It would include my amendment that says no institution whose deposits are guaranteed by the American taxpayer will trade derivatives in their proprietary accounts—none of them. We will not allow gambling in the bank lobby. But of course the bill does not have that, so I will offer the amendment and it will be defeated because it is not in vogue, it is not in fashion. This bill moves in the other direction. It says, not only are things not wrong, don't be alarmed by hedge funds and derivatives; it says, let's just do more of what we have been doing that has caused some of this alarm.

As I mentioned, the piece of legislation before us repeals provisions of the Glass-Steagall Act that restrict the ability of banks and security underwriters to affiliate with one another. The bill repeals provisions in the Bank Holding Company Act by allowing a new category of financial holding company. This structure allows for a wide range of financial services to be affiliated, including commercial banking, securities underwriting, and merchant banking. And the new financial holding companies, by the way, may engage in the following: Lending and other traditional banking activities, insurance underwriting and agency activities, provide financial investment and economic advisory services, issue instruments representing interests in pooling of assets that a bank may own directly, securities underwriting and dealing, and mutual fund distribution, merchant banking. I think most listening to me understand my concern and deep reservations about the direction we are heading.

What about timing? This bill almost came to the floor of the Senate last year. I was one of those who objected, and as a result the legislation was not enacted. In fact, some of the folks who bring it to the floor today also objected because of some other issues. But it is now on the floor. It is in a different form than was passed out by the committee last year. But what about timing? It seems to me the past experiences we have had with banking and financial conglomerates in this country in this century, whose collapse has led to the adoption of the very financial protection laws they seek to repeal today, ought to be a cautionary note to those of us in Congress and to the American people. It seems to me the recent experiences we had with a nearly $500-billion bailout of a collapsed savings and loan industry ought to have some consequences, at least in terms of awareness of those in Congress who had to go through that experience.

It seems to me the question marks that hang over the international marketplace and the international economy ought to give pause to some—a very difficult collapsed economy in some parts of Asia, a Russian economy that has virtually collapsed, economic problems in other parts of the world, a description in the country of Japan of the keiretsu—the circumstances in a market system in Japan where a keiretsu allows the combining of virtually all economic activities into four or five firms that work together as partners to accomplish ends; you put the bank and the manufacturer all together.

What has happened as a result of that Japanese experience? Would we want to trade our economy for the Japanese economy? I don't think so. One would think that would give some folks pause.

Or how about the red flags that ought to have been flying for all of us with respect to the regulators' recent experiences dealing with excessive risk-taking in our system? Does it give anybody pause that on a Sunday night some of the smartest folks, the folks who were viewed as geniuses in New York, who put together this hedge fund, they had to be bailed out by the Federal Reserve Board running some folks across the street to convene an emergency meeting and then sitting there, apparently convening a group in which substantial numbers of large banks ante up billions of dollars to bail out a private firm? Is that a red flag for anybody? It suggests a conflict of interest for the Federal Reserve Board, of course, because they regulate the very banks that were incentivized to ante up money to bail out a private firm in order to avoid some sort of economic catastrophe, an economic catastrophe for the country. That is why the Fed was involved—because this private firm, too, was too big to fail. Does that raise any red flags with anybody? It does with me.

Or we are told, if we do not do this, it is going to be a disadvantage. To whom? Are the banks doing well in this country? You are darned right they are doing well, making lots of money. Security underwriting firms, merchant banking firms, are we doing well? America's corporations, are they doing well? Sure. Look at the stock market. Look at the profit reports. When we pass this bill, everybody in this Chamber knows what is going to happen. The first thing that is going to happen is, we are going to have more and more and more mergers because this turns on the green light at the intersection. It says if you all want to get together and just get into one big financial swamp here and have a smorgasbord of financial services, then buy each other up, that's just fine. This orgy of mergers we have already seen will simply accelerate. Will that be good for this country? Of course not.

Those who preach the loudest about the free market system do the least to protect it. I guarantee it is true. It has been true ever since I came to the Congress. Those who bellow the loudest about the free market do the very least in this country to protect it. We are going to have a fight a little later this year about antitrust enforcement. One way to be sure the free market remains free, open to fair, competitive competition, is to make sure you enforce your antitrust laws against cartels and monopolies. Interestingly enough, those, again, who talk a lot about the free market are the least likely to be supportive of aggressive antitrust enforcement, to make sure the market is free, open, and competitive.

This is a highly complicated issue. I know there are big stakes all around. We have the biggest economic interests in the country working very hard to see their interests are served versus other interests.

I understand all that, and I understand my view is not the prevailing view. George Gobel once said: ''Did you ever think the world was a tuxedo and you were a pair of brown shoes?'' I feel like George Gobel on this issue.

I understand this bill is on the floor, and it is going to get passed by the Congress. People do not want to entertain this notion, that, gee, there might be some inherent risk out here. This is a case, as I said earlier, of deciding this is where the industry has decided it wants to go, so let's go ahead and put a lodge up so we can accommodate all their interests and where they want to be.

We have been through this before. Where they want to be is not necessarily where this country ought to have them. This country ought to be concerned about safety and soundness of its financial institutions first and foremost. That does not fit—it has never fit—with the understanding that you can merge the interests of banks and other financial and economic activities that are risky.

When you put things together that require safety and soundness with enterprises that have an inherent high risk, you are begging for trouble, and this country will get it. Our banks say to us, ''Well, others have done it; you can do it in other countries.'' Do you want to trade our economy for any other country at the moment? I don't think so. What they are doing in other countries is not the litmus test for what we decide as Americans to do to strengthen our economy, and this bill, in my judgment, if passed, will represent a giant step backward for our economy.

Let me ask one additional question. With all of the debate that I have heard since this legislation came to the floor of the Senate, do you know I have not heard anything about whether or why or if this bill is good for people. Nothing. I wonder if anybody can describe one single thing in this legislation that will be helpful to ordinary folks?

This morning, I talked about the fact we have banks and credit card companies that are saying to their customers these days—it is 1999, so things have changed. I wonder what my grandmother would think if she heard me say there are banks and credit card companies saying to customers: If you pay off your bill every month, we are going to penalize you.

Isn't that Byzantine—we are going to penalize you for paying off your bill. In the old days, you got penalized for not paying your bill. No, the way you make money is for people to carry over a balance and charge a high interest rate. People who use a credit card to purchase every month and pay the full bill off every month are not very good customers; credit card companies do not want those folks around.

I read some examples this morning of companies that say, ''Well, you people, if you're going to pay off your bill like that, shame on you, we're going to charge you a service charge.''

Shame on them. What has financial service come to with this sort of behavior?

Another point. We have a circumstance in this country where —we are going to have a bankruptcy bill later this year, and we will have this discussion later—credit cards, of course, are distributed to everybody in America. I have a 12-year-old son. His name is Brendon. He is a great young guy, a wonderful baseball player. He is a great soccer player. He is a good student. For his benefit, I should say a great student, but he is a good student.

I can describe how wonderful he is in a thousand different ways, but he is only 12. He received a letter in the mail one day from the Diners Club. The Diners Club said: Brendon Dorgan, we want to send you a preapproved Diners Club credit card. So my 12-year-old son appreciates Diners Club. I am sure he has an appetite to spend money. I see it from time to time. It is normally not on big purchases. Normally it is something sweet or something that fizzes at the 7–Eleven, but my son does not need a Diners Club card.

Why would a 12-year-old get a Diners Club card? Why would Diners Club send my son a card? Because they send everybody a card. I assume it was a mistake, he got on the wrong list someplace. They send cards to college kids who have no income and no jobs and say, here is a preapproved bunch of credit for you; here is a card. It is just like a check. You go spend the money. We don't care you don't have a job. We don't care you don't have an income. Here is our card. Take it, please.

That is what is going on in our country today—penalizing people for paying their bills, sending credit cards to 12-year-old kids, sending credit cards to people who have no income or no job. Why, my grandmother would be mortified to think that is the ethic we think makes sense in this kind of an economy.

We cannot correct all of that in this discussion, but we can correct a couple things. I described not my son's credit card solicitation; I described derivatives traded on proprietary accounts in banks. I described potential regulation of risky hedge funds. Those are two big issues and very complicated issues. We can correct that.

I intend to offer two amendments. I will send the first amendment to the

desk and then ask that it be set aside by consent, and then I will send to the desk the second one and describe it. The committee chairman and ranking member will then proceed with the bill. They have other amendments I know they are going to have to consider today. I know they want to move ahead and finish whatever business they have with this legislation.

My hope of hopes is enough Members of the Senate will take a look at this bill in final form and say this is a terrible bill, a terrible idea coming at a terrible time, and enough Members would vote against it to say: This is not modernization, this is a huge step back in time, and a huge pit in which we have lost the lessons that we learned earlier in this century. I do not have great hope that will happen, but, who knows, lightening strikes and perhaps at the end of this day, Members of the Senate will say: You know, this wasn't such a good idea after all.

AMENDMENT NO. 312

(Purpose: To prohibit insured depository institutions and credit unions from engaging in certain activities involving derivative financial instruments)

Mr. DORGAN. Mr. President, the first amendment that I send to the desk is an amendment dealing with derivatives. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 312.

Mr. DORGAN. 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 appropriate place, insert the following:

SEC. ___. LIMITATION ON DERIVATIVES ACTIVITIES.

(a) INSURED DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 45. DERIVATIVE INSTRUMENTS.

''(a) DERIVATIVES ACTIVITIES.—

''(1) GENERAL PROHIBITION.—Except as provided in paragraph (2), neither an insured depository institution, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that institution or affiliate.

''(2) EXCEPTIONS.—

''(A) HEDGING TRANSACTIONS.—An insured depository institution may purchase, sell, or engage in hedging transactions to the extent that such activities are approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(B) SEPARATELY CAPITALIZED AFFILIATE.—A separately capitalized affiliate of an insured depository institution that is not itself an insured depository institution may purchase, sell, or engage in a transaction involving a derivative financial instrument if such affiliate complies with all rules, regulations, or orders of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(C) DE MINIMIS INTERESTS.—An insured depository institution may purchase, sell, or engage in transactions involving de minimis interests in derivative financial instruments for the account of that institution to the extent that such activity is defined and approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(D) EXISTING INTERESTS.—During the 3-month period beginning on the date of enactment of this section, nothing in this section shall be construed—

''(i) as affecting an interest of an insured depository institution in any derivative financial instrument that existed on the date of enactment of this section; or

''(ii) as restricting the ability of the institution to acquire reasonably related interests in other derivative financial instruments for the purpose of resolving or terminating an interest of the institution in any derivative financial instrument that existed on the date of enactment of this section.

''(3) ISSUANCE OF RULES, REGULATIONS, AND ORDERS.—The appropriate Federal banking agency shall issue appropriate rules, regulations, and orders governing the exceptions provided for in paragraph (2), including—

''(A) appropriate public notice requirements;

''(B) a requirement that any affiliate described in paragraph (2)(B) shall clearly and conspicuously notify the public that none of the assets of the affiliate, nor the risk of loss associated with the transaction involving a derivative financial instrument, are insured under Federal law or otherwise guaranteed by the Federal Government or the parent company of the affiliate; and

''(C) any other requirements that the appropriate Federal banking agency considers to be appropriate.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 11(e)(8)); and

''(B) any other instrument that an appropriate Federal banking agency determines, by regulation or order, to be a derivative financial instrument for purposes of this section; and

''(2) the term 'hedging transaction' means any transaction involving a derivative financial instrument if—

''(A) such transaction is entered into in the normal course of the institution's business primarily—

''(i) to reduce risk of price change or currency fluctuations with respect to property that is held or to be held by the institution; or

''(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to loans or other investments made or to be made, or obligations incurred or to be incurred, by the institution; and

''(B) before the close of the day on which such transaction was entered into (or such earlier time as the appropriate Federal banking agency may prescribe by regulation), the institution clearly identifies such transaction as a hedging transaction.''.

(b) INSURED CREDIT UNIONS.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section:

"SEC. 215. DERIVATIVE INSTRUMENTS.

''(a) DERIVATIVE ACTIVITIES.—Except as provided in subsection (b), neither an insured credit union, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument.

''(b) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to insured credit unions and affiliates thereof and to the Board in the same manner that such section applies to insured depository institutions and affiliates thereof (as those terms are defined in section 3 of that Act) and shall be enforceable by the Board with respect to insured credit unions and affiliates under this Act.

''(c) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this section, the term 'derivative financial instrument' means—

''(1) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(2) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this section.''.

(c) BANK HOLDING COMPANIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsection:

''(h) DERIVATIVES ACTIVITIES.—

''(1) IN GENERAL.—A subsidiary of a bank holding company may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that subsidiary if that subsidiary—

''(A) is not an insured depository institution or a subsidiary of an insured depository institution; and

''(B) is separately capitalized from any affiliated insured depository institution.

''(2) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to bank holding companies and the Board in the same manner that section applies to an insured depository institution (as such term is defined in section 3 of that Act) and shall be enforceable by the Board with respect to bank holding companies under this Act.

''(3) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this subsection, the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(B) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this subsection.''.

Mr. DORGAN. Mr. President, I will not explain this in great detail, except to say, as I described in my earlier remarks, my intention is to say it is inconsistent with the obligations and our expectations of institutions whose deposits are insured by depository insurance and, in fact, guaranteed by the American taxpayer for them to be trading in derivatives on their own proprietary accounts.

I understand banks being a conduit for the trading of derivatives for customers, but for banks in their own proprietary accounts to be taking the kinds of risks that exist in derivatives I think exposes all taxpayers in this country who are the guarantors of that deposit insurance to those kinds of risks. They may just as well put some kind of a slot machine in the lobby of a bank if they are going to trade in derivatives on their own account.

I say to the people who own the capital in these banks, if you want to gamble, go to Las Vegas. If you want to trade in derivatives, God bless you. Do it with your own money. Do not do it through the deposits that are guaranteed by the American people and by deposit insurance. My amendment prohibits the trading of derivatives on their proprietary account.

I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 313

(Purpose: To subject certain hedge funds to the requirements of the Investment Company Act of 1940)

Mr. DORGAN. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 313.

Mr. DORGAN. 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 title III, insert the following:

SEC. 312. TREATMENT OF LARGE HEDGE FUNDS UNDER INVESTMENT COMPANY ACT OF 1940.

Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), in the first sentence, by inserting ", which has total assets of less than $1,000,000,000, and" after "hundred persons"; and

(2) in paragraph (7), in the first sentence, by inserting "which has total assets of less than $1,000,000,000," after "qualified purchasers,".

Mr. DORGAN. Mr. President, I want to tell a story as I describe this amendment. About 10 years ago, I was serving in the House of Representatives on the Ways and Means Committee. Ten years ago, as you might recall, in this country we had the marketing of junk bonds; that is, noninvestment grade bonds by Drexel Burnham and Michael Milken. Junk bonds were used increasingly for hostile takeovers. It was a go-go economy. They held conferences and talked about how you could turn a minnow into a whale and arm a minnow with junk bonds and they will go and bite the tail off the whale. You had little companies buying big companies. It was a remarkable thing to see.

One of the things that occurred to me was how unhealthy and unholy it was in this country that junk bond sellers were parking junk bonds with savings and loans. Our savings and loans, whose deposits were insured by the Federal Government, were then ending up with junk bonds, noninvestment-grade bonds, in their portfolios, so that if the enterprise went belly up, the American taxpayers would end up paying the bill.

Let me give you the creme de la creme, the hood ornament on the excess. The hood ornament was that we had one of biggest casinos in the country built in Atlantic City, glitzy and big. Junk bonds were for the casino, noninvestment-grade bonds. With junk bonds they build the casino. The junk bonds get parked with the savings and loan. The savings and loan goes belly up. Guess who ends up with the junk bonds that are nonperforming and a big casino. The American taxpayer. The U.S. Government and the American taxpayer end up holding junk bonds that are nonperforming junk bonds in a casino.

How did that happen? Because it was all right according to our regulators, and all right according to law, for our savings and loans to go out and buy junk bonds and load up. One California S&L had, I think, nearly 60 percent of its assets involved in junk bonds.

So I got an amendment passed. It is now law. Some people have never forgiven me for it, because I got an amendment passed that said savings and loans—that is, those whose deposits are insured by the Federal Government—cannot purchase junk bonds and must divest those they have.

I had a devil of a time getting it passed, just an awful time. I got it passed. It became law and caused all kinds of chaos for those who were parking all these bonds at S&Ls, playing the financial roulette game they were playing. It was the right thing to have done for the taxpayers of this.

I mention that only because financial institutions will do what they must and will do what they can under the rules as long as we are looking the other way. I am not saying they are all irresponsible. I am saying they are all going to try to pursue the largest rate of return they can possibly pursue, especially if you have the deposits underwritten. Those institutions are going to take advantage of these opportunities. It was true in the 1980s; it will be true in the next decade as well.

The lesson with respect to junk bonds, the lesson with respect to derivatives and hedge funds, is that we have to be vigilant. Did the bank regulators jump on this and deal with it? No. In fact, the Secretary of the Treasury would come to the Ways and Means Committee. I would say: Mr. Secretary, we have a crisis going on here. What on earth are you doing? Sitting on your hands? Oh, no, Congressman DORGAN, there isn't a crisis at all; there's no problem. There is no problem here at all.

Well, the problem turned out to be hundreds of billions of dollars for the American taxpayer, because those who were supposed to be involved in regulation looked the other way.

As we pass this piece of legislation today, we would do ourselves a favor, I think, passing an amendment that would prohibit proprietary trading in derivatives by banks and also passing the amendment I just sent to the desk that would provide regulation for risky hedge funds that have at least $1 billion or more in assets. It is a handful of hedge funds, perhaps fewer than 50. They have aggressive leverage. It seems to me that while I would like to be more aggressive in the regulation of hedge funds, at least this should be a start in dealing with this issue.

Mr. President, I will not offer a third amendment. I will offer only these two amendments. I believe that the legislation is inappropriate at this time, and I intend to vote against the legislation on final passage. As I have said on a couple occasions this afternoon, I think this is a giant step backward. I think it is exactly the wrong direction for our country. I think it does nothing for ordinary people, does not address any of the issues. It is something that will make a number of the largest enterprises in this country that are already making substantial profits very, very happy. I guarantee every Member of this body that if this legislation is passed, when you wake up day after day, week after week, and month after month, you will read the news of more and more and more mergers and greater concentration.

Then don't you come to the floor of the Senate and talk to me about competition and don't you come to the floor of the Senate and started preaching about free markets. The opportunity to respond to real competition and free markets, in my judgment, is, by turning this legislation down, enforcing strong antitrust enforcement, and being thoughtful about the things we have to do in the future to preserve the safety and soundness of our banks and, yes, to encourage investment and encourage economic activity in other sectors of our economy.

Let me conclude by saying I am not someone who thinks that big firms are bad. I don't believe that at all. Nobody is going to build a 757 jet airplane in the garage in Regent, ND. Economies of scale are important. Some of the largest enterprises in our country have contributed mightily to this country and its economy. But I also believe that what contributes most to this country is good old-fashioned healthy competition, broad-based economic ownership. I know it is a timeworn and, some consider, old-fashioned Jeffersonian notion of democracy that

broad-based economic ownership is what eventually guarantees economic freedom and what eventually underscores and guarantees political freedom as well. That is something that is very important to this country's future.

We do not advance in that direction by passing legislation that will further concentrate and further provide inducements for more mergers and bigger, more concentration and bigger companies. That will not advance this country's interests.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant 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.

Mr. GRAMM. Mr. President, our current blueprint is that we are going to vote on the unitary thrift amendment at 3:45. Each side will have 3 minutes to speak on that issue. I will ask Senator GORTON to speak on behalf of the majority.

At the conclusion of that vote, the Shelby amendment will be considered. That is the amendment which would allow banks to provide broad financial services within the structure of the bank rather than through the holding company. We have agreed to a 2-hour debate on that amendment. If we were on that amendment, say, at 10 after 4, we would be through with that amendment at 10 after 6.

I do not know of another major amendment. I urge my colleagues who have amendments, since we have a lot of Members hoping not to be here tomorrow—Members walking by do not object to that, I assume—who would like to catch a flight back to their States at a reasonable hour, if they could, not to convenience me or to convenience my colleague, Senator SARBANES, but to convenience all 100 Members of the Senate, I urge Senators who have amendments to come to the floor and present them. Please don't show up at 6:10 and say, oh, by the way, I just had an idea last night while I was having dessert that I would like to redo the whole banking system of the United States of America and I would like to change the number of people on the Federal Reserve Bank board and I talked to the newspaperman today and he thought it was a great idea.

If you have an amendment, I hope you will come and let us look at it and talk about it. Hopefully, we can take some of these amendments and save time. I urge my colleagues, for the convenience of all of our Members, if you have amendments, to come down here before 4 and let us talk about them.

Please don't show up when the Shelby amendment is finished at 6:10 and say I have all these ideas and I want to deal with them.

I thank my colleagues in advance for their cooperation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant 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.

Mr. GRAMM. Mr. President, I ask unanimous consent that the pending unanimous-consent agreement that we are operating under be temporarily set aside so that Senator SCHUMER can offer an amendment. If I understand the amendment correctly, I intend to accept it, and I assume Senator SARBANES will accept it. I think it is important to go ahead and get that amendment out of the way. Whenever he is ready, I wanted to be sure that we were in a position that he could be recognized without undoing any of the agreements on the vote at 3:45, or the unanimous-consent request on the Shelby amendment, starting whenever that vote is finished.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FITZGERALD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT WILD AND WONDERFUL WEST VIRGINIA

Mr. BYRD. Mr. President, May 2–8 is National Tourism Week, and I would like to take a few minutes to encourage anyone planning their summer vacation—and this is the time; this is the time to plan the summer vacation. Let me tell you where the place is. This is the place: West Virginia. Anybody who is planning the summer vacation—or looking farther ahead to next year's winter vacation—should consider my favorite destination: West Virginia.

I have been in Rome. I have traveled to Agra. I have seen the Taj Mahal. I have walked in the shadows of the pyramids. I have seen the Pantheon and the Parthenon. I have met with great leaders all over the world, face to face, such as the late President Sadat and Generalissimo Chiang Kai-Shek. I joined with the Generalissimo and the madam on their birthday up at Sun Moon Lake many years ago. But let me tell you, after having been to these four points of the compass, my favorite destination is still West Virginia. And I have visited Texas, may I say to my friend, the senior Senator from the Lone Star State. I made 26 speeches in the Bible Belt of Texas in 1960. I traveled over the northeastern part of Texas making speeches—26 in 3 days. I even took my fiddle with me and played a few tunes. Anyhow, there is just nothing like West Virginia. That is my favorite destination.

Within an easy drive of much of the Nation, West Virginia offers one delight after another, whether for families, adventurers, romantic couples, or groups.

If you are interested in history, may I say to my Senate colleagues, West Virginia has plenty, from delicate millennia-old fern and trilobite fossils embedded in her coal seams and rock outcroppings to the monumental burial mounds of the mysterious Adena people that date back to 1000 B.C. And I can tell you about history that goes much farther back than that.

Frontier forts that mark West Virginia's time at the leading edge of American expansion are scattered across the State, and are populated with costumed, re-enactors who can weave fascinating true stories of the sometimes harrowing escapades experienced by our Nation's early settlers. Point Pleasant, WV, marks the site of the first land battle of the Revolutionary War. Numerous Civil War battlefields abound from West Virginia's tumultuous birth as a State, none more famous than Harper's Ferry, where in 1859 abolitionist John Brown led a raid on the U.S. arsenal, sparking a chain of events leading to that epic struggle.

Industries that sparked a different kind of revolution still operate in West Virginia, from the steel mill in Weirton, WV, where we have the largest ESOP in the world—that is, Employee-Stock Option Plan—to the coal mines in southern West Virginia. In Beckley, you can visit a coal mine and see firsthand the danger and effort involved in extracting the compressed energy that still provides almost half of the Nation's electricity. And those who love classic locomotives would feel at home there, as several steam excursions offer the opportunity to chug behind a puffing engine as it clicketyclacks through scenes of pastoral harmony.

West Virginia's history sings through the music festivals scheduled across the state throughout the year, ranging from classical to country, bluegrass to jazz. History also comes to life in the fine crafts produced in small village potteries and quilting bees as well as by storied West Virginia glass makers whose wares have been presented to presidents and foreign heads of state. And history continues to be made by her artisans, musicians, and writers, many of whom are accessible at craft

and music festivals, or through factory tours.

West Virginia is not just for lovers of history, however. It is also for lovers of fun. The state boasts a great array of state parks with lodges and cabins perfect for family entertainment. All these one can see in West Virginia. At these public parks, as well as at many privately-owned facilities, activities can be found to suit everyone in the family, from golf courses designed by the greats in the game to horseback riding along mountain trails, from fishing in coursing streams or placid lakes to hiking to breathtaking vistas, and, of course, skiing at five major ski resorts.

Every season in West Virginia offers its own attractions. In the springtime, coursing white water thunders through rocky causeways bedecked in snowy rhododendron and dogwood, vibrant redbud and delicate trillium. In summer, cool springs bubble in shadow-filled woods where wild ginseng grows, while in meadows, Queen Anne's Lace, purple coneflowers, golden Rudbeckia, and blue chicory weave a madras plaid of wildflowers as ruby throated hummingbirds flit among the honeysuckle. In the fall, West Virginia's sugar maples, tulip poplars, sweetgums, and hickories flame in colors rivaling any in New England, and herds of whitetail deer and flocks of elusive wild turkeys fatten on the beechnuts, walnuts, and acorns. Winter's snows fall thick and white, creating an austerely beautiful palette of linear grey, black, and blue shadows on the hillsides that make the color and light of numerous Christmas festivals a welcome contrast.

If enjoying the scenery is not enough for the daredevil in you, then see if you can tame Seneca Rocks with a pair of climbing shoes, a bag of chalk, and a length of rope. Venture into the depths of Organ Cave in Ronceverte, where Thomas Jefferson, when he visited, did little more than sample the over forty miles of passages that have been mapped to date. Or challenge the mighty Gauley River, or the wild and scenic New River, in a raft or kayak, to learn just how powerful and devious a few thousand cubic feet of water can be when they are moving at great speed over car-sized boulders. Set your mountain bike upon trails that will strain your thighs as well as your bike brakes. Then, to relax, float lazily down the South Branch of the Potomac River in West Virginia, where it still looks as it must have to the early settlers, with mist rolling off the crystal waters as they wend their way between canyon-like walls, with bald eagles soaring overhead.

When the day is done, you can count on good food and a soft pillow anywhere in West Virginia. Bed and Breakfast establishments cater to every fancy, from homespun log cabins bedecked in quilts to antique-filled 'stately ladies' whose names reflect their historic pasts. Romance is easy to find before a crackling fire laid on a stone grate or on a porch swing overlooking the last violet rays of sunset. Hidden in the hills, too, are grand resorts and spas offering every amenity for the weary traveler. Some colonial-era spas are still active, while others have been more recently developed, but all offer blissful relaxation. Some also offer award-winning water. Berkeley Springs was founded by George Washington and others and originally called Bath after the spa town in England. The world famous Greenbrier in White Sulphur Springs lists royalty as well as Presidents, Senators, and Governors in its guest book.

The comforts of your home away from home may make it difficult to get out of bed, but the allure of shopping is strong in those hills. Outlet malls with true bargains compete with artist studios, artisan workshops, and factory stores to fill your car trunk, but with only a little planning, your Christmas and birthday giving may be highlighted by unique and thoughtful treasures.

Of course, the greatest treasure in West Virginia is her people. Friendly, smiling, and helpful, they can even make getting lost a pleasurable adventure. So do come, do come and share in the beauty, in the history, in the romance, in the adventure that is West Virginia. Come a tourist and leave a friend.

I hope I have sparked a little curiosity in the state that I am so proud to represent. As long winded as politicians are reputed to be, and it may be the case in my instance, I could filibuster for days on the things to see and do in West Virginia without beginning to name everything. For more information, come by and visit my office. My staff will give you a telephone number for the State's official travel guide so you can visit West Virginia, and you can also find a lot of these things on the World Wide Web.

I yield the floor and I thank Senators for listening.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank the Senator from West Virginia. It was pure delight to sit here and listen to the virtues of his State. I have now a thirst, a curiosity, to visit the parts of the State that I haven't been to.

Anyone who thinks that eloquence is no longer around, all they have to do is listen to our friend, the Senator from West Virginia, and they are sure to know it has reached its senatorian heights.

I thank the Senator. I am glad I had the pleasure of listening to his beautiful and rapturous remarks about his wonderful State.

Mr. BYRD. Let me thank the Senator for his courtesy, for his patience in allowing me to proceed. I think I took a bit of advantage of his being off the floor temporarily. I thank him very much for his kind words, especially about West Virginia.

Mr. DOMENICI. Will the Senator yield?

Mr. SCHUMER. I am delighted to yield to the Senator from New Mexico.

Mr. DOMENICI. Senator BYRD, I want to say you commented that you could filibuster for many days about the beauty of your State. I am particularly pleased that you did it this way rather than a filibuster.

A filibuster for some has a little bit of a negative connotation, and the remarks made don't deserve the slightest interference from anything else, just a straight up great speech about your State.

I was glad to be here.

Mr. BYRD. Mr. President, I thank our friend, the distinguished Senator from New Mexico. He is always most generous in his remarks concerning me and I am very grateful.

When I saw his fine wife this morning as I came into the Capitol, I started the day off right.

I thank the Senator for his kind words.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

AMENDMENT NO. 314

(Purpose: To make an amendment with respect to ATM fee reform)

Mr. SCHUMER. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 314.

Mr. SCHUMER. Mr. President, I ask unanimous consent 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, insert the following:

TITLE VII—ATM FEE REFORM

SEC. 701. SHORT TITLE.

This title may be cited as the ''ATM Fee Reform Act of 1999''.

SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

Mr. SCHUMER. Mr. President, I very much appreciate the chairman from Texas accepting the amendment, which he has told me he will do, and I believe he mentioned it on the floor.

This important amendment involves, very simply, disclosure on ATM machines of fees. As many may know, on April 1, 1996, Visa and MasterCard, which run the largest ATM networks in the United States, ended their prohibition against surcharging ATM users. Before that, there could not be a second surcharge. This fee was in addition to any fee already imposed on a transaction from other bank customer withdrawals.

Three years later, 93 percent of all banks are imposing ATM surcharges on customers. That is 31 percent more than last year. The bigger the bank, the more likely they are to surcharge and at a higher rate. What this means is, if you have a BankAmerica card and you go to a Bank One machine, you will pay two fees, one to the Bank One machine—which everyone expects to pay—and the other to the BankAmerica card. People are paying two fees. It is very difficult to figure out what they are.

When the banks first started charging these fees, many of them didn't bother to tell their customers they would be charged. They had to figure it out by looking at the monthly statement. For anyone who has looked at their monthly bank statements and all the fine print, it is clear that the fees were not transparent. So, unsurprisingly, there was an outcry. I took to the House floor, when I was in that body, to show that banks were not disclosing these fees. I remember surveying the banks in New York City and finding out they were not disclosing them.

So what we are proposing to do here is to rectify that wrong. This amendment is in the great traditions of Adam Smith, pure capitalism. Some have said we ought to eliminate the fees. Some have said we ought to cap the fees. My view is to let the free market prevail. Let people see what the fee is before they enter into the transaction and then they can make a decision. That is the way it ought to work in capitalism, in free market enterprise. So that is what this amendment does.

Last year, a record $124 billion was generated in all-fee income. That is up 18 percent in 1 year from banks. The fees are going up. This amendment will not take away a penny of that, except from knowing consumers who decide not to enter into this transaction. We must do this. Awhile ago we forewent this amendment because most banks promised they were not going to impose surcharges, and to their credit for a few years they did not. But now they all do. It is time we have disclosure so when they say that they will always disclose, because some do it voluntarily, I simply say, ''trust but verify.''

This is a simple, straightforward, reasonable, balanced amendment. I hope it will pass without hesitation.

Mr. President, I yield my time. Is someone available to just accept it?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the Senator from Texas is unable to be here. He has been gone for a couple of minutes. I am aware of his willingness

to accept the amendment, and there is no objection on our side. I indicate that on behalf of Senator GRAMM.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 314) was agreed to.

Mr. SCHUMER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. 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 New Mexico.

Mr. DOMENICI. Mr. President, I ask consent I be permitted to speak for 7 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI and Mr. DODD pertaining to the introduction of S. Res. 98 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Thank you, Mr. President. I thank the Chair and I thank the Senator from Texas for letting me talk about the tragic death of two great Americans.

TRIBUTE TO TWO BRAVE AMERICAN SOLDIERS

Mr. VOINOVICH. Mr. President, yesterday, our Nation suffered our first casualties in the war of Yugoslavia. An Apache helicopter crashed in the Albanian mountains on what has been called a ''routine training mission.''

Two brave American soldiers—Chief Warrant Officer Kevin L. Reichert and Chief Warrant Officer David A. Gibbs—lost their lives for our Nation. They are heroes.

Kevin Reichert, 28 years old, was born in Chippewa Falls, WI, and David Gibbs hailed from Massillon, OH, which is west of Canton and about an hour or so south of Cleveland. He was 38 years old, married and had three children.

David joined the Marine Corps right out of Washington High School back in 1980. After 4 years of service, he left the Marines, only to enlist in the Army 18 months later.

His mother, Dorothy Gibbs, said he enlisted in the Army so he could fly helicopters. She said it was ''his dream'' and ''he was so happy when he flew.'' She also said he hoped to retire in 2 years to pursue a career in airport management.

From all accounts, David had accepted the dangers of flying military aircraft. He knew there was a chance there could be a problem.

David told his mother that he was so concerned about his mission in Kosovo, and she is quoted as saying:

> He didn't feel prepared enough because he didn't know enough about the terrain.

She also said:

> He hadn't gotten the terrain map and he was concerned about that.

A couple of weeks ago, I spoke to the Senate Armed Services Committee chairman, Senator WARNER, and I expressed my concern to him about the number of Ohioans who have been killed in helicopter accidents.

To illustrate, since 1991, 32 men and women from Ohio have died serving their Nation, not counting the Persian Gulf war. Of this number, 11 died in helicopter crashes. That is 34 percent of them. Why so many deaths from helicopters? All these deaths, but for one, were in noncombat situations.

Our military operates sophisticated machinery. Our mechanics are the best trained in the world. Our pilots are trained to meet and respond to all contingencies. Again, the question is: Why so many deaths due to helicopter accidents?

Remember, this is the second such accident in 9 days involving Apache helicopters in Albania. Are we giving our pilots specific and correct intelligence so they can avoid accidents or, worse, possible enemy fire?

Mr. President, I will not go into what is right or wrong about being in Yugoslavia, but we are at war and we have to ensure that our men and women have all the necessary tools to do their job and that the equipment they use is the best and we have the finest maintenance.

In the investigation that will follow the accident, I think it is imperative—in fact it is essential—that we find out whether there was a problem with the equipment in the helicopter or, in the alternative, whether it had proper maintenance.

War is serious business. People's lives are on the line, and there can be no room for error. If faulty equipment, lack of equipment, lack of communications, or improper information led to the death of these two men, it is critical that our military take necessary steps to correct such errors.

I am heartened in the knowledge that a peaceful settlement of this war appears to be in the works. However, I am saddened that it could not have come sooner to prevent the deaths of these two brave men and the destruction of Yugoslavia.

The United States owes David and Kevin a debt of gratitude that we will never be able to repay for they have paid the ultimate sacrifice. As John says in chapter 15:13, ''Greater love has no man than this, that a man lay down his life for his friends.''

Our thoughts and our prayers go out to David's family and especially to his wife Jean and three children, Allison, Megan, and David, and also his mother Dorothy, who lost David's father just this past Christmas.

As one who has lost a child, I know the days and months ahead will be difficult as the family deals with their grief and the absence of the physical presence of their father. I pray that the words of Matthew 5:4, ''Blessed are they that mourn, for they shall be comforted,'' apply to their family.

Thank you, Mr. President.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from South Dakota, Mr. JOHNSON, has 3 minutes.

AMENDMENT NO. 309, AS MODIFIED

Mr. JOHNSON. Mr. President, I have a modification of my amendment at the desk and I ask unanimous consent that it be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on May 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on May 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding

company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

Mr. JOHNSON. Mr. President, financial modernization should go forward but without mixing financial services and commerce. Preserving the unitary thrift loophole should not be allowed. Who believes this should be closed? Chairman LEACH, Chairman of the House Banking Committee, Fed Chairman Greenspan, and former Fed Chairman Volcker, Treasury Secretary Rubin, and banking and consumer organizations. There is bipartisan and, frankly, overwhelming support for loophole closure. I think there is a sense we do not want to go down the road of financial services and commerce mixing at this particular juncture. Allowing financial modernization to go forward should occur, but allowing unitary thrifts to merge with other financial institutions is the road to go rather than allowing merger with commerce at large.

I think we need to heed the urgent warnings of our Nation's leading economic minds. We appreciate that this issue is arcane in the minds of many in this body, no doubt. But when we have the support for closure of this loophole coming from the chairman of the House Banking Committee, Mr. Greenspan, Mr. Rubin, and Mr. Volcker, I think that ought to be compelling support for taking this step to make sure, in fact, we get a financial modernization bill out of this body that will, in fact, be signed by the President and will serve this country in good stead.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield my 3 minutes to Senator GORTON.

Mr. GORTON. Mr. President, financial modernization should be about expanding chartering options and choices for consumers, not about stripping away the fundamental characteristics of consumer-oriented institutions. It is a paradox that the banks that are here seeking more powers wish to restrict the powers of their competitors in the same bill and are using this amendment to do so.

Proponents of this amendment contend that the unitary thrift charter is a ''loophole'' that allows for the mixing of banking and commerce. Those concerns are both misplaced and impossible under the very conditions of charter.

Federal law now expressly prohibits a unitarian thrift from lending to a commercial affiliate. By law, a thrift must focus on providing mortgage, consumer, and small business credit, and its commercial lending is severely restricted.

The thrift charter is unique. Martin Mayer, who is a guest scholar at the Brookings Institution and a foe of mixing banking and commerce, supports the commercial ownership of thrifts because of their unique lending focus on consumers and small businesses. In the more than 3 decades that unitary thrift charters have existed, there is a total absence of any evidence that unitary thrifts' commercial affiliations have either led to a concentration of economic power or posed a risk to the consumer or the taxpayer. To the contrary, the FDIC has testified that limits such as those proposed in this amendment would restrict ''a vehicle that has enhanced financial modernization without causing significant safety-and-soundness problems.''

The issue under debate is not the creation of a banking-commerce Frankenstein. It is, rather, about the proper treatment of longstanding institutions focused on serving local communities. Congress should not limit the authorities of existing consumer-oriented companies without a compelling reason. To do so would be anticompetitive and anticonsumer.

I am adamantly opposed to any initiative that eviscerates the unitary thrift charter and urge Senators to oppose the Johnson amendment as a serious step backwards in our efforts to modernize our Nation's financial services laws.

I yield back the remainder of my time, and I move to table the Johnson amendment.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 309. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

The PRESIDING OFFICER (Mr. BUNNING). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 67, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—32

Akaka	Enzi	McConnell
Allard	Gorton	Murray
Bennett	Gramm	Nickles
Breaux	Hagel	Reed
Bunning	Inouye	Robb
Campbell	Kyl	Roth
Chafee	Lieberman	Smith (NH)
Cochran	Lott	Smith (OR)
Coverdell	Lugar	Stevens
Dodd	Mack	Warner
Domenici	McCain	

NAYS—67

Abraham	Feinstein	Lincoln
Ashcroft	Frist	Mikulski
Baucus	Graham	Moynihan
Bayh	Grams	Murkowski
Biden	Grassley	Reid
Bingaman	Gregg	Roberts
Bond	Harkin	Rockefeller
Boxer	Hatch	Santorum
Brownback	Helms	Sarbanes
Bryan	Hollings	Schumer
Burns	Hutchinson	Sessions
Byrd	Hutchison	Shelby
Cleland	Inhofe	Snowe
Collins	Jeffords	Specter
Conrad	Johnson	Thomas
Craig	Kennedy	Thompson
Crapo	Kerrey	Thurmond
Daschle	Kerry	Torricelli
DeWine	Kohl	Voinovich
Dorgan	Landrieu	Wellstone
Durbin	Lautenberg	Wyden
Edwards	Leahy	
Feingold	Levin	

ANSWERED ''PRESENT''—1

Fitzgerald

The motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAMM. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 309), as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 315

Mr. SHELBY. Mr. President, I send an amendment to the desk on behalf of myself, Senator DASCHLE, Senator GRAMS, Senator REED, Senator BENNETT, Senator EDWARDS, Senator HAGEL, and Senator LANDRIEU.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will report.

The legislative assistant read as follows:

The Senator from Alabama (Mr. SHELBY), for himself, Mr. DASCHLE, Mr. GRAMS, Mr. REED, Mr. BENNETT, Mr. EDWARDS, Mr. HAGEL, and Ms. LANDRIEU, proposes an amendment numbered 315.

Mr. SHELBY. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Redesignate sections 123, 124, and 125 as sections 125, 126, and 127 respectively, strike section 122, and insert the following:

SEC. 122. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.

Chapter one of title LXII of the revised statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A (12 U.S.C. 25a) as section 5136B; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

"SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

''(a) ACTIVITIES PERMISSIBLE.—

''(1) IN GENERAL.—A subsidiary of a national bank may—

''(A) engage in any activity that is permissible for the parent national bank;

''(B) engage in any activity authorized under section 25 or 25A of the Federal Reserve Act, the Bank Service Company Act, or any other Federal statute that expressly by its terms authorizes national banks to own or control subsidiaries (other than this section); and

''(C) engage in any activity permissible for a bank holding company under any provision of section 4(k) of the Bank Holding Company Act of 1956 other than—

''(i) paragraph (4)(B) of such section (relating to insurance activities) insofar as such paragraph permits a bank holding company to engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or to engage as principal in providing or issuing annuities; and

''(ii) paragraph (4)(I) of such section (relating to insurance company investments).

''(2) LIMITATIONS.—A subsidiary of a national bank—

''(A) may not, pursuant to subparagraph (C) of paragraph (1)—

''(i) underwrite insurance other than credit-related insurance;

''(ii) engage in real estate investment or development activities (except to the extent that a Federal statute expressly authorizes a national bank to engage directly in such an activity); and

''(B) may not engage in any activity not permissible under paragraph (1).

''(b) REQUIREMENTS APPLICABLE TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) IN GENERAL.—A financial subsidiary of a national bank may engage in activities pursuant to subsection (a)(1)(C) only if—

''(A) the national bank meets the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C));

''(B) each insured depository institution affiliate of the national bank meet the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C)); and

''(C) the national bank has received the approval of the Comptroller of the Currency by regulation or order.

''(2) CORRECTIVE PROCEDURES.—

''(A) IN GENERAL.—The Comptroller of the Currency shall, by regulation, prescribe procedures to enforce paragraph (1).

''(B) STRINGENCY.—The regulation prescribed under subparagraph (A) shall be no less stringent than the corresponding restrictions and requirements of section 4(m) of the Bank Holding Company Act of 1956.

''(c) DEFINITIONS.—For purpose of this section, the following definitions shall apply;

''(1) AFFILIATE.—The term 'affiliate' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

''(2) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of an insured bank; and

''(B) is engaged as principal in any financial activity that is not permissible under subparagraph (A) or (B) of subsection (a)(1) of this section.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of an insured depository institution that has been examined, the achievement of—

''(i) a composite rating of 1 or 2 under the Uniform Financial Instutitions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the insured depository institution; and

''(ii) at least a rating of 2 for management, if that rating is given; or

''(B) in the case of an insured depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.''.

SEC. 123. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities a the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 45. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

''(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

''(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) LIMITING A BANK'S CREDIT EXPOSURE TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the revised statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) and section 23B(d)(1)—

''(A) the financial subsidiary of the bank—

''(i) shall be deemed to be an affiliate of the bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed a subsidiary of the bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction,

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a bank) shall not be deemed to be a transaction between a subsidiary of a bank and an affiliate of the bank for purposes of section 23A or section 23B of this Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' shall not include a bank, or a subsidiary of a bank that is engaged exclusively in activities permissible for a national bank to engage in directly or authorized for a subsidiary of a national bank under any federal statute other than section 5136A of the Revised Statutes of the United States.''.

SEC. 124. FUNCTIONAL REGULATION.

(a) PURPOSE.—The purpose of this section is to ensure that—

(1) securities activities conducted in a subsidiary of a bank are functionally regulated by the Securities and Exchange Commission to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company; and

(2) insurance agency and brokerage activities conducted in a subsidiary of a bank are functionally regulated by a State insurance authority to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company.

(b) FUNCTIONAL REGULATION OF FINANCIAL SUBSIDIARIES.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by inserting after section 45 (as added by section 123 of this subtitle) the following new section:

''SEC. 46. FUNCTIONAL REGULATION OF SECURITIES SUBSIDIARIES AND INSURANCE AGENCY SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS.

''(a) BROKER OR DEALER SUBSIDIARY.—A broker or dealer that is a subsidiary of an insured depository institution shall be subject to regulation under the Securities Exchange Act of 1934 in the same manner and to the same extent as a broker or dealer that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(b) INSURANCE AGENCY SUBSIDIARY.—Subject to Section 104 of the Act, an insurance agency or brokerage that is a subsidiary of an insured depository institution shall be subject to regulation by a State insurance authority in the same manner and to the same extent as an insurance agency or brokerage that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(c) DEFINITIONS.—For purposes of this section, the terms 'broker' and 'dealer' have the same meanings as in section 3 of the Securities Exchange Act of 1934.''.

Mr. SHELBY. Mr. President, I rise today to offer this amendment, entitled the American Bank Fairness Amendment, to S. 900, the pending bill.

This amendment, which, as I have said, is cosponsored by Senator DASCHLE, the minority leader, and Senators GRAMS, REED, BENNETT, EDWARDS, HAGEL, and LANDRIEU, would permit national banks to conduct equity securities underwriting and merchant banking activities in an operating subsidiary, much as their foreign bank competitors that are allowed to conduct such activities in the United States today. I note that six of the seven sponsors of this amendment are members of the Banking Committee.

We are talking this afternoon about defining a fair and an efficient framework to allow all—yes, all—financial institutions to better provide service to their customers in America. This country needs financial modernization. I support national modernization.

I have great respect for the chairman, the Senator from Texas, Mr. GRAMM, and I supported the chairman in the committee. He helped to get this bill to the floor.

Unfortunately, this bill does more for the institutions in the top world financial centers—New York, Hong Kong, London—than it does for the average bank that serves the average person in America. That is the issue at hand.

I know many of my colleagues have made up their mind on this issue. Besides, in all honesty, the chairman of the Federal Reserve, Alan Greenspan, may not even be the Chairman of the Federal Reserve after next year, although I wish that he would continue. It is often reported in the press that Laura Tyson, Alice Rivlin, or even Catherine Bessant will be the next person President Clinton nominates to the Federal Reserve Board. Therefore, I do not believe it is fair for the issues of this debate to revolve around any one individual, although it is an individual I hold in great respect.

The truth is, we are here today to write the laws that will determine the future of the American financial system for the next 60 years. We are talking about the issues of banking law, corporate law, industrial organization.

Senators GRAMS, REED, and BENNETT have been the lead proponents of the operating subsidiary for several years and they should be commended for their deep understanding of the issue and the banking expertise they bring to the Senate Banking Committee.

Let me say from the very beginning, this debate is not about Chairman Alan Greenspan. It should never be. As I said, I have a deep respect for Chairman Greenspan. I hold him in very high regard. He is a tremendous central banker. I am not here to dispute that in any way.

The operating subsidiary amendment is not about monetary policy. Let me repeat, the operating subsidiary amendment is not about monetary policy. It is not about inflation, the money supply, or even the unemployment rate. I plead with Senators to listen to the facts. The key banking committee Senators supporting this amendment are not from big cities. They are not doing this for Citigroup or Merrill Lynch, Dean Witter, or Chase Manhattan Bank. The truth is, the large financial institutions want a bill so badly, they have forced their associations to oppose this amendment based on press reports that this bill will be pulled if it passes. We all know it is the multibillion-dollar financial institutions that control the associations, and they are the ones pushing this bill.

I just do not believe that, in passing a financial modernization bill, we should forget about the smaller, midsized, and regional banks that serve our local communities and our States. Those banks—the smaller, midsized, and regional banks—are the ones that are not being heard on this issue. They are being shut out and they have been discounted.

I am sorry, but I do not believe financial modernization should be only for the folks on Wall Street. I do not understand why this body would knowingly pass a financial modernization bill that would intentionally discriminate against domestic banks in favor of foreign banks.

If you want to talk about competition, free markets, and fair and equal treatment under the law, Senators should seriously consider the amendment that is before the Senate. The Shelby-Daschle and others amendment would provide more fair and equitable treatment of our national banks in comparison with our foreign competitors.

The American Bank Fairness Amendment, as we called it, would ensure that foreign banks receive no competitive advantage over our banks here in America.

S. 900, at the moment, as it is written, discriminates against domestic banks. Ask yourself, Why are we even

here in the first place? Why are we even considering financial modernization, if it is to be globally competitive? Is it to ensure that our banks can compete on an international scale?

I received a letter from John Reed and Sanford Weill, cochairmen of Citigroup, this morning. They wrote to inform me that passage of financial modernization is imperative.

They said,

> As our financial services firms contort to comply with the current legal and regulatory structure, we become much less competitive with our non-U.S. counterparts. Our country's competitive position as the world's leader in financial services is at risk of being lost if we don't act now.

So, according to our friends at Citigroup, it appears we have become less competitive with our foreign competitors, and that our position as a world leader is at risk.

I received a similar letter from Phil Purcell, chairman of Morgan Stanley Dean Witter & Co. He said that Congress needs to pass this bill because:

> Financial modernization legislation is critical to the maintenance of the preeminence of American financial firms in global markets.

American preeminence, Mr. President? Is that the reason we are considering this legislation? If these are, indeed, the reasons, I must confess I am really confused. The reason for my confusion is S. 900, the bill we are debating today actually discriminates against domestic banks in favor of foreign banks. Simply put, national banks are not allowed to conduct merchant banking activities or equity underwriting activities in an operating subsidiary. Foreign banks, however, can conduct those activities today, and will actually expand their range of activities to include insurance underwriting, if this bill becomes law.

I actually have some charts to share with you to help demonstrate the blatant discriminatory treatment of our own national banks versus those of foreign banks' operating subsidiaries in America. Under current law, national bank subsidiaries are not permitted to conduct merchant banking activities. Merchant banking basically means that banks are permitted to make investments in a company subject to conditions designed to maintain the separation between banking and commerce. Foreign subsidiaries operating today in America can, however. Under current law, national bank subsidiaries are not permitted to underwrite any deal in equity securities. However, foreign bank subsidiaries can.

The last row under the ''current law'' is blank. That is, neither foreign bank subsidiaries nor national bank subsidiaries may underwrite noncredit-related insurance.

Let's look at a chart of permitted subsidiary activities that I have here if this financial modernization bill were enacted into law. Please notice that under the first column, here, national bank subsidiaries still will not enjoy the ability to conduct merchant banking activities or conduct equity securities underwriting. Foreign bank subsidiaries will not only be allowed to conduct those activities—merchant banking, underwriting and dealing in equity securities and insurance underwriting, as shown on the chart—but S. 900, as currently written, will actually expand their permissible activities to include noncredit-related insurance underwriting. This completely undermines the whole rationale for the bill.

That is the major flaw with this bill. How can the supporters of this bill say this will help our national banks compete when they are clearly put at a disadvantage by their own Federal Government? How can we in good conscience support a bill that discriminates against our own national banks?

Senator GRAMM and Chairman Greenspan say if national banks are allowed to conduct such activities in an operating subsidiary, these banks would have a funding advantage over their competitors because of an alleged ''subsidy.''

However, neither Senator GRAMM nor Chairman Greenspan can reconcile this argument with the competitive advantage of foreign bank subsidiaries. Since 1990, the Federal Reserve Board has issued approvals for 18 foreign banks to own subsidiaries that engage in securities underwriting activities in the United States. In fact, the size of these subsidiaries exceeds $450 billion in assets. The Federal Reserve admits that foreign banks may enjoy a ''home country'' subsidy. In approving the section 20 subsidiary application for the Canadian Imperial Bank of Commerce in 1990, the Federal Reserve noted:

> Although as banks, applicants [that is foreign banks] are not supported to any significant extent by the U.S. federal safety net, they have access to any benefits that are associated with their respective home country safety nets, from which they may derive some competitive advantage over U.S. bank holding companies operating under the section 20 framework or other U.S. securities firms.

Not only does the board basically admit there may be home country advantages, they also admit:

> . . . a foreign bank may establish and fund a section 20 subsidiary, while a U.S. bank may not.

Further, in their 1992 joint report on foreign bank operations entitled ''Subsidiary Requirements Study,'' the Federal Reserve Board and the Department of Treasury agreed that, ''. . . subject to prudential considerations, the guiding policy for foreign bank operations should be the principle of investor choice. The right of a foreign bank to determine whether to establish a branch or a subsidiary is consistent with competitive equity, national treatment and equality of competitive opportunity.''

Why is investor choice the guiding principle for foreign banks but not for our domestic banks? Why do foreign banks have the right to choose their own corporate structure but domestic banks do not?

The Federal Reserve Board stated that while a subsidy for foreign banks may exist:

> [T]he Board believes that any advantage would not be significant in light of the effect on them of the overall section 20 framework and the circumstances of these cases, and should not preclude foreign bank ownership of section 20 subsidiaries.

Basically, that means the rules and the regulations that apply to foreign section 20 subsidiaries should contain any possible subsidy.

Why do the rules and regulations in place contain any possible subsidy for foreign banks but not domestic banks, our banks? Why should any alleged subsidy preclude operating subsidiaries for U.S. banks but not for foreign subsidiaries? Fundamental fairness would suggest that foreign banks not be allowed to have a competitive advantage over domestic banks. It just makes no sense. Fundamental fairness suggests domestic banks should also have the choice of an operating subsidiary that our foreign banks have.

Critics of the operating subsidiary have voiced concerns about safety and soundness. But this is a red herring, I believe, and really no issue at all. Even Chairman Greenspan testified that safety and soundness is really not the issue with regard to operating subsidiaries, when asked by Congressman Bentsen in the House. I will quote the chairman:

> My concerns are not about safety and soundness. It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field issue. Non-bank holding companies or other institutions do not have access to that subsidy, and it creates an unlevel playing field. It is not a safety and soundness issue.

The amendment before us, the operating subsidiary proposal, includes the same safety and soundness protections and lending restrictions as the Federal Reserve imposes on section 20 subsidiaries. But to further address any safety and soundness concerns, the amendment would also require that the parent bank deduct—yes, deduct—its entire equity investment in the subsidiary from its own capital and still remain well capitalized.

Furthermore, under the operating subsidiary, any alleged ''subsidy'' transferred to the subsidiary would be identical to that transferred to an affiliate because investments in the subsidiary would be limited to that which the bank could transfer to holding company affiliates in the form of dividends.

Lastly, the current Chairman of the Federal Deposit Insurance Corporation and three former chairmen—two Democrats, two Republicans—have stated

that the operating subsidiary is more safe and more sound than the affiliate structure.

The FDIC chairmen argue that forcing activities in an affiliate actually exposes insured banks to greater risks than that of an operating subsidiary.

I want to respond to a letter Chairman Alan Greenspan wrote to Chairman GRAMM on May 4 in response to my ''Dear Colleague'' dated May 3. I believe this is a great letter in support of the operating subsidiary. In Chairman Greenspan's effort to explain why foreign bank subsidiaries do not have a competitive advantage and are justified, he actually makes the case for an operating subsidiary and confirms everything proponents have been saying all along.

In paragraph 2, Chairman Greenspan says that the International Banking Act requires foreign banks be allowed to operate in this country through operating subsidiaries. His major point is that it is not his choice, but that the law makes him do it, and this is due to the national treatment principles to which he refers in paragraph 3.

I understand the national treatment principles. However, those principles are not and should not be interpreted to mean that foreign banks be given advantages over U.S. banks.

In both the International Banking Act and the Bank Holding Company Act, the Federal Reserve Board is mandated to deny an application by a foreign bank to establish a U.S.-subsidiary if the Board finds that the proposal will result in ''decreased or unfair competition, conflicts or interests, or unsound banking practices.''

This is a very important point, I submit to my colleagues. By law, the Federal Reserve must have determined that foreign bank subsidiaries conducting securities underwriting and equity underwriting does not result in unsound banking practices.

Otherwise, the Federal Reserve would be in violation of the International Banking Act and the Bank Holding Company Act. That very fact supports our argument that conducting such activities in an operating subsidiary is both safe and sound.

In the third paragraph, Chairman Greenspan says:

> In the absence of any evidence that foreign banks are using their government subsidy to an unfair competitive advantage in the United States, there does not seem to be any compelling reason to abandon the current approach to foreign bank participation in this country.

Chairman Greenspan once again admits there is a government subsidy for foreign banks. He confirms what I shared with everyone in my ''Dear Colleague'' letter in the Senate. He then changes the subject to say there is no reason to abandon foreign banks subsidiaries. I never suggested such a thing in my ''Dear Colleague'' letter. In only asked that if it is appropriate for foreign banks, why isn't it appropriate for national banks?

The fifth paragraph of the letter states that, ''foreign banks have not been able to exploit their home country subsidy . . .'' and that foreign bank subsidiaries ''have substantially underperformed U.S. owned section 20 companies.'' He actually admits that ''the subsidy does not travel well.'' In other words, foreign banks have not been successful transferring their home country subsidy to their subsidiary in the U.S.

But wait a minute. You cannot have it both ways. I do not care who you are.

Chairman Greenspan just presented evidence to us in the fifth paragraph that foreign bank subsidiaries, which in the third paragraph he admits receive a home country subsidy, underperform their American competitors. Thus, if there is a subsidy, it must either be (1) insignificant, and not enough to affect market performance or (2) contained in the section 20 regulatory framework and therefore not an issue. In either case, the Chairman has just confirmed the arguments that proponents of operating subsidiaries have made.

To sum up, Chairman Greenspan, just 2 days ago, confirmed that: foreign bank subsidiaries receive home country subsidies; conducting such activities in a subsidiary does not result in unsound banking practices, otherwise the Fed is violating the law with regard to foreign bank subsidiaries; and the subsidiary does not ''travel well,'' that is, it is not easily transferred from the bank to the sub.

The logic and the evidence presented by Chairman Greenspan in defense of foreign bank subsidiaries is the exact same logic and evidence that supports the Shelby-Daschle operating subsidiary amendment.

To be honest, I am quite surprised at the Chairman's uncompromising position on the issue. As a student of Public Choice economics, I am sure he is aware of the benefits of competition among regulators. I am surprised he supports making the Federal Reserve the monopoly umbrella regulator. Monopolies restrict output and increase prices.

There is no doubt in my mind that making the Federal Reserve the monopoly regulator will create even more bottlenecks in bank applications thereby increasing the regulatory cost of banks doing business with the Federal Reserve.

For the sake of competition, for the sake of free markets, for the sake of choice, I respectfully request that you support the Shelby amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Texas.

Mr. GRAMM. Mr. President, I think if anyone knows me and knows RICHARD SHELBY, they know that we came to Congress on the same day. We served on the House Energy and Commerce Committee together. We were both Democrats then. We both changed parties. We both ran for the Senate. And RICHARD and I have been very close friends since the first day we came. I think you always regret when you have these kinds of tough battles, but this is a tough battle. This is vitally important.

Let me basically outline what I want to say and then let me go about trying to say it.

First of all, there has been some speculation about whether or not, as chairman of the Banking Committee and a new chairman, chairman only for a few months, whether or not I would pull my own bill, which, as the Presiding Officer knows as a member of the committee, has been a great labor of mine for all these many months and has been the labor of Congress for 25 years. As to whether I would pull the bill over this issue, let me leave no suspense: I will pull this bill if the Shelby amendment is adopted.

You might think that is a very strong statement to make, but I think when you hear my presentation, you will understand why I make it, because with all the good things in the bill, I want people to understand that all of them combined together would not undo the harm that would be done by this amendment.

What I will do is answer Senator SHELBY on foreign banks. I will then go through and talk about the real issue: What is the issue for Democrats who are hearing from the Secretary of the Treasury? What is the issue for Republicans who are hearing from big banks? What is the public interest?

I will try to answer those issues. Let me begin with the foreign banks.

Senator SHELBY would have us believe that we need to start subsidizing American banks because foreign banks are subsidized. He would have us believe that somehow we have given foreign banks a different set of regulations to abide by in America than American banks have had and that therefore we need to do something about it.

Let me address that. And I want to address it first by reading Alan Greenspan's thoughtful letter. Interestingly enough, Senator SHELBY referred to part of it. But I think it goes right to the heart of the issue.

Reading his letter of May 4:

> First, the Board did not simply choose to let foreign banks operate in this country through subsidiaries. The law required it. The International Banking Act . . .

That was passed in 1978—

> . . . provides that a foreign bank shall be treated as a . . . holding company for purposes of nonbanking acquisitions.

That is the law of the land. That was adopted by Congress. That was signed

by the President. The Chairman of the Board of the Federal Reserve had nothing to do with that. He simply had the responsibility of implementing it.

Therefore, when the Board allowed U.S. bank holding companies to own securities companies, the Board was required to permit foreign banks that met the statutory conditions also to acquire such companies.

The law treating foreign banks as holding companies was a practical response to an existing situation: most foreign banks do not have holding companies.

And I will get to that point in a minute because it is important.

Without the [International Banking Act's] approach, foreign banks generally would be excluded from the U.S. market, in violation of the national treatment principles embedded in U.S. law. . . .

The Board stated it would monitor, and in fact has monitored, this situation to assure that foreign banks do not in fact operate to the detriment of U.S. banking organizations. . . .

A recent Federal Reserve study of the performance of section 20 companies over the last eight years demonstrates that foreign bank-owned section 20 companies have substantially underperformed U.S.-owned section 20 companies. . . .

To cite the fact of foreign bank structure to support a similar structure in the United States is not only misleading, it is potentially harmful.

Let me explain what all that means in English. What it means is, we passed a law, and the law said that since foreign banks do not use holding companies—they use operating subsidiaries because it is permitted under their law—that for treatment purposes, they would be treated as holding companies in the United States. Senator SHELBY says this is unfair.

I would like to note that the Federal Reserve, noting a potential problem with it, set out a monitoring process to see if these foreign banks are benefiting relative to our banks in promoting unfair competition.

What the Fed found in 1995 was that not only were they not benefiting, but they lost 11 percent. In 1996, their rate of return was minus 8 percent. In 1997, their rate of return was 18 percent. And in 1998, their rate of return was 25 percent.

So the plain truth is, these foreign banks are poorly run, their subsidiary operations are a disaster, but if they were well run, and if they were getting a competitive advantage, we would do something about it. The point is, it has not created a problem.

Nineteen of these foreign banks are in the securities business. Together, they make up less than 2.6 percent of the American market. In terms of underwriting revenues, they earn 3.8 percent of the revenues. So the point is, these foreign banks are not effective in competing against American banks. The point is, because foreign governments subsidize their banks, do we want to subsidize our banks? As chairman of the Banking Committee, I can tell you, if these foreign subsidies started having an unfair effect in our market, we would take action to change the law and prevent this advantage.

But we have allowed this situation to exist for two reasons: One, it has not done us any harm, and, two, we sell $10 of financial services abroad for every $1 of financial services sold in America. So the last thing we wanted to do is get into a trade war in banking, because we are the world's greatest bankers, we are the world's greatest exporters of banking services. And so it was to our advantage to allow this to happen as long as it was doing no harm.

What is the real issue at stake in this amendment? I want to begin with a quote from Secretary Rubin. In fact, many people on the Democrat side of the aisle have been called by Secretary Rubin in the last few days. Some people on our side of the aisle have been called. I want to read you a quote from Secretary Rubin. And then I want to pose a question: What could this quote possibly be referring to?

This is a quote from the Secretary of the Treasury, Robert Rubin, on May 5, 1999, before the Finance Subcommittee of the House Commerce Committee. And I will read you the quote:

[O]ne of an elected Administration's critical responsibilities is the formation of economic policy, and an important component of that policy is banking policy. In order for the elected Administration to have an effective role in banking policy, it must have a strong connection with the banking system.

I remind my colleagues that the Comptroller of the Currency, who works for Robert Rubin, regulates national banks. And national banks make up 58 percent of the assets in American banks. Why isn't that ''an effective role in banking policy''? Why is it not ''a strong connection with the banking system''? I can tell you, Secretary Rubin is right: It is not a strong connection. The Comptroller of the Currency is an accountant. Banking policy is run by the Federal Reserve. And I thank God for that every single day.

I thank God every single day that in 1913, after the Treasury had run monetary policy in this country—we had a giant panic in 1907; the country had gone through continuing economic convulsions—the Congress put an end to it by setting up an independent monetary authority called the Federal Reserve.

The Federal Reserve, with an independent board—appointed by the President, confirmed by the Senate for very long terms—exercises independent monetary policy. So when the President wants to inflate the economy to get reelected, the Fed says no. When Congress feels we need to print more money to get things moving to help them in their elections, the Fed says no. We have an independent monetary authority.

So while the Comptroller of the Currency is an accountant that primarily audits national banks, he has no policy authority at all. Why? Because the Federal Reserve regulates the holding companies, and there are 6,867 holding companies in America that together make up about 96 percent of bank assets.

So sure enough, the Treasury sends out all of the accountants and auditors, but the Federal Reserve sets the policy. And what Robert Rubin is saying, in the clearest possible terms, is he wants to set banking policy, he wants to set monetary policy. That is exactly what he is saying.

The question is, Do we want to put the Treasury back in the position of setting banking policy in America? Do we want the President to have the ability to use banking policy as a political tool? Are we not talking about repealing the Federal Reserve Act?

Now, how all this comes about is a little complicated, but with a teeny bit of detective work, it becomes very, very clear.

Remember, the Fed does not regulate banks. Not a single bank in America is regulated directly by the Fed. But it regulates holding companies that control banks, and those holding companies have 97 percent of the assets of banks. Why do they have it? Because our law requires that banks not provide other financial services within the bank, for safety and soundness reasons, and so big banks and banks that have large assets are holding companies and they come under the Federal Reserve.

Now, if we adopted the Shelby amendment, let me read what Alan Greenspan and the Board of Governors of the Federal Reserve say would happen:

As I have testified, if profit is their goal, there is no choice. Because of the subsidy implicit in the Federal safety net, profit-maximizing management will invariably choose the operating subsidiary. As a consequence, the holding company structure will atrophy in favor of bank operating subsidiaries. Our [and ''our'' being the Federal Reserve] current ability rests principally on our role as holding company supervisor.

So here is the point: If you let banks perform these services within the bank itself, their securities affiliate or, in the future, their insurance affiliate or any other thing you allow them to do can get the advantage of the bank's FDIC insurance and the ability to borrow money from the Fed, which is the lowest interest rate in the world, and if they can use the Fed wire, the Fed has estimated that doing these things within the bank creates about a 14 basis points advantage over doing them outside the bank. Those little margins make a very big difference.

So, obviously, the Treasury and the Federal Reserve believe and both agree that if you let banks perform these functions inside the bank, banks will tend to close down their holding companies and bring these functions inside the bank.

Now, I am going to talk about that issue separately. But what does that mean in terms of monetary policy? It means that the Comptroller of the Currency, who will be regulating banks that will no longer be holding companies, will become the banking authority in the country, and the Federal Reserve will see the number of holding companies it regulates decline, decline, decline, and decline.

Now, interestingly, the Treasury and the Shelby amendment, one and the same, recognize this. They say, OK, for the 43 largest holding companies, we will force them to maintain their holding company, so that the Fed will continue to regulate them. That means that 6,824 other holding companies will be allowed to change their structure. They will be driven by the profit motive to do it. Therefore, over time the control of banking policy and ultimately monetary policy—because bank regulation is a source of strength for the Fed in implementing much of its policy—will shift from the Federal Reserve to the Treasury, from an independent agency to an arm of the President of the United States.

Now, you might say, well, the Federal Reserve still regulates 43 holding companies. But the holding companies have every incentive to conduct all of their activities within the bank, so the holding companies, the 43 left that the Fed would regulate, will be empty shells.

The Fed's power comes from the power to regulate banks. Their ability to get banks together to prevent a financial collapse—such as the Long Term Capital Management case in New York—was their ability, using moral suasion by the fact that they regulated the holding companies that were involved, to get people together and basically nudge them, encourage them, and, if you like, pressure them into dealing with that crisis before it got moving.

Now, I ask my colleagues on the first point: Do you want this administration, or any administration, to control banking policy? The Secretary of the Treasury says they should; it is part of the tools they say they need to conduct economic policy.

Let me tell you something, Mr. President. We had this debate in 1913. We decided we didn't want the President, in 1913, controlling banking policy. We have decided we do not want any President or did not want any President since that time.

Would we have been better off in the last 2 years of the Reagan administration if the Treasury had controlled banking policy instead of the Federal Reserve? I do not think so. When the Bush administration was in a reelection campaign and losing the election because the economy was recovering slowly, would we have wanted the Secretary of the Treasury and the Comptroller of the Currency—appointed by the President, removable by the President—would we have wanted them to have the ability to turn on the printing presses or to use expansionary policy with the banks? I do not think we would.

Do we want this President to have the ability to control banking policy when he orders the Comptroller of the Currency, who would be the new central banking regulatory authority under the Shelby amendment, to come to the White House for a fundraiser with bankers?

This is not a partisan matter. Bill Clinton is going to be President for 18 more months. We may well then have a Republican President. I hope so. But I do not want a Republican or Democratic President to control banking policy. We set up an independent Fed to do that, and I want them to do it. Have no doubt about it, when Robert Rubin is saying that this amendment is a way of expanding the administration's effective role in banking policy, he means transferring from the Fed to the Treasury the ability to set banking policy.

Now, if you are for that, if you believe the executive branch of American government ought to set banking policy, you should vote for the Shelby amendment. But if you believe we have done pretty well under Alan Greenspan and the Federal Reserve, if you believe that since 1913 the American economy has performed pretty well by taking banking policy away from Congress and away from the executive branch of government and putting it in an independent agency, if you believe that, do not vote for this amendment. This amendment is clearly an effort to transfer regulatory authority over banking from the Federal Reserve to the Treasury. That would be a disaster for America. That would be far more important in its negative impact than anything we could possibly do in terms of letting banks get into a few other areas of providing services.

This is a fundamental issue. I urge my colleagues not to get caught up on the Democrat side of the aisle with the fact that there is a Democrat President or that we have a very friendly, nice, and competent Secretary of the Treasury who is calling them up and saying, ''We need you to vote with us.'' This is not a partisan matter. An independent control of banking policy in America, an independent agency controlling banking policy, is not a partisan matter, it is a matter that this Congress, on a bipartisan basis, has stood for since 1913. I don't want to take any step, and I don't believe America, if it understood this issue, would want to take a step backward from that.

Let me talk to my Republican colleagues. We have written a bill, and I think it is a good bill. I had a lot to do with writing it, so obviously I think that. But I think other people are beginning to think it, too. This is a big bank, big securities, big insurance bill. That is just a reality. And I have to say that there is something a little bit obscene about big banks calling up Members of the Senate and saying: ''Well, you know we only got 95 percent of what we wanted in that bill. We could get another 15 percent and go up to 110 percent if you could let us provide these services within the bank, rather than doing it outside the bank.''

Now, the banks are not caught up in who is going to conduct banking policy. They are caught up in the fact that they are going to make more money if they can provide these services inside the bank, because they get the subsidies from the FDIC insurance, the Fed window and the Fed wire.

I don't so much complain about them taking this sort of narrow self-interested view as I complain about our responding to it, let me say. We have all heard: What is good for General Motors is good for America. That is not right. What is good for America is good for General Motors. I just say to my colleagues, whatever commitments you have made on this, whatever partisanship you feel on this, ask yourself a question: Is it good for America to give the Treasury—an agency controlled by the President—control over banking policy in this country and take that control, at least partially, away from the Federal Reserve?

Do we want monetary policy to continue to be based on an objective set out to maintain stable prices and economic growth, or do we want to bring politics into it? Obviously, Secretary Rubin wants the administration to conduct banking policy, and that is why he asked for this amendment. He says it in clear English. I don't want this administration to conduct banking policy, but at least you have to say I am a little broad-minded. I don't want any administration to conduct monetary policy.

To try to summarize, because it gets complicated: The Secretary of the Treasury wants this amendment adopted because banks, by providing these new services inside the bank, will find it cheaper to do that, more profitable, and they will fold their holding companies, which they only set up because the law required them for safety and soundness to undertake these riskier activities outside the bank. As they fold up these holding companies, the Federal Reserve loses regulatory control over them and the Comptroller of the Currency, and therefore the President, gains regulatory control over them. So what Secretary Rubin is talking about is basically giving the Treasury regulatory authority that the Federal Reserve now has.

Nothing in our bill takes power away from the Treasury. A lot of people have gotten confused that this is just a

power struggle, where this bill would give the Federal Reserve more authority, and the Treasury wants to share it, or the Treasury wants more. Look, the Fed regulates bank holding companies. Virtually all the wealth is already in bank holding companies. The Comptroller audits national banks. There is no shift in the regulatory authority in our underlying bill.

But the amendment that Senator SHELBY has offered with Senator DASCHLE, supported by the Clinton administration, is the biggest regulatory shift, the biggest power grab, by a Federal bureaucracy that I have seen in my 20 years in Congress. And it is absolutely critical that we slam the door on this power grab, not because Rubin is a bad guy and Greenspan is a good guy, but because Rubin is a political appointee controlled by a President who, by the very nature of the Presidency—whether it is President Ronald Reagan or President William Clinton—he has political concerns to deal with, as he should.

We decided in 1913 to take banking policy out of the hands of politicians and put it into the Federal Reserve. We dare not take action to take it back. Maybe Robert Rubin would do a good job with it. Maybe Bill Clinton might fire Rubin and appoint somebody else, or maybe Rubin might leave. But the point is, the Fed, whoever is there—and I hope Alan Greenspan will be there forever—will be independent, with a long term, and will be independent of the President, and so will the board members who share that power.

If this issue doesn't move you, then I have done a poor job, because I have been standing on the floor for 3 days and I am tired. If this issue doesn't move you, it is not because the issue is not moving; it is because I am not moving. I want to urge my colleagues to think long and hard before we take an action that, in reality, is a step toward repealing the essence of the Federal Reserve Act.

Let me turn to the other side of the story. It is an important story. I have explained first how this amendment is a step toward repealing the Federal Reserve Act by giving the control of bank regulation to the Treasury instead of the Federal Reserve. But let me explain that, for safety and soundness, for the well-being of the taxpayer, and for competition, this amendment is also a bad thing. Banks receive a subsidy from the Government because they have their principal asset—deposits—insured by the FDIC. They have deposit insurance. No other nonbanking institution has that guarantee. Your insurance salesman doesn't have it. Your securities broker doesn't have it. The stock exchange doesn't have it. The bank has it.

The bank also has the ability to go to the Federal Reserve and borrow at the lowest interest rates in the country. And they have the ability to use the Fed wire to transfer money that is guaranteed. What all that means is that if you let banks provide broad-based financial services, which this bill does—but it requires them to do it outside the bank—if you let them do it inside the bank, these huge banks with massive capital, when they are selling securities or underwriting them—or, ultimately, because if you let them do securities today, in 5 or 10 years, you are going to let them do insurance within the bank, and we all know it—these banks will have an enormous and unfair competitive advantage due entirely to the Federal subsidies they are receiving.

When they are selling securities, or selling insurance or underwriting it, they are going to have a competitive advantage because they can borrow money more cheaply than an insurance company or an independent stockbroker. So what is going to happen over time is, with that competitive advantage, they are going to end up dominating the securities industry, and in the long run, dominating the insurance industry.

I ask you the question: Do we want a banking industry that dominates the entire financial services industry? I helped write this bill to promote more competition. I did not write this bill so that 20 years from now we look like Japan, with 10 banks dominating the entire financial services area. I know about the Presiding Officer, but I don't know about other people. I happen to love my independent insurance agents and they love me, and I appreciate it. I happen to love my little independent stockbroker in my hometown; he was my campaign manager the first time I ever ran for Congress. I don't want to force these people out of business by giving an unfair competitive advantage to banks.

We are not talking about foreign banks who don't know how to do it, even with a Government subsidy; we are talking about American banks that know how to do it.

Now, Mr. President, the next problem is that we are going to create an unlevel playing field, and banks are going to dominate these industries not because they are better, but because their structure of being able to provide these services within banks is one that is cheaper to operate in.

The third and final problem is selling insurance—underwriting insurance—which ultimately will happen if we go this direction with op-subs on securities—selling securities; underwriting securities is risky business.

What we are doing, if we put that power within the structure of the bank, is that taxpayers are underwriting it, at least implicitly with Federal deposit insurance. So we are putting the taxpayer on the hook.

The alternative in the bill is, except for very small banks that can't afford to have holding companies, to require banks that have holding companies—and they are large enough to have them, they can provide all these new services—but they have to do them outside the banks. So the taxpayer is not on the hook for the deposit insurance for these activities, and the banks don't get a subsidy to conduct these activities due to the fact that capital is cheaper inside the bank, and we don't create a structure where the Treasury—a political institution—exercises more banking regulation and the Fed less.

Alan Greenspan, testifying before the House Commerce Committee last week, made a very strong statement. Those of you who know Alan Greenspan know that he is not prone to get to the point. In fact, we have reporters in this town who have become very successful by figuring out what Alan Greenspan is saying. He will go around the barn and the outhouse, and all over the barnyard, before he finally gets to the point. And, if he is saying something that he knows somebody isn't going to like, he is even more roundabout so as not to hurt anyone's feelings. Quite frankly, he does it perfectly. Every central banker in the world models himself after Alan Greenspan, who is the greatest central banker probably in the history of the world.

But he wasn't beating around the bush when he talked to the House Commerce Committee. He said, ''I and my colleagues''—he means members of the Federal Reserve Board—''are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank. . . .''

This is not just an average kind of Joe talking.

It is interesting to me that we talk to a few bankers on the telephone, and all of a sudden we think we know as much about banking policy as Alan Greenspan. This is the most successful central banker in history who is saying that when you look at the three problems with this approach, one, you put the taxpayer on the hook in a risky business that ought not to be inside the bank; that, two, you create an unfair playing surface that will create unfair competition and hurt the economy, and make the economy more vulnerable; and, finally, you transfer control of bank regulations from an independent agency—the Fed—to the Treasury and, therefore, to the President.

Based on those three things, Alan Greenspan—who is a strong supporter of this bill; he is for this bill; at the end of the last Congress, he spent numerous hours trying to get it passed, and he is for it now—says, if you adopt this amendment then the country would be better off with no bill at all.

My colleagues, it has been a long 3 days of debating. I never challenge anybody's sincerity. But I want to urge my colleagues, my Democrat colleagues who are getting all this pressure now, you know—Republicans have won on many of these issues, this is an opportunity for Democrats to win; the Secretary of the Treasury has said that the President will veto the bill if you do not give the Treasury control over banking policy. And I know that my Democrat colleagues are under a lot of pressure.

But I want to urge my colleagues to look at what we are doing here in terms of moving away from an independent banking authority toward putting the control of banking policy under the President. It is a very, very dangerous thing to do.

I urge my colleagues to resist the pressure and vote against this. Ordinarily two-thirds of the Democrat Members of Congress would oppose this amendment. But what is happening here, in part because the issue has become so partisan—and I am partly to blame for this—but what is happening is we have a dynamic where an amendment that should not be even seriously considered is going to have a very, very close vote, and could very well pass.

I just urge my colleagues, if you are not swayed by risk to the taxpayer, if you are not swayed by unfair competition and concentration of industry—and many of my Democrat colleagues are swayed by those things in most of the issues—if you are not swayed by that, be swayed by Secretary Rubin who thinks the administration ought to control banking policy. We decided in 1913 not to let him do it. Do we want to go back and change that decision today? I don't think so.

I want to conclude by saying to my Republican colleagues—I know Senator SHELBY is very persuasive. That is one of the reasons that I love him and that we are very good friends. I know a lot of people have been torn with me grabbing them and screaming in one ear, and Senator SHELBY grabbing them and screaming in their other ear. I know they are ready for this thing to be over. But this is not a parochial issue, or a personal issue, or a regional issue.

When we are talking about reversing a policy established in 1913 for independent banking authority because the Secretary of the Treasury wants the President to conduct banking policy, something we rejected in 1913, this goes way beyond hearing from your bank back home that says, ''Gee, I would rather do it this way. I appreciate the bill. You have done it. It is going to help me. But you could help me more by letting me do it this way.'' I think we have to resist that siren song.

I don't want to sound too preachy, so let me just stop and urge my colleagues to give some long and prayerful deliberation on this amendment, because I think it is very important. I know it is a hard vote. I wish it weren't so hard.

But I think it is a very clear vote. I think if you stand back and look at it, it is hard to think of a vote we have cast around here that was much clearer in terms of what is the national interest. It can't be good for your bank back home if it is bad for America. I think that is the key issue I would like people to remember.

Mr. President, can you tell me how much time I have left, and how much time Senator SHELBY has?

The PRESIDING OFFICER. The Senator from Texas has 19 minutes 53 seconds; the Senator from Alabama has 37 minutes.

Mr. GRAMM. I had better let him talk more. I yield the floor.

Mr. SHELBY. Mr. President, I yield such time as the Senator may consume to the distinguished Senator from Rhode Island, Mr. REED.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I thank the Senator for yielding. I am pleased to support his amendment, together with Senator DASCHLE.

I think it underscores the bipartisan nature of this amendment that both Senator SHELBY and Senator DASCHLE are here today to advance a very important issue. It is a very important issue that I have been working on for over a year.

In fact, in the last Congress, I had an amendment in the Banking Committee that was very similar to this, and my impetus is to suggest this amendment was based upon my experience as not only a Senator but also as someone who was a lawyer and involved in banking matters in my home State of Rhode Island.

It is very important to clear up a misconception that might be operating at the moment that the Federal Reserve is the exclusive repository of banking direction and regulation in the United States. Such a claim is just wrong. Banking policy in the United States is the province of many different organizations. The Federal Reserve principally, starting in 1956 with the Bank Holding Company Act, regulates the operations of bank holding companies.

Here is a simple schematic of what a bank holding company is. It is a holding company—a corporation under State law usually owning a bank, and also owning the other affiliates.

This bank holding structure became an issue in the 1950s, and as a result the Federal Reserve was empowered by Congress—I should emphasie ''by Congress,'' not by its own direction—to regulate bank holding companies. But long before that, beginning in the 1860s, national banks were regulated under the Department of the Treasury and the Comptroller of the Currency. Indeed, other financial entities, other depository entities, are regulated by the Office of Thrift Supervision.

We should be very clear. This is not an attempt to wrench away from the Federal Reserve their exclusive prerogative to run the banking system in the United States. This amendment is attempting to provide flexibility to banking organizations so they can conduct a limited range of activities in either a subsidiary of the bank or an affiliate of the bank.

If they are conducted in the affiliate, they will be regulated under current law and under our anticipated legislation by the Federal Reserve; if they are conducted in the subsidiary, they will be regulated by the Office of the Comptroller of the Currency or the other regulator of this particular bank.

It is also important to note that there are only two rather narrowly defined activities that could be conducted under the Shelby-Daschle amendment: Securities underwriting or merchant banking activities. I should hasten to add that these two activities would also be regulated by the functional regulator. If it is securities activities, it would be regulated by the Securities and Exchange Commission. We are talking about a very narrow band of activities. It is important to keep that in mind.

We are in no way talking about displacing the Federal Reserve as a principal regulator of bank holding companies. What we are talking about is giving banking organizations the flexibility to decide, based upon their own analysis, whether they want to conduct these two limited activities, either an affiliate or a subsidiary of the bank.

What the underlying legislation, S. 900, would do essentially is give the Federal Reserve all the authority. It would cut out effectively what currently exists, the regulating authority of the Comptroller of the Currency to determine a limited range of activities that either could or could not be done either in the bank itself or a subsidiary bank.

Many have described this as a turf fight. I don't think that is a proper description. What we should be doing and what the Shelby amendment is attempting to do is to provide the type of regulatory balance necessary, first, to guarantee safety and soundness; and, second, to give banking institutions the flexibility to conduct the business the way they decide rather than the way we might dictate here in Washington.

Now, one of the interesting things to know is that we are attempting to change a high bond regulatory structure that was erected in the wake of the 1930s. I note that the Senator from Texas noted that all of our financial problems were solved in 1913 when we created the Federal Reserve, but there was a brief interlude in the 1930s where

the economy was in disarray during the Depression.

As a result of that, we created the Glass-Steagall Act that separated various activities. We now recognize, because of many different factors, that we should in fact undo this very rigid structure and provide flexibility for a combination of different financial activities—insurance activities, security activities, depository activities. However, this amendment, the Shelby-Daschle amendment, goes to the heart of that flexibility by providing the kind of business flexibility that banks should have in this new, very fast paced international economic environment.

I explained basically the structure of the typical bank holding company, and I think that is useful because for the last several weeks we have been hearing jargon such as ''op-sub'' and ''affiliate,'' et cetera. It is exactly what I suggested before: A bank holding company, a company that is typically a commercial enterprise, a State-chartered company, owns a depository institution; in turn, they operate some activities and subsidiaries throughout the affiliate. That is basically what we are talking about now.

The question is, What should we do to ensure that, first, safety and soundness is protected; and, two, that the banks have the kind of flexibility they need and the corporate governance to operate effectively?

What we are proposing with this amendment is that in these two limited activities—securities activities and merchant banking—the bank holding company have the choice of either doing it in a subsidiary or affiliate. As I understand it, the underlying legislation would allow a very small bank holding company to conduct these activities in a subsidiary. So this is, in some respects, an issue of size. But the principle already exists within the context of the underlying legislation that these activities can, in fact, be conducted in subsidiaries.

Looking ahead at what the amendment requires, it is very important to note that in order to conduct these activities a bank would have to meet certain tests. First of all, the bank would have to be well managed and well capitalized. This is a requirement that would be similar on bank holding companies.

In addition to this, the bank would also have to do specific things to allow or qualify for the conduct of these activities. First of all, if the bank was going to conduct the activities in a subsidiary, it would have to deduct its equity investment in the subsidiary from its own equity. As a result, this provides protections for the bank and for the overall depository system. In addition, it would have to remain well capitalized after the equity deduction.

The point here is that the regulators essentially could be satisfied that even as this subsidiary failed, even if the whole investment were lost, it would not adversely affect the capital bank, which is at the heart of their notion of protecting safety and soundness.

In addition to that, they would be limited to the amount of money they could invest in a subsidiary. It would be limited to this same amount of money they could ''dividend upwards'' to the bank holding company—another check on the safety and soundness provisions in this legislation.

Moreover, if these activities are conducted in a subsidiary, the whole relationship would be governed by section 23(a) and 23(b) of the Federal Reserve Act. These two sections govern transactions between bank affiliates and other holding company affiliates. Essentially, it requires that there be arm's-length dealing between these two entities.

For example, section 23(a) imposes a percentage cap on transactions between a bank and our operating subsidiary—the subsidiary cannot be the exclusive source of business for the bank, and vice versa. In addition, section 23(a) provides safeguards with respect to collateral that could and must be used for lending transactions between the bank and subsidiary. In sum, there are provisions in the amendment to guard against the self-dealing that would lead to breaches of safety and soundness.

All of these things together suggest very strongly that what we are proposing is entirely consistent with the safety and soundness of the banking system. Indeed, that should be our primary legislative motivation, to be sure that whatever we do here is consistent with safety and soundness.

There has been a great deal of discussion about the mysterious subsidy that Chairman Greenspan is talking about, the fact that ''...the reason I oppose this is because of this hidden subsidy,'' because of this transfer.

In his words, ''My concerns are not about safety and soundness.'' I am glad, because I think we have convinced or at least we have suggested that we have considered very thoroughly and carefully the safety and soundness issues.

It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field. . ..

The subsidy, as explained before, rests upon essentially the guarantee of deposit by Federal deposit insurance.

Now, what we have done, first, is protected safety and soundness; second, these subsidies are frequently offset in discussions—indeed, many times complaints—about the restrictions that go along with the depositor insurance. We debated yesterday at length about CRA. That adheres to a bank because of its deposit insurance. That is a cost that other competitors could not have.

So when we look at this whole notion of subsidy, there is a very real argument, when it is balanced out, that this subsidy is not particularly significant, that in the margin it will not make a difference whether you conduct this activity in a subsidiary or in an affiliate. Moreover, when a bank holding company is attempting to go to the equity markets to raise equity through stock offerings or through commercial debt paper, no one looks exclusively, uniquely, solely at the bank; they look at the combined activities of the holding company.

So if there is a subsidiary at the bank, that all washes out through the bottom line of the bank holding company balance sheet. This notion that the subsidiary is the driving force I don't think is entirely correct.

Moreover, when you look at experts who have dealt with this whole issue of whether or not these activities should be conducted in a subsidiary, those in fact who have been responsible for the operation of the FDIC, most of the recent chairpersons—Ricky Halperin, William Isaac, and William Seidman—have argued very strongly and forcefully that in fact placing these activities into a subsidiary would, in fact, be a beneficial and not a detrimental aspect and, in fact, potentially could be a plus for the Bank Insurance Fund.

It would be so because if, in fact, there was a troubled bank with a healthy subsidiary, either in the securities business or in the merchant banking business, those healthy assets would be a source of funds to cover depository losses, potentially in the bank. Such coverage from a subsidiary would offset the need for a contribution by the taxpayer-supported deposit insurance fund.

It has been mentioned before that foreign banks, in fact, have these powers within the continental United States because of international banking agreements. In fact, there are 19 foreign banks with securities underwriting subsidiaries in the United States and these banks have about $450 billion in assets and they would be allowed to continue their operations under the S. 900 bill, the underlying legislation. As Senator SHELBY pointed out, this is on the surface a disparate treatment between domestic banks and foreign banks, but I think it reveals something else. It goes right back to that issue of: Is there a subsidy? Because these foreign banks are also subsidized by deposit insurance, in most cases, in their country of origin, the country of incorporation. And they are also subsidized in the same way as are our banks, by government policies, by access to the central bank's discount window, by a whole series of governmental programs that assist banking institutions.

If you put back Chairman Greenspan's words—again, let me remind you, he is not talking about safety and soundness. He is talking about this

mysterious subsidy. Those are his words, but what are the actions of the Federal Reserve when it comes down to approving the applications of these foreign banks to operate security subsidies in the United States?

First of all, the Federal Reserve, in the applications they had to approve, looked at the whole subsidiary issue. And they found that technically there was probably a subsidy to the subsidiaries. But what they suggested in approving these applications, which they did, is that by essentially imposing restrictions, as we have done, in terms of capital contributions, in terms of the possible transactions between the bank and subsidiary—that they would be offset. So essentially what the Chairman says and what the Federal Reserve does are two different things. He says this is a dangerous subsidy, yet when they have to approve an application of a foreign bank to operate a subsidiary in the United States, they say they can control that subsidy, essentially, by the same means that we are suggesting—capital contributions and other techniques.

So, if you listen to what is being said but look at what is being done in the world, I think, deeds speak louder than words. And the deeds are that this subsidy issue is a false one. Any subsidy is either dissipated through the holding company system or is offset in our amendment by the requirements to deduct capital, by the requirements to limit the investment into a subsidiary to the amount that you could upstream to a holding company for further investment in an affiliate.

There is another aspect which I think is telling with respect to the Federal Reserve, their position. I think this could come as a surprise to lots of people. American banks today can own operating subsidiaries and do own operating subsidiaries which can in fact perform merchant banking activities and securities activities—the activities that we are authorizing in this amendment. But they can only have these subsidiaries overseas, and interestingly enough, these subsidiaries are regulated by the Federal Reserve Bank. They are called Edge Act companies.

So what we are proposing today in this amendment is no novel redistribution of regulatory opportunities or banking opportunities, really. What we are saying, essentially, is if the Federal Reserve can regulate and authorize American banks through foreign subsidiaries to conduct insurance activities and securities activities and merchant banking activities overseas, why do they object to American banks doing the same thing in the United States? The same thing—limited, of course, to securities activities and merchant banking.

There are, as we estimated, subsidiaries with $250 billion in assets, subsidiaries of American banks operating overseas, subject to the regulation not of the Securities and Exchange Commission, but whatever foreign regulator is looking at their operation. Of course, the Fed concludes—they must conclude—this does not pose a threat to the safety and soundness of American banks. Of course, they must conclude that whatever subsidy they are getting through deposit insurance, it is not unfair for them to apply that overseas to invest in foreign subsidiaries to conduct these activities. In fact, the operations of these banks' subsidiaries overseas, these Edge Act companies, are far less regulated than what we are proposing in our amendment. These are not bound by section 23 (a) and (b). They are also not bound by our restrictions, by the amount of money that can be invested in the subsidiary.

So I think the Federal Reserve position—in terms of the facts, not the rhetoric, not the appeals to the history—is very weak indeed. The facts establish, No. 1, that in fact they have no objection to American banks' operating subsidiaries' overseas securities activities. It does not pose a threat to safety and soundness in their view. It is not an unfair use of the subsidy if that subsidy exists.

So I think we have to be very careful to conclude that what we have here is an amendment that gives banks flexibility, that does not implicate the safety and soundness of the banking system, that does not in any way distort the monetary policymaking role of the Federal Reserve. That in fact is consistent with over 100 years of banking regulation in the United States, which is a shared function between many different banking regulators in the United States. In fact, it is something that will provide the flexibility that is at the heart of this legislation.

I hope we will, in fact, support this amendment. It represents a bipartisan attempt to be consistent with the overall theme of this legislation, which is to unshackle our banking institutions from the hidebound rules of the Glass-Steagall Act, to give them an opportunity to compete but to do so in a way that does not implicate, intimidate or, undermine the safety or soundness of the banking system which is our ultimate responsibility.

I hope, again, we will accept, adopt and support this amendment. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

(Mr. GRAMM assumed the chair.)

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank you for the opportunity to address what we have been looking at in the Banking Committee now for a couple of years. We have had very detailed hearings, where both Alan Greenspan and Secretary Rubin have presented their case. I have to admit, during most of those everybody has said: What kind of a turf battle are we looking at here? The comments have been kind of mixed because it is an extremely difficult area to understand. It is an area between the Federal Reserve and the Treasury. But it is an area that affects the ways that banks will operate. We are trying to design, under this bill, a mechanism for the American banking system to succeed, to provide for security and soundness for the banking system, to provide for safety. Now, is that done under the Treasury or is it done under the Federal Reserve?

As one of those accountants, I suggest that the Treasury handles the accounting function very well. They do an excellent job of auditing our banks. They do an excellent job of overseeing the accounting aspects of the bank. But the Federal Reserve does the outstanding job of overseeing the banking policy for our country. If we begin to establish a system where the administration, who can reflect to times of election, has control over the banks and the banking establishment and the banking policy, our country could be in trouble.

If the banking policy is established by the administration with the benefit of the Federal wire and the Federal funds and the lower loan rates, our country could begin to react more to elections than to the economy.

We have had a fantastic system that has brought our economy to new heights, and it has been working under the Federal Reserve System. Let's not shift all of this around and allow the banks to have another technique where they can put businesses under their bank and have transactions—and I think everybody realizes that the transactions, while there are generally accepted accounting principles for how those are done, they are not nearly as much in the open under a subsidiary as they are under an affiliate.

We have some accounting techniques here that provide daylight for the banking industry which provide safety and soundness for the banking industry and the consumers.

I suggest that Alan Greenspan and whoever holds that position has to have enough ability to control the economy of the banks and the power of the banks to keep the economy of this Nation going.

This is an issue that is extremely difficult to understand. After all of the hearings we have held on it, it is possible to see it still is under a cloud of misunderstanding. I hear the terms brought out about how foreign banks are involved and how foreign banks are allowed to operate. The foreign banks are not the ones providing the Federal Deposit Insurance Corporation money.

They are not the ones insuring the money of the consumers of this country. I opt for the safety and soundness provided by the Federal Reserve. I ask that you defeat the amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. What is the parliamentary situation?

The PRESIDING OFFICER. The authors of the amendment have 16 minutes, and the opponents of the amendment have 15 minutes.

Mr. SARBANES. Will the Senator yield me 4 minutes?

Mr. REED. I do not control time.

Mr. SARBANES. Will the Senator yield me 4 minutes?

Mr. SHELBY. I yield to the Senator from Maryland 4 minutes.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Maryland for 4 minutes.

Mr. SARBANES. Mr. President, in view of the comments that were just made by my able colleague from Wyoming, I want to address this safety and soundness issue. The Federal Deposit Insurance Corporation, to which he referred, the regulatory agency with the most at stake in terms of protecting the deposit insurance funds, sees the op-sub as equivalent to the holding company structure for safety and soundness reasons.

The argument was just made that there are some safety and soundness problems. The FDIC Chairman, Donna Tanoue, wrote a letter to the Banking Committee:

> With the appropriate safeguards, the operating subsidiary and the holding company structures both provide adequate safety and soundness protection. We see no compelling public policy reason why policymakers should prefer one structure over the other. And absent such a compelling reason, we believe the Government should not interfere in banks' choice of organizational structure.

That is the current Chairman of the FDIC. Lest someone says that is only the current Chairman, let me refer to an article written by three previous FDIC Chairmen, both in Democratic and Republican administrations: Ricki Tigert Helfer, William Isaac, and William Seidman, all of them with many years of direct experience in this area. They all agree with the current FDIC Chairman and have offered strong support for the operating subsidiary approach.

In fact, I will quote from their article. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. The article says:

> The debate on banks conducting financial activities through operating subsidiaries has been portrayed as a battle between the Treasury and the Federal Reserve. The Treasury believes banks should be permitted to conduct expanded activities through direct subsidiaries. The Fed wants these activities to be conducted only through holding company affiliates.
>
> Curiously, the concerns of the Federal Deposit Insurance Corp. have been largely ignored. The FDIC, alone among the agencies, has no ''turf'' at stake in this issue, as its supervisory reach extends to any affiliate of a bank. The FDIC's sole motivation is to safeguard the nation's banks against systemic risks.

They go on to say:

> Every subsequent FDIC chairman, including the current one, has taken the same position . . .

In other words, allowing with the view toward bank subsidiaries conducting these activities.

In fact, they point out that requiring the bank-related activities be conducted in holding companies will place insured banks in the worst possible position. They will be exposed to the risk of the affiliates' failures without reaping the benefits of the affiliates' successes.

It is very clear that the regulator concerns of the Federal Deposit Insurance Corporation are supportive of doing it either way.

Will the Senator yield me 1 more minute?

Mr. SHELBY. I will be glad to yield 1 minute.

Mr. SARBANES. Mr. President, let me quickly run through some important safety mechanisms that are in the Shelby-Daschle-Reed amendment:

One, a full capital deduction for investments in subsidiaries so that all such investments would be fully deducted from the bank's regulatory capital. Banks must remain well capitalized after this deduction, meaning even if the subsidiary fails, the bank's capital will remain intact.

Two, downstream investments in subsidiaries be no greater than the total amount that a bank could upstream as a dividend to a holding company. So they have exactly the same extent to which they can engage in new financial activities between the subsidiary or the affiliate.

We remove any advantage for subsidiaries in terms of transactions with their parent banks by applying sections 23(a) and 23(b) of the Federal Reserve Act to subsidiaries, just like affiliates. It would require the maintenance of subsidiaries as separate corporate entities.

The bank's credit exposure to a subsidiary be no greater than it could have been to an affiliate.

Real estate investment and insurance underwriting is not permitted in the subsidiary.

All of these features, I think, go to ensuring the safety and soundness of the approach contained in the Shelby-Daschle-Reed amendment, and I am supportive of this amendment.

I thank the Senator for yielding time.

EXHIBIT 1

[From the American Banker, Sept. 2, 1998]

EX-FDIC CHIEFS UNANIMOUSLY FAVOR THE OP-SUB STRUCTURE

(By Ricki Tigert Helfer, William M. Isaac, and L. William Seidman)

The debate on banks conducting financial activities through operating subsidiaries has been portrayed as a battle between the Treasury and the Federal Reserve. The Treasury believes banks should be permitted to conduct expanded activities through direct subsidiaries. The Fed wants these activities to be conducted only through holding company affiliates.

Curiously, the concerns of the Federal Deposit Insurance Corp. have been largely ignored. The FDIC, alone among the agencies, has no ''turf'' at stake in this issue, as its supervisory reach extends to any affiliate of a bank. The FDIC's sole motivation is to safeguard the nation's banks against systemic risks.

In the early 1980s, when one of us, William Isaac, became the first FDIC chairman to testify on this subject, he was responding to a financial modernization proposal to authorize banks to expand their activities through holding company affiliates.

While endorsing the thrust of the bill, he objected to requiring that activities be conducted in the holding company format. Every subsequent FDIC chairman, including the current one, has taken the same position, favoring bank subsidiaries (except Bill Taylor who, due to his untimely death, never expressed his views). Each has had the full backing of the FDIC professional staff on this issue.

The bank holding company is a U.S. invention; no other major country requires this format. It has inherent problems, apart from its inefficiency. For example, there is a built-in conflict of interest between a bank and its parent holding company when financial problems arise. The FDIC is still fighting a lawsuit with creditors of the failed Bank of New England about whether the holding company's directors violated their fiduciary duty by putting cash into the troubled lead bank.

Whether financial activities such as securities and insurance underwriting are in a bank subsidiary or a holding company affiliate, it is important that they be capitalized and funded separately from the bank. If we require this separation, the bank will be exposed to the identical risk of loss whether the company is organized as a bank subsidiary or a holding company affiliate.

The big difference between the two forms of organization comes when the activity is successful, which presumably will be most of the time. If the successful activity is conducted in a subsidiary of the bank, the profits will accrue to the bank.

Should the bank get into difficulty, it will be able to sell the subsidiary to raise funds to shore up the bank's capital. Should the bank fail, the FDIC will own the subsidiary and can reduce its losses by selling the subsidiary.

If the company is instead owned by the bank's parent, the profits of the company will not directly benefit the bank. Should the bank fail, the FDIC will not be entitled to sell the company to reduce its losses.

Requiring that bank-related activities be conducted in holding company affiliates will place insured banks in the worst possible position. They will be exposed to the risk of the affiliates' failure without reaping the benefits of the affiliates' successes.

Three times during the 1980s, the FDIC's warnings to Congress on safety and soundness issues went unheeded, due largely to pressures from special interests:

The FDIC urged in 1980 that deposit insurance not be increased from $40,000 to $100,000 while interest rates were being deregulated.

The FDIC urged in 1983 that money brokers be prohibited from dumping fully insured deposits into weak banks and S&Ls paying the highest interest.

The FDIC urged in 1984 that the S&L insurance fund be merged into the FDIC to allow the cleanup of the S&L problems before they spun out of control.

The failure to heed these warnings—from the agency charged with insuring the soundness of the banking system and covering its losses—cost banks and S&Ls, their customers, and taxpayers many tens of billions of dollars.

Ignoring the FDIC's strongly held views on how bank-related activities should be organized could well lead to history repeating itself. The holding company model is inferior to the bank subsidiary approach and should not be mandated by Congress.

Mr. SHELBY. Mr. President, how much time do I have left?

The PRESIDING OFFICER (Mr. BENNETT). Ten minutes 30 seconds.

Mr. SHELBY. I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I rise in strong support of the Shelby amendment and urge the Senate to approve this amendment today. I say this with utmost respect for my committee chairman, Senator PHIL GRAMM. As you know, I support PHIL GRAMM and we agree on so many issues across the board, but this is one time when I have to disagree with my chairman. As I say, even his lovely wife Wendy disagrees with Senator PHIL GRAMM on a few issues. I hope he realizes the respect I have for him and his arguments on this amendment, but I feel that I have to support this.

As a Senator who worked on a bipartisan basis last year with Senator REED of Rhode Island to draft a compromise operating subsidiary amendment, I have invested a great deal of time studying the pluses and minuses of this option. I have come to the conclusion that it is appropriate for national banks to conduct full financial activities, with the exception of insurance underwriting and real estate development in the operating subsidiary.

This amendment preserves corporate flexibility by allowing subsidiaries of well-capitalized and well-managed national banks to conduct many of the same activities—such as securities underwriting and merchant banking—as bank holding companies and foreign bank subsidiaries.

I would like to note that insurance underwriting and real estate development are not permitted in the subsidiary.

Although some have claimed that the subsidiary approach could lead to a competitive advantage for banks, the amendment prevents competitive advantages by imposing the same prerequisites for conducting new financial activities on national banks as are placed on bank holding companies.

The subsidiary also is safer for national banks. First, the amendment includes a number of appropriate safety and soundness ''firewalls'' to ensure that the subsidiary remains an asset to—and not a liability of—the bank.

These firewalls include: one, requiring that capital invested in the subsidiary be deducted from the capital of the bank and that the bank remains well-capitalized after the deduction; two, prohibiting the consolidation of assets of the subsidiary and the bank; three, limiting the investment the bank may make in the subsidiary to the same amount that the bank could ''upstream'' to holding company affiliates by way of dividends; four, requiring the bank to maintain procedures for identifying and managing financial and operational risks posed by the subsidiary; five, requiring the bank to maintain—and regulators to ensure—a separate corporate identity and separate legal status from the subsidiary; and six, imposing the lending restrictions found in Sections 23A and 23B of the Federal Reserve Act on extensions of credit from the bank to the subsidiary—total extensions of credit to any one subsidiary may not exceed 10 percent of the bank's capital and total extensions of credit to all subsidiaries may not exceed 20 percent of the bank's capital.

The operating subsidiary approach adds another safety and soundness element because the subsidiary could be used as an asset to protect the taxpayer if the bank runs into trouble.

FDIC Chairman Donna Tanoue—the Federal Government's point person protecting the taxpayer against claims on the deposit insurance fund—testified that:

From a safety and soundness perspective, both the bank operating subsidiary and the holding company affiliate structure can provide adequate protection to the insured depository institution from the direct or indirect effects of losses in nonbank subsidiaries or affiliation.

Indeed, from the standpoint of benefits that accrue to the insured depository institution, or to the deposit insurer in the case of a bank failure, there are advantages to a direct subsidiary relationship with the bank.

When it is the bank that is financially troubled and the affiliate/subsidiary is sound, the value of the subsidiary serves to directly reduce the exposure of the FDIC.

If the firm is a nonbank subsidiary of the parent holding company, none of these values is available to insured bank subsidiaries, or to the FDIC if the bank should fail. Thus, the subsidiary structure can provide superior safety and soundness protection.

The last point made by FDIC Chairman Tanoue actually argues against the purported subsidy argument point put forward by some. Take for example two identical banks—Bank A and Bank B.

Bank A conducts its nonbank activities in a subsidiary and Bank B conducts its nonbank activities in the holding company.

In this case, the FDIC's exposure in Bank A is less than in Bank B because the amount of capital which could be raised either from the sub's assets or from the sale of the sub would actually reduce the losses of Bank A.

Thus, the FDIC's exposure in Bank B is higher because, as proven in the Bank of New England case, the sale of the affiliate cannot be counted on to reduce the banks losses.

Since both banks are identical and thus, have paid identical FDIC insurance premiums, Bank B receives a higher subsidy from deposit insurance because their return on FDIC insurance premiums paid is higher than Bank A, whose losses were lessened by the amount of capital raised by the sub.

Therefore, the operating subsidiary structure is safer from a safety and soundness perspective.

The amendment also removes the arbitrary $1 billion cap which is contained in the underlying bill. FDIC Chairman Donna Tanoue testified before the Senate Banking Committee that ''There is no valid reason to threat national banks differently on the basis of size or holding company affiliation.''

Another benefit of this amendment is that it provides competition among regulators. And that is so important. A recent conversation I had with a banking lawyer convinced me that this amendment is prudent public policy.

The attorney shared with me that in his dealings with the Federal Reserve Board and the Office of the Comptroller of the Currency, one of the agencies had been cooperative in helping his client work through issues and find creative ways to deal with their problems while the other had done nothing to help.

If we were to eliminate the competition, regulators would have no incentive to be responsible to the institutions they regulate and American banks would have nowhere to turn if they are unhappy with their treatment.

In closing, I think this amendment should not be portrayed as a killer amendment. And I hope and I urge the chairman and the majority leader to accept the will of the Senate and to allow the vote. Whether the amendment passes or fails, I pledge to vote for the bill—no matter how the amendment turns out.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I yield 5 minutes to the Senator from New Mexico, Mr. DOMENICI.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Senator. I thank the Presiding Officer for recognizing me.

First, I compliment Senator GRAMM on the marvelous work he has done on a very complicated bill. And I hope we get new legislation in this area before the week is out. Coming out of conference, I hope that we will have something fundamentally positive for the banking industry of the United States.

Mr. President, I have been in the Senate about 27 years. And I guess I would have to say, the institution of the United States for which I have the most respect is the Federal Reserve Board. In fact, I marvel at the 1913 act, the Federal Reserve Act. Frankly, I marvel at the caliber of people that have chaired the Fed and who act with total independence once they are appointed. Only one time in my 27 years have I thought that the Federal Reserve Board Chairman and the President of the United States were negotiating among themselves about interest rates and the like. For the most part, the Federal Reserve has been a marvelous institution for stability and nonpolitical involvement in the banking industry of America and for conducting the monetary policy of America.

I see this issue as a very simple one. Do you want the Federal Reserve Board to continue to be a major, major player in the banking system of the United States or do you want to send responsibility over to the White House?

When Congress created the Federal Reserve Board, there was a different problem. But we decided to create the Fed independent of the White House and keep it out of politics. Now we are here engaged in a fight, in an argument, in a close vote on sending a big part of the Federal Reserve Board's responsibility back to the White House. This amendment would allow a substantial portion of bank policy to be dictated by the White House. I do not believe it belongs there.

I am not saying this because of Secretary Rubin. I have agreed with almost all of his policies. As a matter of fact, I have said his economic policies remind me of Republicans and that probably is what saved the President in terms of the policies that he has put into effect. I have told the Secretary that. I do not know whether he was pleased or not so pleased to hear that, but I congratulated him nonetheless.

Essentially, this is the issue: Do you want to take a big piece of American banking policy and put it back in the political arena? Because no matter what we think of the Comptroller of the Currency, he is a political appointee. And it is most amazing, in the hierarchy of those who have power in America, it is not even a powerful position. It will be powerful if the amendment before us passes, because we will be giving the Comptroller tremendous control over our banking policy instead of vesting it where it truly belongs, with the most significant independent group in America's economic recovery since 1913—the Federal Reserve Board and its Chairman. I hope we do not do that.

I am amazed. It seems as though the White House believes that this is one of the most important issues it has ever faced. The lobbying pressure is enormous, with different levels of White House people—not the President,—but in the White House, Secretaries, Cabinet members. Maybe it is because they like Mr. Rubin so much they do not want him to lose this one. Maybe that is it. But it can't be that kind of issue unless it is seen by the executive branch as involving such power that Presidents might want to have it, rather than leave that power in the hands of the independent, successful management of the Federal Reserve Board.

I thank you for yielding me time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. How much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. SHELBY. How much time does the Senator from Texas have?

The PRESIDING OFFICER. Eleven minutes, give or take a few seconds.

Mr. GRAMM. Let me yield 5 minutes to the distinguished Senator from Florida, Mr. MACK.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Thank you, Mr. President. And I thank Senator GRAMM for yielding me time.

This was an issue that I did not expect to be drawn into as far as the debate was concerned. But as I have listened to it, and as I have observed my colleagues over the last several days, as the lobbying on both sides of this issue has been going on, and seeing people move back and forth, I have become concerned about how people are making decisions.

Finally, we have gotten down to the crux of the matter here, and that is, at least in my opinion, how monetary policy in the United States is going to be carried out.

I believe it is so important that we focus on the issue of monetary policy, because one of the underlying strengths, one of the major factors in the economic growth that we have experienced for almost 16 years is the role of the Federal Reserve, a Federal Reserve that has been committed to price stability. To do something that will weaken the influence of the Federal Reserve with respect to monetary policy would be a tragic mistake.

Here is my reasoning as to how this will come about. The Treasury is selling their idea to Members that all we really want to do is give the bankers a choice—that seems to be a fair and reasonable thing to do—let them decide.

I was in the banking business. This is really not a choice. You are saying to the bankers, you make a choice about where you are going to put this. They know where the cost of capital is the cheapest, and the cost of capital is going to be the cheapest in an operating subsidiary.

Why is the operating subsidiary going to be the cheapest cost to them? Because there is a subsidy attached to the bank, and so the bankers naturally will go to where their costs are the cheapest. They will, in fact, put these new powers into an operating subsidiary. Having done that, there is no longer a need for them to be involved in a holding company. The holding company is the vehicle, if you will, that allows the Federal Reserve to carry out its monetary policy.

The second thing that is going to occur is by voting for the use of an operating subsidiary, you are really saying you want the taxpayers to expand the subsidy that goes into the banking industry or into the financial services industry. That is an individual decision that people can make. But I think it is wrong to try to approach this question about whether I am for the bankers or whether I am not for the bankers. This is an issue about whether you want to have a monetary policy that is of value to this country.

I ask Members to consider what has happened in this country in these past 16 years as far as growth is concerned. The foundation of that growth has been the commitment that this Federal Reserve, and Alan Greenspan in particular, has had to the objective of price stability. We have finally reached the point where we have attained price stability, and we are talking about tinkering around with legislation that could lessen the influence of the Federal Reserve.

As Senator DOMENICI indicated earlier, as you lessen that influence, you are going to increase the influence in the executive branch over the banking industry and monetary policy in this country. That would be a tragedy.

I ask my colleagues who may be wavering on this issue, this is not a choice between Secretary Rubin or Alan Greenspan or commercial banks. This is a decision about monetary policy in this country and who should, in fact, have control of it.

I ask you to support the position outlined by the chairman of the Banking Committee, Senator GRAMM.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

Mr. SHELBY. How much time do I have?

The PRESIDING OFFICER. Four minutes 53 seconds.

Mr. SHELBY. Mr. President, I will be brief.

First, I point to the fifth paragraph of the Greenspan letter to Chairman GRAMM. It says, basically, that foreign bank-owned section 20 companies have substantially underperformed U.S.-owned section 20 companies. He goes on to say, ''The subsidy does not travel well.''

Are you suggesting the subsidy travels from New York to London but not London to New York? In other words, not from foreign banks to the United States? The Federal Reserve's own letter says the subsidy is nontransferrable.

Safety and soundness? In Chairman Greenspan's own words, he says:

> My concerns are not about safety and soundness. It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field issue. Nonbank holding companies or other institutions do not have access to that subsidy, and it creates an unlevel playing field. It is not a safety and soundness issue.

That is Chairman Greenspan's own words.

Lastly, is this a power grab? This legislation makes the Federal Reserve the monopoly umbrella regulator. I do not have to educate the distinguished chairman, who is a smart Ph.D. economist, on the abuses of a federally sanctioned monopoly. He has talked about it since I have known him, and he is right on that.

My amendment would allow for competition for banks to choose their regulator. It does not mandate that any bank in the United States must conduct such activities in an operating subsidiary. It allows the bank to choose.

I am sure a free market economist like Senator GRAMM understands more than I do the benefits of market discipline. Competition among regulators will not allow a national bank regulator to run amok.

Does Chairman Greenspan support the bill? Of course. We are granting him a monopoly. We are granting his successor a monopoly, whoever that is. I can't believe that Chairman GRAMM, a distinguished economist in his own right, is advocating a monopoly.

This amendment I am offering will promote competition. It promotes choice. I hope my colleagues will support it.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I guess the best place to conclude is to quote the principals in this debate. Secretary Rubin before the House Commerce Committee said:

> [O]ne of an elected Administration's critical responsibilities is the formation of economic policy, and an important component of that policy is banking policy. In order for the elected Administration to have an effective role in banking policy, it must have a strong connection with the banking system.

What is being said here is that the Secretary of the Treasury believes that the President should exercise more control over the banking system. Now, if you believe the time has come to turn back the clock to 1913 and take banking policy away from the independent Federal Reserve, you agree with Secretary Rubin. I do not agree with Secretary Rubin. The fact that I do not agree has nothing to do with the fact that he is a Democrat and Bill Clinton is President. I do not believe any President should have control of banking policy. We decided in 1913 to put it in an independent agency, and that should not change.

All of you know that Alan Greenspan is not prone to overstatement—quite the contrary—but Alan Greenspan has said that he and every member of the Board of Governors of the Federal Reserve, most of them appointed by President Clinton, are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than adopting this amendment.

Now, that is as clear as you can make this debate. It is partly about risk. It is riskier to be in the securities business inside a bank than it is outside the bank, when the taxpayer guarantees the bank depositors. That is part of the reason to vote no on the Shelby amendment. You do get a subsidy for a bank when they are doing activities inside the bank, instead of having to take capital out and investing it like everybody else. And if you are worried about a level playing surface, that is a reason to vote against the SHELBY amendment. But finally, if you believe that the Federal Reserve ought to conduct banking policy, and not the Treasury, that is the strongest reason to vote against the Shelby amendment.

Finally, two points: No. 1, if my colleagues will vote to table the Shelby amendment, we will work in conference to preserve the primacy of the Fed to deal with problems of unfair competition and subsidy, and yet try to find a way to let banks choose between operating subsidiaries and affiliates, to do these activities inside the bank or out.

Secondly, as hard as I have worked on this, and as strongly as I feel about it, given Alan Greenspan's position and given that I believe he is right, we are not going to pass this bill tonight if we adopt the Shelby amendment. So I urge my colleagues, if you want this bill, if you want an independent banking policy, give me an opportunity in conference to sit the Secretary of the Treasury down and sit the head of the Federal Reserve down and give us a chance to come up with ways to do opsubs without letting the Treasury take over banking policy.

We can do that by simply not changing the regulator based on whether you have a holding company or not, or what the holding company does. And we can find ways to require banks to have good capital and to see that the subsidy doesn't exist. But to do that, we need to defeat this amendment and pass this bill.

I know my colleagues are tired of being cajoled. They think a lot of overstatements have been made. I simply would like to say, from my part, I believe this is a critical vote. If you think passing the Federal Reserve Act was a good thing, if you think we prospered under an independent banking authority—and I do—then you want to vote ''no'' on this amendment.

That doesn't mean that we can't later come up with a way of trying to do this that works, and I pledge to my colleagues my best effort in conference to do that. But we can't do that if we can't pass this bill. And we can't pass this amendment and pass this bill. So that is where we are. I know people have commitments out everywhere, and they are going to make somebody mad no matter what they do. But there is an old adage my grandmother used to say: ''If you are going to catch hell no matter what you do, do the right thing.'' That is what I ask my colleagues to do—the right thing.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SARBANES. I object.

The PRESIDING OFFICER. The clerk will continue to call the roll.

The legislative assistant continued with the call of the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, I will use my leader time to make a few remarks on this amendment prior to the time we have our vote.

I am very appreciative of the efforts made by the distinguished Senator from Alabama and the Senator from Maryland and for their extraordinary leadership in offering this amendment. I am proud to be a cosponsor.

We call this proposal the American Bank Fairness Amendment. It is cosponsored by a number of our colleagues on both sides of the aisle. On this side, the Senator from Rhode Island, Mr. REED, is a leading expert and a long-time champion of this measure.

We are grateful to him for the work he has done.

In a nutshell, this amendment, as my colleagues have noted, would give American banks the freedom to organize their activities in a way that makes the most sense to them. That is basically what it is. It is that simple. Let's give the banks the freedom and the opportunity to make their own choice. We are not going to have Government tell them what is the best choice; we are going to let them make up their own minds. Instead of forcing the banks to organize using an expensive holding company structure, as the underlying bill does, our proposal simply gives banks an option. They can conduct activities through a holding company, or they can conduct their activities through an affiliated operating subsidiary.

By giving banks this choice, our amendment will lead to better services at lower costs for all sorts of financial services, from banking to brokerage services to insurance.

I want to talk about two specific points—two specific and substantial ways in which our amendment improves on the pending bill.

On the issue of safety and soundness, our proposal is actually stronger than the bill offered by the chairman. That is not my assertion. The current Chairman of the FDIC and his four predecessors—three Republicans and two Democrats—all agree. They say that banks face greater risks if forced to use the holding company structure.

I think everybody ought to know here that we are talking about an entirely new system. We are talking about moving into uncharted waters. We are talking about making sure that each financial institution has the best option available to it to make the best choice. What we are saying is that as a financial institution makes the choice as it goes into all these uncharted waters, the most important thing we can do is guarantee its safety and soundness.

What are we getting? We are getting a virtually unanimous report from the FDIC Chairmen—the current one and four predecessors—that we are using an option here advocating a position that creates more safety and soundness than we have in this bill.

So if you want safety and soundness, vote for this amendment.

Mr. President, the chairman's bill exposes banks. And I have to say because it exposes banks, it exposes taxpayers to greater risks than our alternative.

There are two reasons for that. First, subsidiaries are assets of the bank. They can be sold to satisfy creditors. Affiliates are not considered bank assets.

The second reason subsidiaries are safer is because profits from a successful bank subsidiary accrue to that bank. But the profits from a company that is part of a holding company do not directly benefit the bank.

Mr. President, it is no secret that of all the issues pending before us, one of those issues into which our Treasury Secretary has put the greatest amount of time and the greatest amount of effort, because he is so concerned about safety and soundness, is this. He wants a tough bill when it comes to safety and soundness. He agrees with the FDIC Chairman and her predecessors, that if we are going to have strong safety and soundness, it is absolutely critical that we ensure we have the structure available to make it happen.

Even Fed Chairman Greenspan, who the chairman likes to cite in connection with this bill, agrees that safety and soundness is not the issue here.

In his exact words, ''My concerns are not about safety and soundness. . . . It is not a safety and soundness issue.''

Our proposal corrects a second serious flaw in the underlying bill as well. It does so by giving American banks the same freedom as foreign banks to choose their operating structure.

It is absolutely astounding to me that the chairman, who talks so passionately about free markets, actually dictates in his bill how financial services companies must organize their activities. He gives them one—and only one—choice, which means he gives them no choice at all.

Forcing activities into affiliates would place American banks at a competitive disadvantage not only in the international markets; it would actually place American banks at a disadvantage in America.

We already give foreign banks the freedom to choose the structure that best serves the business plan. Since 1990, the Federal Reserve has issued approvals for 18 foreign banks to own subsidiaries that engage in securities underwriting activities in the United States. All told, I am told these foreign-owned subsidiaries exceed $450 billion in assets.

In a 1992 joint report on foreign bank operations, the Federal Reserve Board and the Treasury Department agreed that ''subject to prudential considerations, the guiding policy for foreign bank operations should be the principle of investor choice.''

The bottom line, therefore, Mr. President, is this: The chairman's bill discriminates against American banks in favor of foreign banks. We say that is wrong. Our amendment levels the playing field. Safety and soundness, basic fairness, these are the important issues that are underlying this amendment that we will be voting on in just a couple of minutes.

There is one other important point we need to consider. The President made it absolutely clear that he will veto the financial services modernization bill unless we fix the problem with operating subsidiaries. So the choice is ours—or perhaps I should say it is the chairman's choice.

Does he really want a bill badly enough to negotiate and find some solution? Does he want a bill badly enough to give up some potential leverage he might get in conference to deal with this legislation in a way that allows us to focus on the real problems?

I hope he will reconsider what threats he has made to pull this bill if his position does not prevail on this amendment.

Let's recognize for the good of our country, for the good of our financial institutions, for the good of choice, for the good of safety and soundness, for moving this bill along, that we only have one choice. It is to pass this amendment, and I hope we will do it tonight.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I move to table the Shelby amendment, and 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.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to table the amendment of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—53

Abraham	Frist	Nickles
Allard	Gorton	Roberts
Ashcroft	Gramm	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Schumer
Bunning	Helms	Sessions
Burns	Hutchinson	Smith (NH)
Byrd	Hutchison	Smith (OR)
Chafee	Inhofe	Snowe
Collins	Jeffords	Specter
Coverdell	Kyl	Stevens
Craig	Lott	Thomas
Crapo	Lugar	Thompson
DeWine	Mack	Thurmond
Domenici	McCain	Voinovich
Dorgan	McConnell	Warner
Enzi	Moynihan	Wellstone
Feingold	Murkowski	

NAYS—46

Akaka	Conrad	Inouye
Baucus	Daschle	Johnson
Bayh	Dodd	Kennedy
Bennett	Durbin	Kerrey
Biden	Edwards	Kerry
Bingaman	Feinstein	Kohl
Boxer	Graham	Landrieu
Breaux	Grams	Lautenberg
Bryan	Hagel	Leahy
Campbell	Harkin	Levin
Cleland	Hatch	Lieberman
Cochran	Hollings	Lincoln

Mikulski	Robb	Torricelli
Murray	Rockefeller	Wyden
Reed	Sarbanes	
Reid	Shelby	

ANSWERED ''PRESENT''—1

Fitzgerald

The motion was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, while there are so many Members on the floor, I want to engage the chairman of the committee in a discussion and maybe we can let Members know where we are going.

This was the last of the very large—I do not want to suggest that any amendment any Member has to offer is not a large amendment; I recognize that, but this was the last of a series of large amendments that we had lined up. I know the chairman and leader's intention is to try to finish this evening. As I understand it, there are some amendments around. I guess we will find out very shortly. Maybe we can dispose of them or deal with them in a fairly reasonable way in a short period of time and then go to the final vote on this bill.

As I understand it, the leader said that if we voted final passage tonight, there would be no votes tomorrow. Members, I think, would have to figure whether it is worth investing a little more time this evening in order to finish up. That is how I see the lay of the land. I just ask the chairman to comment.

Mr. GRAMM. We have a cleanup amendment. I think it is ready. We can do it. I hope there are no other amendments, and I am ready to vote. I yield to Senator BRYAN.

Mr. BRYAN. If I may engage the floor manager and the distinguished chairman, I have an amendment, and I would like about 10 to 15 minutes. I do not intend to ask for a rollcall vote.

Mr. GRAMM. Can the Senator let us move ahead for the convenience of everybody who have flights and have you do that after the vote? If the Senator can do that, it would be very much appreciated.

Mr. BRYAN. I want to accommodate the Senator in any way I can. I want to make sure what I am agreeing to. There are several other Senators who may have amendments. I do not want to be at the end. I am simply willing to yield for the purpose of the amendment.

Mr. GRAMM. If there is no other amendment, if the Senator can do that, I am sure Members will accommodate and I will stay and listen to it if he would like me to.

Mr. BRYAN. I am not sure I understand. I want to offer the amendment before we have a final rollcall vote itself.

Mr. GRAMM. Can the Senator offer it and, if he is going to withdraw it, withdraw it and then speak after the vote? Can that be done? If not, let's go ahead and start.

Mr. BRYAN. I am willing to enter into an agreement of 10 minutes.

Mr. GRAMM. All right. Whatever works, I am willing to do.

Mr. WELLSTONE. Before my colleague starts, I do have an amendment.

The PRESIDING OFFICER (Mr. ENZI). There is a pending amendment, the Dorgan amendment No. 313.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. I have two amendments at the desk that I believe will be accepted by both sides after modification. I would like the opportunity to call those up before the final vote.

Mr. GRAMM. If the Senator will let us just work on them and put them in the managers' package and we will do them all at once, if he can get those to us.

Mr. BENNETT. I will do that.

Mr. LEVIN addressed Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I have an amendment which I am likely to offer, but I need to engage in some floor discussion with the managers prior to making that decision. I think it may take about a half an hour to an hour to go through a discussion with the managers on this subject.

It is a very important subject. It has to do with whether or not the SEC is going to be able to regulate the purchase and sale of stock when they are done by banks. The SEC sent me a letter yesterday strongly objecting to language in this bill, and what they are pointing out is that the language in the committee report is different from the language in the bill.

I want to talk to the managers about an amendment which would incorporate in the bill what the committee report says is the intent of the bill. It is possible that this will be accepted because this is committee report language which I am trying to get into the bill, but I do not know until after we go through the discussion process on the floor. I just want to alert colleagues that could take perhaps a half an hour to an hour.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, just on the order of business, I have an amendment I was going to offer with Senator HARKIN. I know colleagues want to leave. I need to talk with Senator HARKIN and make a decision as to what we want to do here, if the manager can give us a couple of minutes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to both managers of the bill. Senator DORGAN and I have an amendment. It is simple in nature. I think it is something that should be accepted. It is something that could be reviewed in conference. It would require an independent audit of the Federal Reserve Board. Otherwise, we will offer that amendment. It will not take long.

Mr. GRAMM. If the Senator will give us that amendment and let us look at it, we might be able to include it in the managers' package.

Mr. SARBANES. I suggest to the chairman, maybe if we take about 5 or 10 minutes to engage in a discussion with the people who have these amendments, we can find a way to perhaps accept some of them and go to conference with them at least and deal with the others, and then we can still move to final passage this evening and complete this legislation, which I think is highly desirable.

Mr. GRAMM. I agree with that. The thing to do is to plow ahead. Is the distinguished Senator from Nevada going to withdraw the amendment?

Mr. BRYAN. Yes.

Mr. GRAMM. Can I suggest, again, the Senator offer the amendment and speak for a couple of minutes and withdraw it, and then after the vote, if he wants to speak longer on it, he can. Will that work? If not, go ahead and speak.

Mr. BRYAN. Mr. President, I will be willing to do that. Can I have a little flexibility, if you are still trying to work things out. I am not trying to delay this.

Mr. GRAMM. Let's just start.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 316

(Purpose: To give customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, and for other purposes)

Mr. BRYAN. Procedurally, I ask unanimous consent to lay aside the pending amendment, and I ask that an amendment dealing with personal privacy be sent to the desk for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN] proposes an amendment numbered 316.

Mr. BRYAN. 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 150, after line 21, add the following:

TITLE VII—FINANCIAL INFORMATION PRIVACY

SEC. 701. SHORT TITLE.

This title may be cited as the ''Financial Information Privacy Act of 1999''.

SEC. 702. DEFINITIONS.

In this title—

(1) the term ''covered person'' means a person that is subject to the jurisdiction of any of the Federal financial regulatory authorities; and

(2) the term ''Federal financial regulatory authorities'' means—

(A) each of the Federal banking agencies, as that term is defined in section 3(z) of the Federal Deposit Insurance Act; and

(B) the Securities and Exchange Commission.

SEC. 703. PRIVACY OF CONFIDENTIAL CUSTOMER INFORMATION.

(a) RULEMAKING.—The Federal financial regulatory authorities shall jointly issue final rules to protect the privacy of confidential customer information relating to the customers of covered persons, not later than 270 days after the date of enactment of this Act (and shall issue a notice of proposed rulemaking not later than 150 days after the date of enactment of this Act), which rules shall—

(1) define the term ''confidential customer information'' to be personally identifiable data that includes transactions, balances, maturity dates, payouts, and payout dates, of—

(A) deposit and trust accounts;

(B) certificates of deposit;

(C) securities holdings; and

(D) insurance policies;

(2) require that a covered person may not disclose or share any confidential customer information to or with any affiliate or agent of that covered person if the customer to whom the information relates has provided written notice, as described in paragraphs (4) and (5), to the covered person prohibiting such disclosure or sharing—

(A) with respect to an individual that became a customer on or after the effective date of such rules, at the time at which the business relationship between the customer and the covered person is initiated and at least annually thereafter; and

(B) with respect to an individual that was a customer before the effective date of such rules, at such time thereafter that provides a reasonable and informed opportunity to the customer to prohibit such disclosure or sharing and at least annually thereafter;

(3) require that a covered person may not disclose or share any confidential customer information to or with any person that is not an affiliate or agent of that covered person unless the covered person has first—

(A) given written notice to the customer to whom the information relates, as described in paragraphs (4) and (5); and

(B) obtained the informed written or electronic consent of that customer for such disclosures or sharing;

(4) require that the covered person provide notices and consent acknowledgments to customers, as required by this section, in separate and easily identifiable and distinguishable form;

(5) require that the covered person provide notice as required by this section to the customer to whom the information relates that describes what specific types of information would be disclosed or shared, and under what general circumstances, to what specific types of businesses or persons, and for what specific types of purposes such information could be disclosed or shared;

(6) require that the customer to whom the information relates be provided with access to the confidential customer information that could be disclosed or shared so that the information may be reviewed for accuracy and corrected or supplemented;

(7) require that, before a covered person may use any confidential customer information provided by a third party that engages, directly or indirectly, in activities that are financial in nature, as determined by the Federal financial regulatory authorities, the covered person shall take reasonable steps to assure that procedures that are substantially similar to those described in paragraphs (2) through (6) have been followed by the provider of the information (or an affiliate or agent of that provider); and

(8) establish a means of examination for compliance and enforcement of such rules and resolving consumer complaints.

(b) LIMITATION.—The rules prescribed pursuant to subsection (a) may not prohibit the release of confidential customer information—

(1) that is essential to processing a specific financial transaction that the customer to whom the information relates has authorized;

(2) to a governmental, regulatory, or self-regulatory authority having jurisdiction over the covered financial entity for examination, compliance, or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency, as defined in section 603 of the Fair Credit Reporting Act for inclusion in a consumer report that may be released to a third party only for a purpose permissible under section 604 of that Act; or

(5) that is not personally identifiable.

(c) CONSTRUCTION.—Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.

Mr. BRYAN. I thank the Chair.

Mr. President, earlier today, the Senate adopted an amendment offered by the distinguished chairman of the Banking Committee dealing with the fraudulent procurement of personal information by information brokers. Last Congress, Senator D'Amato and I offered an identical provision, and we were successful in incorporating that in last year's financial modernization bill, H.R. 10.

Unfortunately, that measure died along with H.R. 10 which was filibustered at the end of the last session. I commend the Senator from Texas. The antifraud provision is a good first step, but as Senator SARBANES articulated earlier today, it is in no way a substitute for meaningful privacy protections.

The Gramm amendment deals with a small, but pernicious, group of information brokers that obtain personal information under false pretenses. This practice should be shut down. In fact, the Federal Trade Commission recently brought action against such practices.

While thousands of Americans are harmed by fraudulent information brokers, each and every American who has a bank account, stock portfolio or an insurance policy is subject to a massive invasion of his or her personal privacy that cries out for legislative remedy.

I applaud the fact that the chairman has indicated we are going to hold a series of hearings.

I applaud the chairman's promise to hold a series of hearings on the financial privacy issue. Many of us who worked on the Community Reinvestment Act would have hoped we might have had similar opportunities before moving forward with the CRA changes in this bill.

While the chairman's amendment and his hearings are good first steps, I encourage us to take one more step that Senator SARBANES and Senator DODD and I have been urging for some time.

My amendment is quite simple. What we are talking about is financial privacy. I want to make it very clear that I am a strong supporter of the restructuring bill that is before us, the financial modernization. I freely acknowledge and recognize that we need a regulatory framework which comports with the realities of the marketplace today.

So my purpose in offering this amendment is in no way to denigrate the need to make the kind of changes which essentially are outlined in S. 900, or a part of H.R. 10 in the previous session. But I think my colleagues and the American people would be absolutely shocked if they knew how little privacy they have in their personal financial information with the very people who are going to be players in this financial reorganization—banks, security brokerages, and insurance.

Here is what the American people have to say on the issue of privacy. When asked recently: ''Would you mind if a company you did business with sold information about you to another company?'' Ninety-two percent said yes, they would object to it. The source of that information is the AARP.

Let me cite an illustration of precisely what does occur and will continue to occur. This is a financial transaction, I say to my colleagues, that occurred at a bank. A lady came in and deposited $109,451.59. At this bank, teller No. 12 made the following notation: ''She came in today,'' referring to the depositor, ''and wasn't sure what she would do with her money.'' That is the bank teller.

This bank has a relationship with a brokerage house. Here is what the teller then did. The teller then contacts ''David''—David is the individual with the brokerage house—and says, ''See what you can do! Thank you.''

So in effect the privacy of this individual's personal bank account is compromised, as the bank teller then notifies the brokerage house: ''You'd better

get ahold of this lady. She has $109,000. She doesn't know what she wants to do with it. You contact her.''

This is a real-life situation. Under the current law—under the current law—your information with respect to your insurance accounts may be freely sold to a third party, or maybe transferred to an affiliate under the proposed arrangements that are contemplated in this bill. Your bank account information can be sold to a third party—a total stranger to you and to your financial transaction.

So you have a situation in which all of a sudden you have a certificate of deposit that is coming due next month, and you start to get a stream of information from vendors who are marketing financial services and saying, ''Mrs. Smith,'' ''Mr. Jones, I know your certificate of deposit is due next month. Let me show you what our financial package can provide for you.'' And you are saying, ''How does this outfit know that I've got a certificate of deposit that is maturing next month?'' And the answer is, that information can be sold to a third party, and that information is valuable to a particular vendor of services.

So the amendment that we propose does two things: No. 1—and I do not see how you can argue against this proposition—

The PRESIDING OFFICER. The Senate is not in order. If conversations do not relate to the bill at hand, would you please take them into the other room. The Senator deserves consideration. Would conversations near the Senator please cease.

Mr. BRYAN. I thank the Presiding Officer.

The point that I was making is that your financial information with respect to insurance brokerage accounts and bank accounts is not protected under the present law. That information can be sold or marketed to a total stranger. An outfit, for example, that may be selling penny stocks all of a sudden contacts you and says, ''Look, I know you've got a certificate of deposit or bank account with a sufficient balance involved.''

So what we are proposing in this amendment is something very hard to argue against. We are saying that with respect to these financial organizations—banking, insurance and brokerage—that they cannot sell to a total stranger, a third party, without your consent. What is wrong with that?

So rather than being able to sell to any vendor your very personal and private information—your insurance coverages, whatever information might be available about any medical condition that you might have, your brokerage account, your bank account—cannot be sold to a third party without your prior consent. I suspect if you ask the American people—Democrat, Republican, independent, whether they are to the right of center or to the left of center or in between—you would get almost a unanimous vote that would say, ''That is what I want as a protection for my privacy.''

I understand that in this modern consolidation of financial services the thrust of this bill is going to permit banks and insurance and brokerage to be involved in affiliated relationships. I understand that. So we are told, ''Do not, Senator, do anything that would impair or compromise the synergy of the marketplace. Don't do that.''

Well, this is what we propose with respect to those affiliate arrangements. This would not be a total stranger or a third party. If they are going to transfer and make available that information, they need to notify you and give you the opportunity to opt out. They do not have to get your prior consent, but they have to give you the right to opt out.

That concept is recognized in the law. Many of you will recall that I took the lead some years back in securing amendments to the Fair Credit Reporting Act. And we said there, with respect to information that is collected, with respect to your credit history, that before that information can be made available for marketers and others, they need to notify you where that information came from and that you had the right, after receiving a solicitation, to say, ''Look, no more. Take me off the list'' in effect the right to opt out.

So that is what we are proposing in this amendment—An absolute requirement that if the information is made available to a total stranger, a third party, that has no affiliate relationship, a vendor of any number of financial services, they must obtain your prior consent; that if the information, the financial information, is to be transferred from one of their affiliates, they need to give you the opportunity to opt out if you choose to avail yourself of that option. Now, I am hard pressed to understand why anybody would object to that. I think any one of us would be somewhat surprised to know that our bank accounts, our insurance, and our brokerage accounts can be made available to anyone under the existing law. If we are going to provide these new financial services, which I believe we ought to provide to recognize the change in the marketplace, that does not strike me as being an unreasonable proposition to advocate.

So this is a provision that I think needs attention. I must say that the ranking member has taken a lead on this. He has been a strong advocate, as has the senior Senator from Connecticut. I know he had a question or two to which I would be happy to respond.

Mr. SARBANES. If the Senator will yield, I commend the Senator for his very strong statement. This is an extremely important issue. I appreciate the Senator speaking out on it. We have joined together, actually, in introducing legislation on this privacy question, along with Senators LEAHY and DODD and HOLLINGS. Earlier today we raised the issue with the chairman.

I think it would probably be helpful if the chairman could provide—the Senator may want to question him himself—the similar assurances he gave earlier about the committee committing itself to examining this issue in a comprehensive way, with hearings and with the idea in mind, of course, to try to bring forth legislation that will address what the chairman himself has conceded is an important issue that needs to be addressed.

Mr. GRAMM. Will the Senator yield?

Mr. BRYAN. The Senator is pleased to yield.

Mr. GRAMM. The Senator was not on the floor today when I offered the amendment which adopted the provisions that were in the Sarbanes substitute. I said at the time that I did not believe it solved the problem. I committed to hold extensive hearings. I committed to allow anyone who had any kind of substantive opinion to express it, and I committed that we would take a hard look at it.

This whole issue is a very serious issue, and it is one we have to learn to live with. It is one about which I share a great deal of concern with others.

Mr. BRYAN. Mr. President, I appreciate the Senator's commitment. If I might engage the distinguished chairman in a follow-up inquiry—I know the Senator is trying to process this bill. As Henry VIII said to his third wife, I shall not keep you long—the question I have of the able chairman is, Would the Senator not agree that before a financial services institution sells personal information about your bank accounts, your insurance policies, about your brokerage accounts, it is not unreasonable that they get your consent before doing so?

Mr. GRAMM. Well, if the Senator will yield, first of all, we adopted some provisions today from the Sarbanes substitute that were a first step.

Mr. BRYAN. Yes.

Mr. GRAMM. But I made it clear they were only a first step. I believe as a matter of principle they should. If the Senator will take yes for an answer, I will say yes.

Mr. BRYAN. The Senator is delighted to take yes for an answer. I am most appreciative of the response.

If the able chairman is saying that perhaps my time has expired, I will be happy to yield the floor in just a moment. I inquire whether or not the ranking member has further colloquy he wishes to engage me in.

Mr. SARBANES. I simply want to underscore, the importance of this issue and the contribution which the very

able Senator has made to it. Isn't it correct, most people don't realize these things can happen?

Mr. BRYAN. I say to the senior Senator from Maryland, not only do they not realize it, they are absolutely dumbfounded and amazed. Most people believe that in the world of high finance, brokerage accounts, insurance and banks, there is a system of Federal law that protects their privacy. I say to the Senator from Maryland, we all recognize that we are entering a new era of financial transactions, the Internet; computers have transformed the way in which we transact our business; the old green eyeshade guys are gone.

Today the right of privacy as we know it in America is threatened, I say to my friend from Maryland. More than a century ago the able, later Justice of the U.S. Supreme Court advocated, in a Harvard Law Review article, a right of privacy. That right was later enshrined in subsequent opinions of the U.S. Supreme Court.

I think the very essence of a right of privacy ought to be your personal financial information—how much money you have in your bank account; to whom you choose to make payments; your insurance coverages; any medical conditions that might be a part of that insurance record; what stocks and bonds and securities you hold; when those certificates of deposit might mature. To say that all of that can be sold, transferred without your knowledge, without your consent, to some total stranger who may not, I say to my friend from Maryland, be a legitimate vendor—we don't know who these guys might be. All of a sudden you get a ton of mail coming in and saying: Mrs. Smith, I know your husband just died last year, and I know you have some certificates of deposit. They are getting a 5-percent return. As a widow, you need to know, if you invest with us, we can quadruple that rate of return.

That is what is happening, I say to my friend from Maryland. That is something that I think is appropriate for the Congress and the Federal Government to say, that is wrong.

I appreciate the leadership of the ranking member on this. This is something that ought not to divide us, Democrat or Republican, liberal or conservative.

Mr. SARBANES. The Senator is absolutely right. I want to make it very clear, the provision that was adopted earlier today was an antifraud provision. It was designed to get at people who get this information by fraud. The fact of the matter is, under the current arrangements there is no restriction that precludes a financial institution from providing this information or selling this information to others.

I think you are absolutely right; people would be dumbfounded to know that this information they are giving to their financial institution has no privacy protections around it. I think it is extremely important, as the Senator has emphasized, to establish such protections.

It has an issue of some complexity to it. We need to work through it. I think the hearings that have now been committed to will give us the opportunity to do it. There are many members on the committee on both sides of the aisle who are interested in this issue. I hope we can move forward and bring a significant piece of legislation to the floor of the Senate.

Mr. BRYAN. I look forward to working with the senior Senator from Maryland on this.

Let me say, I am going to withdraw this amendment, because of the lateness of the hour and because we want to move forward to process this.

I say to my friend from Maryland—I know he feels this very strongly—the word should go out tonight from this Chamber to the industry groups that believe this is an issue that is going to go away. It is not going to go away. What we are talking about is the essence of reasonableness and fairness. If you are talking about selling some information or making it available to a total stranger, you as an individual ought to have the right to make that decision. That is something that is fundamental and basic. As an accommodation to these new affiliate arrangements that can be entered into under this new legislation, we say, with respect to any transfers between the affiliates, an opt-out provision is a reasonable compromise.

I encourage our friends from the industry to work with us on this. I say to the Senator from Maryland, because this is not going to go away, we are going to address this issue, and the American people are going to be thoroughly outraged when they become aware that these new arrangements permit this continuation of an invasion of their privacy in the most personal way possible.

Mr. SARBANES. If the Senator will yield, I echo his observation that this is not an issue that is going to go away. Those who are involved need to take a constructive attitude in arriving at effective ways to protect the privacy of the American people. There is no doubt about it.

Mr. BRYAN. I thank the Senator from Maryland. I am prepared to yield the floor.

Mr. President, from a procedural point of view, I would like to withdraw the amendment. May I do so, or do I need unanimous consent?

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I was going to introduce an amendment tonight with respect to low-cost lifeline bank accounts with Senator HARKIN from Iowa and my colleague, Senator SCHUMER from New York. This amendment would require banks that establish a bank holding company under the S. 900 guidelines to offer low-cost banking services to their customers.

I am not going to talk about this amendment at all tonight, except to say I think this is a most important consumer amendment; it is very important to senior citizens and very important to low- and moderate-income citizens.

My understanding, with my colleague from Texas, the chairman, is that we will have an opportunity to bring this amendment up when another banking-related bill comes to the floor, and we will be able to debate this and have an up-or-down vote; am I correct, I ask my colleague from Texas?

Mr. GRAMM. Mr. President, I told both of my colleagues that because in the past when they and others had sought to offer an amendment parliamentary maneuvers had been made to prevent that, on a future banking bill—and as Senator SARBANES noted, we already have reported three banking bills out of the committee. So we will have banking bills—I will guarantee them an opportunity to offer the amendment and to have an up-or-down vote on it.

Mr. WELLSTONE. I thank the chairman. I yield to my colleague from Iowa.

Mr. HARKIN. I thank the Senator from Texas for the assurance that we can offer this amendment later on. Again, this is an important amendment and we can't let it go too much longer. So I hope we will have some kind of banking bill this year. I hope it doesn't go into next year, because consumers are getting gouged. Most people don't carry more than $1,000 in their checking accounts and they are the ones who have to pay the fees. In all my life until just recently, checking accounts used to be free. Now if you have less than $1,000, you pay fees. Who has less than $1,000? It is the elderly, the low-income people; they have to pay the fees to keep the checking accounts. It is not fair.

Mr. SARBANES. If the Senator will yield, the committee has brought out—in fact, it is on the calendar—a regulatory relief bill to lessen the regulatory burdens on the financial institutions, and it seems to me in that spirit of lessening burdens, this basic banking amendment would certainly be an opportune amendment to offer to that bill when it is before the Senate. I am pleased that the chairman has committed to having an up-or-down vote.

I think the Senators are onto a very important issue, and it really is just a basic issue of equity and fairness for small people. I very much appreciate

not only their raising it, but insisting that at some reasonable point we be given an opportunity to vote up or down on this important matter.

Mr. HARKIN. I thank the Senator from Maryland.

Mr. WELLSTONE. Mr. President, I also thank the Senator from Texas and the Senator from Maryland. We will certainly bring this amendment to the floor.

Mr. CHAFEE. Mr. President, last night the Senate approved a motion to table the Bryan CRA amendment by a vote of 52–45. I voted in favor of the tabling motion, and would like to take a moment to outline my position on this matter.

What did Senator BRYAN propose in his amendment? The Bryan amendment would have stricken two provisions in the underlying bill related to the Community Reinvestment Act, as follows: (1) the so-called CRA integrity provision and (2) the exemption for small, rural banks. In addition, the Bryan amendment would have conditioned approval of a bank's affiliation with a securities firm or insurance company on CRA compliance.

On this last point, linking approval of new financial activities to CRA compliance, I want to acknowledge Senator BRYAN's efforts to develop a pragmatic approach to this issue. Unlike some of the more far-reaching proposals that have been put forward, this provision would not have expanded CRA to apply to nonbank institutions, nor would it have required holding companies to divest themselves of a bank that falls out of compliance. Despite the relative appeal of this portion of the Bryan amendment, however, I found myself unable to support the overall package.

With regard to the integrity provision, I have long thought that banks that do a good job under CRA should get some credit for it. Under current law, however, a bank with an outstanding CRA rating that seeks to merge or expand potentially is subject to the same challenges from community groups as a bank with a rating of substantial noncompliance. This situation simply is not fair, in my judgment.

Now, the opponents of this provision point out that 97 percent of the banks receive a satisfactory CRA rating, and thus the bill offers the protection of the ''substantial, verifiable information'' standard to nearly every institution in the country. Admittedly, I would prefer to see the integrity provision deal only with ''outstanding'' banks. Unfortunately, the procedural situation did not permit an opportunity to make such a change.

Turning to the small bank exemption, only one financial institution in my state fits the bill's description of a small, rural bank. Nevertheless, I'm sympathetic to the hundreds of tiny banks across the country—institutions with only a handful of employees—that face a daunting, expensive regulatory burden in terms of CRA recordkeeping. In addition, I found particularly persuasive Senator GRAMM's observation that of the 16,380 audits of these small, rural banks in the past nine years, only three have been found to be substantially out of compliance.

I fully recognize the important role CRA has played in expanding the availability of credit in Rhode Island and across the nation. Small business owners, homebuyers, and renters alike have benefitted from the pressure CRA exerts on banks to make loans in neighborhoods they might otherwise overlook. At the end of the day, however, I determined that Senator GRAMM's proposed CRA reforms had some merit to them. For these reasons, I voted against the Bryan amendment.

Mr. MOYNIHAN. Mr. President, we have been debating the subject of banking in the Senate since the 18th century. We began to ask ourselves a question, could we have a national bank, which Mr. Hamilton, of New York, thought we could do and should do. We created one. It had a very brief tenure. It went out of existence just in time that the Federal Government had no financial resources for the War of 1812. So it was reinstituted, as I recall, in 1816 for 20 years, and went out of existence just in time for the panic of 1837. We went through greenbacks. There must have been a wampum period. We went to gold coinage. Then a free coinage of silver dominated our politics for almost two decades, as farmers sought liquidity and availability of credit. Finally, at the end of the century of exhaustive debate, we more or less gave up and adopted what we now call the Federal Reserve System.

To say we debated this matter for a century is certainly true. In the past few years, we have turned our focus to the nonbank bank. You are really reaching for obscurity when you define an issue as we have done, and yet that seems to be the term with which we have to deal.

The issue of the nonbank banks, also referred to as financial modernization, is facing the Senate today. As we consider Chairman PHIL GRAMM's (R-TX) bill I would like to make two points. The first being that we need financial modernization, that depression era banking laws need to be amended. We all agree on that. The second point that I would like to make is that we must do this in a prudent manner—preserve the things which need to be preserved, and remedy the things which need to be remedied.

It strikes me as odd that most corporations are free to engage in any lawful business. Banks, by contrast, are limited to the business of banking. It is generally agreed that the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956 need to be amended. Banks, security firms, and insurance companies should be allowed to offer each other's services. They already do by finding loopholes in the law. Congress must catch up, and pass a law that condones this activity. London does it. Tokyo too. Why not New York, which, if I may say, is one of the world's banking capitals?

This is a real problem for the existing banks which find themselves under serious constraints they have lived with under depression-era banking laws. Suddenly, they find that their activities are encroached upon and they are not able to do things that they ought to do, that they are going to need to do, if they are going to survive in a competitive world economy.

Now is the time to modernize our financial institutions. But the bill before us has certain problems. The most serious of which is that it weakens the Community Reinvestment Act. The CRA, enacted in 1977, has played a critical role in revitalizing low and moderate income communities. New York has benefited from this. A Times editorial states that ''in New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.''

It is for this reason that I cannot support Chairman GRAMM's bill. I voted for the Democratic substitute which was offered by Senator SARBANES. This bill too amends Glass-Steagall and the Bank Holding Company Act. But it preserves the CRA. I want financial modernization as much as the next person. But we cannot do it at the detriment of the CRA.

I ask unanimous consent that the New York Times editorial from March 17, 1999 be printed in the RECORD.

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

[The New York Times, Wednesday, March 17, 1999]

MISCHIEF FROM MR. GRAMM

Cities that were in drastic decline 20 years ago are experiencing rebirth, thanks to new homeowners who are transforming neighborhoods of transients into places where families have a stake in what happens. The renaissance is due in part to the Federal Community Reinvestment Act, which requires banks to reinvest actively in depressed and minority areas that were historically written off. Senator Phil Gramm of Texas now wants to weaken the Reinvestment Act, encouraging a return to the bad old days, when banks took everyone's deposits but lent them only to the affluent. Sensible members of Congress need to keep the measure intact.

The act was passed in 1977. Until then, prospective home or business owners in many communities had little chance of landing

loans even from banks where they kept money on deposit. But according to the National Community Reinvestment Coalition, banks have committed more than $1 trillion to once-neglected neighborhoods since the act was passed, the vast majority of it in the last six years.

In New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.

Federal bank examiners can block mergers or expansions for banks that fail to achieve a satisfactory Community Reinvestment Act rating. The Senate proposal that Mr. Gramm supports would exempt banks with assets of less than $100 million from their obligations under the act. That would include 65 percent of all banks. The Senate bill would also dramatically curtail the community's right to expose what it considers unfair practices. Without Federal pressure, however, the amount of money flowing to poorer neighborhoods would drop substantially, undermining the urban recovery.

Mr. Gramm argues that community groups are ''extorting'' money from banks in return for approval, and describes the required paperwork as odious. But community organizations that build affordable housing in Mr. Gramm's home state heartily disagree. Mayor Ron Kirk of Dallas disagrees as well, and told The Dallas Morning News that he welcomed the opportunity to explain to Mr. Gramm that ''there is no downside to investing in all parts of our community.''

In a perfect world, lending practices would be fair and the Reinvestment Act would be unnecessary. But without Federal pressure the country would return to the era of redlining, when communities cut off from capital withered and died.

Mr. SANTORUM. Mr. President, I rise today in support of the Senate Banking Committee's bill, the Financial Services Modernization Act of 1999, S. 900.

As a new member to Banking Committee, I am pleased to be part of the Committee's effort to bring this bill to the floor. First, let me commend the Chairman for his hard work and heavy-lifting in crafting a bill that will frame the way financial activities are conducted as we move into the next century. The Chairman began this effort during a very busy and trying time for this body at the beginning of the 106th Congress, and I appreciate his leadership in keeping the Committee focused on our priorities and the work at hand.

Considering the scope of activities covered by a financial services modernization bill, crafting a piece of legislation to update 60 year old laws while allowing flexibility for forward-thinking products is a Herculean task. At the heart of the bill is the matter of addressing structure and regulation of financial services firms. Even a casual observer has taken notice of the changing face of our domestic financial sector over the past several months. While merger-mania has dominated the news, other forces such as changing regulation, court decisions, and market innovation have outpaced current law. And although S. 900 is a work in progress, with accommodations to be made by all interested parties, I believe the time is ripe to pass legislation that allows for the affiliation among the various sectors of the financial services industry. This legislation provides a constructive framework to tackle the issue of financial services modernization while also including appropriate safeguards.

As with most major legislative initiatives, this bill has not been without controversy. Specifically, there has been an ongoing debate about provisions in the bill pertaining to the Community Reinvestment Act (CRA). As many know, the Community Reinvestment Act was enacted by Congress in 1977 and required federally-insured banks and thrifts to make loans in their service areas, including low- and moderate- income communities, consistent with safe and sound banking practices. Compliance with CRA requirements can encompass loans made for the purposes of mortgage lending; business lending; consumer credit; and community investments. The benefit of capital investment and financing in such communities has strengthened parts of our nation that may not have otherwise known their current prosperity. To date, CRA lending has surpassed the $1 trillion mark for investment in low- and moderate-income communities while private sector lending has increased 45% from 1993 to 1997. As I have heard from many community reinvestment groups located throughout the Commonwealth of Pennsylvania, there has been one very positive additional benefit that numbers can't quantify: the relationships formed between members of the banking community and those advocating on behalf of their neighborhoods and communities. These working relationships now aim to meet the mutual goal of jumpstarting the economic viability of urban and rural regions across the United States.

For those very reasons, I chose not to support the amendment offered during mark-up of S. 900 that would have exempted small, rural banks with less than $100 million in assets from CRA requirements. I certainly appreciate the very real concern of added regulatory and paperwork burdens that banks assume to comply with this law. In fact, reforms made in 1997 to the CRA recognized this very problem and streamlined the examination process for small banks with less than $250 million in assets. However, I could not support a wholesale exemption from this Act.

As the Chairman outlined from the beginning of the process of developing a financial services modernization bill, the role of the CRA will be further examined by the Committee in a separate forum. I suspect that a thorough evaluation of CRA successes and shortcomings will be addressed within the context of oversight hearings, and I look forward to participating in that process. While CRA has made significant contributions to the empowerment of marginalized communities, I believe we still need to find the right balance to ensure prosperity for low- and moderate- income neighborhoods and the flexibility for lenders to meet community needs.

Mr. President, while the future of this bill has been linked to the resolution of certain issues, like the CRA, I believe the heart of the debate, financial services modernization, is larger than partisanship. The time has come to make commonsense reform of our nation's financial structure a reality in order to remain the strong competitive force in world markets that our country has so capably demonstrated.

Mr. REID. I rise before you today, not to complicate an already controversial bill, but instead to try to accomplish what I have tried to do through legislation in past years.

This is, to pass legislation requiring an independent audit of the Federal Reserve System, as is standard in every other Government entity in this country.

In fact, back in 1993, Senator DORGAN and I, requested a GAO investigation of the operations and management of the Federal Reserve System.

We were concerned because no close examination of the Fed's operations had ever been conducted.

As you may recall Mr. President, we found out quite a bit about the Federal Reserve.

We found, among other things, that the Fed has a 'slush fund', or what they refer to as a 'rainy day fund,' that they have kept there for over 80 years.

At the time of the GAO investigation, the Fed has squirreled away $3.7 Billion in taxpayer money.

The last report that I have from January 1998, shows that this fund has reached $5.2 billion.

You can bet that figure has gone up since then.

The Fed claims that this 'slush fund' is needed to cover system losses.

Since its creation in 1913, however, the Fed has never operated at a loss.

The report that Senate DORGAN and I requested in 1993 also found that the Interdistrict Transportation Service had been engaging in questionable business activities.

These activities included the awarding of non-competitive contracts for the implementation of Interdistrict Transportation Services, gifts of payments for missing backup and grounded aircraft to nonperforming contractors and a pattern of studied indifference by supervisors to clear evidence of waste, fraud and abuse within its operations.

It was further troubling to find that the activities sanctioned by the Federal Reserve supervisors, was intended to have the practical effect of distorting marketplace behavior by competing unfairly against private sector companies in the air courier business.

In what remains as the first and only independent comprehensive review of the Federal Reserve System, the conclusions reached by the GAO paints a dreary picture of internal Federal Reserve operations and budgeting procedures.

This GAO report that I am referring to, makes a strong case for increased Congressional oversight of the Federal Reserve System operations that are unrelated to monetary policy.

Furthermore, only 1,600 out of nearly 25,000 Federal Reserve employees deal with monetary policy.

I have a Wall Street Journal article and I ask unanimous consent it be printed in the RECORD.

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

[From The Wall Street Journal, Sept. 12, 1996]

SHOWING ITS AGE: FED'S HUGE EMPIRE, SET UP YEARS AGO, IS COSTLY AND INEFFICIENT

IT HAS FAR TOO MANY BANKS, OFTEN IN WRONG PLACES; LOSSES IN CHECK-CLEARING

''POST OFFICE PROBLEM'' LOOMS

(By John R. Wilke)

MINNEAPOLIS.—Construction cranes rising above the Mississippi River hoist the final stone blocks for the elegant new Federal Reserve Bank headquarters here, the latest monument to the U.S. central bank's immense wealth and power.

The $100 million building site on nine acres of prime riverfront, with a 10-story stone clock tower overlooking terraces and gardens. It will offer fortress-like security and robot-attended, automated vaults, plus an indoor pistol range, a fitness center and subsidized dining. The Fed's construction boom also includes the lavish new $168 million Dallas Fed and a planned $178 million Atlanta Fed.

Located in a dozen cities—with branches in another 25—the Fed's palatial banks suggest permanence and importance. They operate with great independence far from the Fed's power center in Washington and, with $451 billion of assets, are staggeringly wealthy. Their job is to run the basic plumbing of the nation's economy by monitoring local banks, distributing currency, processing checks and settling interbank payments.

But the plumbing at the Fed banks seems to be getting rusty, despite their heavy spending. Rapid changes in technology, consolidation in banking and rising competition in some of their basic services threaten to make Fed banks costly relics. Except for the New York Fed, the system's link to world markets, many Fed functions could be centralized at far less cost and some Fed banks could be closed, federal auditors say.

''It's not about saving nickels and dimes,'' says James Bothwell, a General Accounting Office auditor who recently completed a two-year study of the Fed's books. ''There are serious, long-term questions about their mission and structure.''

The Fed's best-known mission—steering U.S. monetary policy and thus charting the course of the economy—isn't at issue. Even its critics hail the Fed's success in holding down inflation.

What concerns some in Congress and its GAO watchdog agency is the sprawling Fed empire, which reaches far beyond its marble headquarters in Washington to maintain a presence in most major American cities. The Fed has 25,000 employees, runs its own air force of 47 Learjets and small cargo planes, and has fleets of vehicles, including personal cars for 59 Fed bank managers. It publishes hundreds of reports on itself each year—even Fed comic books on monetary policy for kids. A full-time curator oversees its collection of paintings and sculpture.

Yet Fed spending gets little public scrutiny, even as the rest of the federal government struggles to tighten its belt. That's because the Fed funds itself from the interest on its vast trove of government securities acquired in its conduct of monetary policy. Last year, it kept $2 billion of those interest earnings for itself and returned the rest, $20 billion, to the Treasury. Thus, every dollar spent on a new building in Minneapolis—or anything else—is a dollar that could have been used to cut the federal deficit. Unlike every other part of government, the Fed doesn't have to ask Congress for money, and that's the key to its independence from political interference on monetary-policy issues.

The Minneapolis Fed would seem a prime candidate for downsizing. Its spending is in striking contrast to the cutbacks and consolidations at many of the commercial banks it serves; only two major banks are left in its six-state district. And its biggest job, processing and clearing checks for local banks, is under increasing pressure from private competitors and new electronic payment technologies.

Without check-clearing, the Minneapolis Fed might not need its costly new building and the hundreds of employees who work three shifts shuffling checks. It could eliminate huge overhead costs and focus on distributing U.S. currency and monitoring the local economy.

The basic structure of the Federal Reserve System has changed little since it was created in 1913, despite huge shifts in the nation's population and economy. Back then, Fed banks were sited according to the politics of the day and the quaint principle that a commercial banker should be able to reach a Fed branch within one-day train ride, in case he needed cash for unexpected withdrawals.

Today, these locations make little sense. Missouri, once an economic and political power because of its riverboat economy, has two Fed banks; booming Florida has none. California and its vast economy have only one Fed bank—which also serves eight other states and covers 20% of the U.S. population. Yet when Fed policy makers meet in Washington, the San Francisco Fed president can vote only one year of three, less often than the presidents from Cleveland or Chicago.

''It reflects the economy and politics of a long time ago,'' says Robert Parry, the San Francisco Fed's president. ''If you were doing it today, you'd do it differently.'' Michael Belongia, a University of Mississippi professor and former Fed economist, says that three Fed banks and 16 branches could be closed and that four other banks could be downsized to branches. He calculates the savings at $500 million a year, even without trimming back the check-clearing businesses.

''The taxpayer pays billions of dollars for this monolithic system that isn't efficient anymore,'' he says.

Fed Chairman Alan Greenspan rejects many GAO findings, especially the idea of closing some Fed banks. He says it would take years to recoup the cost of closing one. ''We're strongly committed to ensuring that the Federal Reserve System is managed efficiently and effectively,'' he said in recent congressional testimony. Most important, he defends the Fed banks' independence as crucial to keeping the Fed free of political interference and aware of regional economic conditions.

Yet he has expressed some misgivings about Fed spending. With the new Dallas building, for example, he said, ''My first reaction was, 'For God's sake, why do you have to build a new building'? Dallas is in a state of commercial real-estate recession. You should be able to pick and choose at zero cost. But he added that he was ultimately persuaded that no existing building met the bank's special needs.

The Fed banks are even less accountable to Congress than the Fed Board of Governors in Washington, whose seven members are appointed by the president and confirmed by the Senate. The 12 Fed bank presidents, by contrast, are chosen by their private-sector boards, though their annual budgets and building plans are subject to review by the governors in Washington. Congress has no say over who runs the regional banks, despite their important role in running the nation's monetary system.

Congress doesn't even set the regional presidents' salaries. The Minneapolis president gets $195,000 a year, and others range as high as $229,000, far exceeding Chairman Greenspan's $133,100.

Even so, only 1,600 Fed employees, including a stable of economists and statisticians, work on monetary policy. Most of the rest, and the lion's share of the Fed's $2 billion budget, go to the Fed banks' check-clearing and other services—the jobs under the most pressure from competitors and changes in banking. The Fed banks also process Treasury checks, but a new law mandating electronic distribution will eliminate 400 million Treasury checks annually in three years.

As their workload dwindles, Fed banks could be left with what insiders delicately term ''the Post Office problem'': They will be handling checks for mostly small, high-cost customers such as rural banks. Already, less than 25% of Fed customers create 95% of check volume. So, the Fed is vulnerable as major banks begin processing more checks through private clearinghouses or other cheaper alternatives, such as Visa International.

At the Minneapolis Fed, check-clearing already resembles the work inside the city's main Post Office nearby. Every day, trucks back up to the Fed's loading dock and drop off pallets of checks. Workers feed them into 25-foot-long automated sorters, and the checks, guided by codes identifying the paying bank, cascade into pouches. Lately, many of the tens of thousands of checks have been small—$2 razor-blade rebates and $4.69 drafts cashed by Huggies diaper customers. Minneapolis handles three million checks a day—a low-margin, labor-intensive business, not unlike delivering the mail.

In most countries, private companies or banks handle check-processing, with central banks playing a supervisory role to ensure the payment system is sound. In the U.S., new players ranging from Microsoft Corp. to Merrill Lynch & Co. are racing to offer electronic alternatives to bank-based payment systems, and some bankers fear the Fed's dominance will impede innovation and leave them behind.

Lee Hoskins, who once ran the Cleveland Fed and now heads Ohio's Huntington National Bank, says the Fed should get out of check-clearing. ''The central bank no longer has a legitimate role as a provider of payment services,'' he says.

Huntington helped start the National Clearinghouse Association, which includes most large U.S. banks and has begun competing head-on with the Fed at lower prices. The Fed is fighting back with a new, lower-priced national check-sorting service and has cut prices in some cities where it is losing market share. As the Fed's volumes have declined, Fed officials concede, its check-clearing failed to cover costs two years ago and fell short again last year. But they say it turned the corner in the first half of 1996.

Despite its problems, the Fed is a tough competitor and has continued investing in check-clearing and other services. It changed the formula used to figure whether or not it is making a profit and made unusual transfers, including some $36 million a year from an overfunded pension plan, into the check business, federal auditors say. It also let at least one Fed bank defer the huge cost of a new computer system so the outlay wouldn't be included in profit calculations, effectively understating the cost of clearing checks.

The Fed has also squeezed smaller firms that haul bank checks in competition with the Fed's own transport service, which flies pouches of checks overnight from bank to bank. It tried to force an aggressive rival, the U.S. Check unit of AirNet Systems Inc., of Columbus, Ohio, from the Florida market by providing its own contractor with subsidized jet fuel, according to documents and depositions collected by Rep. Henry Gonzalez. The Texas Democrat, a longtime Fed critic, says the Fed also subsidizes its higher costs by putting other cargo, such as its own interoffice mail, on its planes, and charging Fed banks for the service.

''I'm not saying they are competing unfairly, but I'd like to know how they cut prices when they're losing money,'' says Andy Linck, administrator at the National Clearinghouse. Under a 1980 law, the Fed is supposed to price services by commercial standards, but its rivals are reluctant to complain. ''We're forced to compete with our own regulator,'' says an executive of a major Western bank with a big check business. ''They can make life pretty difficult for us if we make trouble.''

Fed officials say they play by the rules and use appropriate bookkeeping.

''We're competing fairly—and we're doing it with one arm tied behind our backs,'' says Ted Umhoefer, a check-clearing manager at the Minneapolis Fed. ''I have to charge the same price to the Citizen's State Bank of Pembina, North Dakota, that I charge to them,'' he says, waving toward a big commercial bank in a nearby skyscraper. ''Yet my counterparts in the private sector can cut volume deals with other big banks, leaving us with all the junk they can't make money on.''

In Washington, Fed officials reject the suggestion they should leave check-clearing to private companies. ''That's how the Fed banks make their living,'' says Edward Kelley, the Fed governor who oversees many Fed bank activities and is leading an effort to improve planning and efficiency. ''We'll be in that business until checks disappear or the Congress takes us out of it.'' The Fed grosses nearly $800 million a year from check-clearing and bank services.

Until recently, Chairman Greenspan spent almost all his time on monetary policy and rarely focused on Fed operations. But in recent testimony before Congress, he said he is now ''actively reviewing the appropriate infrastructure for providing certain financial services, taking into consideration both cost efficiency and service quality.'' He said that although he believes the Fed should have a continuing role in the payments system to ensure its integrity—particularly the wholesale cash-transfer system known as Fedwire, which handles $1.5 trillion a day—he hinted for the first time that the Fed might privatize or downsize its retail check business.

''It is quite possible, if not likely, that as changes occur in the financial services marketplace . . . our role in providing other services such as check collection may change.'' But he said something will have to be done to ensure that small banks have access to check services ''because I don't think that they believe they're going to be able to pay the prices (they) will be forced to pay by the market.'' He said Congress may be asked to subsidize these small-bank services so that bank customers in small towns don't have to pay higher check fees.

Officials say the Fed banks already are taking steps to scale back check-clearing and have cut 600 jobs at various locations. But Fed critics contend that the institution is unlikely to undertake the fundamental reform they say is needed because it could require thousands of layoffs—and the loss of substantial prestige.

Prestige seemed important in Minneapolis when Fed officials decided to abandon their grand looking but poorly designed downtown tower. They considered moving to a cheaper, more convenient site by the airport, but that idea was dropped after it raised eyebrows at the Fed in Washington. ''What would we have called it, the Federal Reserve Bank of Eagan, Minnesota?'' one official asks. ''The location is written into the law, and changing it would have required an act of Congress.''

Indeed, that may be what the Fed fears most. ''Do we really want to have 435 congressmen tinkering with what is supposed to be an independent institution?'' asks Ernest Patrikis, first vice president of the New York Fed. Arthur Rolnick, research director at the Minneapolis Fed, says Congress ''didn't have economic efficiency in mind when it created the Fed.'' Above all, he says they wanted a decentralized institution, independent of both big banks and politicians.

''I wouldn't be surprised if a hard look at the system shows that some of Fed branches should be closed,'' Mr. Rolnick adds. ''The market has changed, and the technology has changed. . . . [But] do we really want to fool around with the Fed's independence just to save a few hundred million dollars a year?''

Mr. REID. In this article, it states that the rest of these 25,000 employees deal with the Federal banks' check-clearing and other services.

Also cited in this article is another example of extreme waste by the Federal Reserve—that is, that the Federal Reserve has a fleet of 47 Learjets and small cargo planes.

Furthermore, the Fed publishes hundreds of reports on itself each year that includes something that strikes me as an absurd waste of funds—the Fed publishes a comic book for children on monetary policy—now, Mr. President, I know that we have advanced children in this country, and I'd like to think of my grandchildren as being part of that group, but I don't know many children that have an interest in the Federal Reserve's monetary policy, nor do I know any that would understand it.

Mr. President, this amendment, in requiring a yearly audit, would help ensure, to the American taxpayers, and my constituency in Nevada, that the Federal Reserve is run more efficient and responsibly.

This amendment intentionally leaves monetary policy to Chairman Greenspan and his team.

It is my belief that the economy is great and that Chairman Greenspan is doing a great job.

In fact, many would say that our economy has never been better, which brings to mind the saying ''if it ain't broke, don't fix it.''

Well, Mr. President, while the economy is not broken, much of the inner workings of the Federal Reserve is, and I, along with many others, intend to fix it.

Again, I want to make it very clear—I do not rise before this body today to meddle with monetary policy.

I am not attempting to interfere with, or impugn, the monetary policy of the Fed.

I am seeking greater accountability in the operating expenses and internal management of one of our more influential institutions.

This amendment simply requires a yearly audit that covers the operations of each Federal Reserve bank, the Federal Reserve Board of Governors, and the Federal Reserve System in the form of a consolidated audit.

As my good friend and colleague Senator BENNETT pointed out to me last night, an audit of each of the 12 regional reserve banks is conducted now—however, these audits are not conducted in accordance with generally accepted accounting principles.

For the audits that take place now, the accounting information is given to the auditor by the regional bank staff and the banks basically say, ''accept our figures, that's all you get.''

In short, this amendment requires the Fed to use an independent auditor and for that auditor to use generally accepted accounting practices.

This amendment also requires that the report be made available to Congress, in particular the Committee on Governmental Affairs in this body and the Committee on Governmental Reform in the House of Representatives.

I believe that the Federal Reserve could do more to increase its cost consciousness and to operate as efficiently as possible.

This amendment will be one step closer to that end.

I encourage all Senators to support this amendment and to show our bosses, the American taxpayers, that we are looking out for them by ensuring accountability at the Federal Reserve.

Mr. DODD. Mr. President, I congratulate Chairman GRAMM for the fairness in which these proceedings have been held, and my colleague from Maryland, Senator SARBANES should also be commended for his leadership.

We will soon vote on final passage of S. 900, the Financial Services Modernization Act. I will, unfortunately, be unable to support what I believe in many ways is a very good product.

I am a strong supporter of financial modernization. If the anti-CRA provisions were corrected, I would help to lead the charge in supporting this bill. There are important differences of opinion on various facets of this legislation. We have had good debates on many of these facets.

Although I did not support the amendment offered by Senator JOHNSON to restrict the transferability of unitary thrifts, He should be congratulated for his fine work on the amendment. It is an important issue that I am sure that we will revisit in conference.

The chairman earlier today staked his support of this bill on the outcome of the operating subsidiary amendment which was narrowly defeated. I admire the stand he took and the conviction with which he made his arguments. He should be congratulated for prevailing on his point of view.

I would also like commend Chairman GRAMM for broaching one of the most critical issues that Americans face as we approach the dawning of the new millennium, and that is the steady erosion of the privacy of consumers' personal, sensitive financial information. Although I supported the chairman's amendment that addresses the subject of pretext calling, I believe that it simply does not go far enough.

Several factors have contributed to the erosion of financial privacy. We must examine each of these factors in order to craft legislation that will protect financial privacy in a meaningful, effective way.

Although advances in technology have produced many positive results and benefits for our economy over the years, one of the potential drawbacks has been that they have also facilitated the collection and retrieval of a vast amount and array of citizens' financial information. That personal information has become a very valuable commodity and is being sold and traded among businesses all over the world.

In addition, the formation of new, diversified business affiliations has allowed companies quick access to personal data on each other's customers. Financial modernization legislation, if it becomes law, will only make it easier for companies to share their customers' personal data.

Much of the data ''mining''—searching, collecting, and sorting—and actual use of that personal data is nearly imperceptible to the consumers whose very own information is being conveyed. Companies do not generally tell their customers about the personal data they obtain and they sell or rent.

Current Federal law permits bank affiliates to share information from credit reports and loan applications as long as the customer gets one opportunity to notify the bank not to disclose the information. Most consumers are unaware of this opportunity because the one notice that the company gives them is buried in the fine print in lengthy materials mailed to the customer that most never read.

An even more critical factor causing the erosion of privacy rights is that no current federal law prevents banks from disclosing ''transaction and experience data,'' which includes customers account balances, maturity dates of CDs, and loan payment history.

This erosion of the privacy of our most personal, sensitive financial information can and must be stopped. And we must take action to stop it.

We should have hearings to address these issues so that we may take a very careful look at all of the factors involved, so that we may address them in a careful, thoughtful and meaningful way. I was pleased to hear Chairman GRAMM this morning commit to holding such hearings in the Senate Banking Committee.

I am a coauthor of Senator SARBANES' Financial Information Privacy Act, S. 187, introduced this Congress. This important legislation would require banks and securities firms to protect the privacy of their customers' financial records: their bank account balances, transactions involving their stocks and mutual funds, and payouts on their insurance policies. Customers would be given the important opportunity to prevent banks and securities firms from disclosing or selling this information to affiliates. Before banks or securities firms could disclose or sell the information to third parties, they would be required to give notice to the customer and obtain the express written permission of the customer before making any such disclosure.

I look forward to working with Senator GRAMM and Senator SARBANES on this important issue.

But like my good friend from Texas did for me earlier today, I would like to make something very clear to him—I will not support any bill that weakens the Community Reinvestment Act. Also, I will promise him that no bill that weakens CRA will become law. If we do pass this bill out of this body, let me assure you that as hard as I will fight for financial services modernization, I will fight even harder for preserving CRA.

I know how strongly the chairman feels against the CRA. Let me tell him, that if it is possible, I feel even stronger about preserving the CRA.

I urge my colleagues to reject any and all legislation that fails to preserve CRA.

BLUE CROSS/BLUE SHIELD OF NORTH CAROLINA

Mr. EDWARDS. Mr. President, I have a particular situation in my State of North Carolina that I want to make sure is not going to be affected by some of the insurance language in this bill.

A few years ago, Blue Cross/Blue Shield of North Carolina was considering converting from non-profit status to for profit. The North Carolina legislature looked into the plan, and decided that if Blue Cross were to convert to for-profit, it should be required to set up a charitable foundation as part of the process. It did so in order to make sure that funding for medical expenses would be available to many North Carolinians who had benefited from the services of the non-profit Blue Cross. During the Banking Committee's consideration of the bill, I was concerned that the earlier insurance language would have preempted the North Carolina law if a bank wanted to affiliate or purchase Blue Cross after the conversion.

As a result of the Senator's amendment during the committee markup, the insurance language in the bill now is quite different. But I want to make sure that my concern about the Blue Cross/Blue Shield of North Carolina conversion law is addressed by the new language in S. 900.

Mr. BRYAN. Mr. President, I believe the situation the Senator describes would fall under Section 104(c)(2) of the bill. That language allows states to take action on required applications or other documents concerning proposed changes in or control of a company that sells insurance, unless the action has the practical effect of discriminating against an insured depository institution.

The concern the Senator voiced is one of the situations we envisioned when we made the changes from the earlier text, and it is my intent that the current language would protect the North Carolina state law on the Blue Cross/Blue Shield of North Carolina conversion agreement.

LOW-INCOME HOUSING

Mr. JEFFORDS. Mr. President, I thank Senator GRAMM for allowing me to discuss an important issue that is quickly becoming a serious national problem—American families, elderly and disabled are increasingly unable to afford, or continue to live in, privately-owned housing units.

Several recent studies have shown that low-income housing opportunities are on the decline nationwide. In Vermont, rents for housing have increased 11 percent in three years, making it increasingly difficult to find affordable shelter. The need to also expand the number of housing units for low-income families is critical as the

vacancy rate in areas such as Burlington has fallen to less than one percent. On any given day there are only 60 available rental units in a city of over 40,000 people, making it simply impossible to find a place to live, much less one that is affordable. Such problems are reflected in increased rates of homelessness, as the number of families seeking help from Burlington's emergency shelter rose from 161 in 1997 to 269 in 1998. Even though additional Section 8 federal subsidies will be available next year, the 800 Vermonters on the Section 8 waiting list would be hard pressed to find somewhere to use this voucher should they receive one.

Fewer opportunities for affordable housing are also due to inadequate maintenance. Vermont and the nation desperately need legislation that increases new low-income housing opportunities—whether through new housing construction, rehabilitation of existing housing, additional incentives to keep landlords in the Section 8 market, and expansion of existing tax incentives such as the Private Activity Bond Cap and the Low-Income Housing Tax Credit.

Mr. GRAMM. I thank the Senator from Vermont for his thoughtful remarks. As Chairman of the Committee on Banking, Housing and urban Affairs, which has jurisdiction over federal housing programs, I very much appreciate the Senator's strong interest in affordable housing.

I commend Senator JEFFORDS for bringing to our attention housing conditions which are national in scope and affect rural and urban areas alike. It is very important that we protect our nation's vulnerable populations, particularly the elderly and disabled living on fixed incomes. It is also extremely important that we preserve the American taxpayer's existing investment in affordable housing. Congress must seek to preserve our existing housing stock and protect current residents first.

Mr. JEFFORDS. Mr. President, I am developing legislation that will help preserve existing low-income housing stock, promote the development of new affordable housing, and increase opportunities for the purchase of housing projects by resident councils through a dollar-for-dollar matching grant program. My bill will establish a grant program for states to promote cooperation and partnership among Federal, State and local governments, as well as between the private sector in developing, maintaining, rehabilitating, and operating affordable housing for low-income Americans. These types of initiatives are critical components to meet the growing needs of low-income housing in Vermont and the nation.

While the State of Vermont has largely avoided an overwhelming dislocation of tenants from opt-outs and mortgage prepayments, it is unable to accommodate the hundreds of families that seek new federally subsidized housing opportunities in the State. Reform efforts must focus both on preservation of existing federally subsidized housing units, as well as the creation of new opportunities for families seeking an affordable place to live.

Mr. GRAMM. Mr. President, I applaud Senator JEFFORDS for stepping forward with legislation to address affordable rental housing needs. It is my understanding that the bill which he plans to introduce will present several options for approaching solutions to complex housing problems.

I pledge to work with the Senator from Vermont, Housing and Transportation Subcommittee Chairman ALLARD, and Members of the Senate and House to craft comprehensive solutions to our nation's housing ills. It is imperative that any legislative solutions be fiscally responsible.

Mr. ALLARD. I would like to reiterate Senator GRAMM's remarks and thank Senator JEFFORDS for his interest and insights. As chairman of the Subcommittee on Housing and Transportation, I plan to hold a hearing to examine the need for preservation of affordable rental housing. Specifically, I will focus on the Department of Housing and Urban Development (HUD) Section 8 program with particular attention to prepayment and opt-out issues. I also plan oversight of HUD's implementation of the Multifamily Assisted Housing Reform and Affordability Act.

I would like to invite Senator JEFFORDS to testify at this hearing. I share many of his concerns and appreciate his willingness to work with me on these important issues.

Mr. GRAMM. I thank Senator ALLARD for his diligence and effectiveness as Subcommittee Chairman. The Subcommittee Chairman and I both welcome Senator JEFFORDS' willingness to be a leader for affordable rental housing and look forward to working with him throughout the legislative process.

Mr. JEFFORDS. Mr. President, I look forward to working with the chairmen of the Banking Committee and the Housing Subcommittee to address this growing problem. I thank Senator GRAMM and Senator ALLARD for their kind remarks and I appreciate the opportunity to discuss this issue on the floor today.

Mr. ENZI. Mr. President, I rise to speak briefly about the historic legislation passed in the Senate last week, S.900, Financial Services Modernization Act. I want to again commend Chairman PHIL GRAMM, the Senator from Texas for the outstanding work that he did leading us through the process of passing that landmark piece of banking reform legislation. Senator GRAMM is perhaps the most knowledgeable person on U.S. banking law. He was diligent in seeing that the action began last year in the Banking Committee came to fruition this year. He also took to heart the admonition we've given to the entire banking community to keep things in plain English. He simplified last year's bill, reduced it from 308 pages to 150 pages. Before we began the debate on the Senate floor, he even had to undergo a massive demonstration at his house that was aimed not only at him, but at his wife. Which brings me to the subject I wanted to discuss—the Community Reinvestment Act.

Mr. President, I ask unamious consent that the May 11, 1999, article in the Wall Street Journal by former Federal Reserve Governor Lawrence B. Lindsey be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. ENZI. Mr. Lindsey points out quite correctly that the CRA provisions in S.900 are very modest. In spite of this, I continue to be amazed that the Administration and its supporters have demonized the bill because of the minor changes it makes to the Community Reinvestment Act, CRA. Yes, included in the bill are changes to the CRA. However, it does not dismantle, destroy or otherwise diminish the CRA. In fact, the amendments included in the bill should only strengthen the legitimacy of CRA.

You wouldn't suspect this, though, from the comments of the Administration. They claim that these provisions would utterly destroy the CRA. Since the Administration does not support the bill's structure that favors the Federal Reserve over the Treasury Department, they have instead garnered opposition to the bill over the CRA issue. They have gotten the community development industry to oppose a bill that the Administration opposes primarily because it does not expand the banking policy authority of the executive branch.

What I have become concerned about is a government policy that encourages a bank, as Lawrence Lindsay stated, ''to simply pay for a problem to go away.'' S.900 attempts to correct the abuse of the CRA by declaring a bank in compliance with the law if it has earned a ''satisfactory'' rating for three consecutive years. It would require individuals or groups to present some form of evidence to the contrary in order to prevent a merger or acquisition. This will help eliminate extortion, which only amounts to lining the pockets of a few select individuals. It should help ensure that the CRA is preserved for helping the communities instead of funding the extortionists.

I urge all to read the whole Wall Street Journal editorial.

EXHIBIT 1

[From the Wall Street Journal, May 11, 1999]

CLINTON'S CYNICAL WAR ON BANKING REFORM

(By Lawrence B. Lindsey)

Last week the Senate passed a bill overhauling the regulation of banks, including a

provision sponsored by Sen. Phil Gramm (R., Texas), chairman of the Banking Committee, to reform the Community Reinvestment Act. Mr. Gramm's provision has stirred controversy, to say the least. Last month hundreds of ''community activists'' descended on his house, where they pounded on the windows, trampled the landscaping and left the yard covered with garbage.

The 20-year-old CRA requires banks to serve their entire community. Regulators take banks' CRA compliance into account when deciding whether to approve applications for mergers or expanded services. In the recent wave of bank consolidation, banks have made billions of dollars of loan commitments and signed agreements with numerous community organizations in order to be seen as complying with CRA.

HEAVY-HANDED TACTICS

Sen. Gramm has complained that many of these payments amount to little more than extortion sanctioned by federal bank regulators, a claim bolstered by the protesters' behavior at the senator's house. While the great majority of CRA activity is legitimate, some banks and their executives have been subjected to similar personalized and heavy-handed tactics with a demand that they sign agreements that, in effect, fund the protesters. Other banks find their mergers held up by legalistic protests until they pay up.

I helped write the current CRA regulations when I was a governor of the Federal Reserve, and I part company with Mr. Gramm on the degree to which the CRA encourages extortion. In fact, those regulations, implemented in 1996, were designed to reduce the potential rewards for such behavior. Most bankers and community development professionals agree that the regulations have been successful in that regard. Yet I think Mr. Gramm is getting a bum rap.

Mr. Gramm's proposed reforms are quite modest. You wouldn't know it, though, from listening to the Clinton administration and its supporters. President Clinton himself attacked the Gramm proposal in a February meeting with the nation's mayors. Treasury Secretary Robert Rubin, the Rev. Jesse Jackson and Ralph Nader all joined the chorus. The attack strategy worked. Regulators with whom I spoke said they believed Mr. Gramm was out to destroy CRA, although when pressed, they admitted they didn't know the details of his proposal.

When I spoke to a group of community-development professionals, there was stunned silence when I described how mild Mr. Gramm's proposals actually are. First, he proposes that a bank that has earned ''satisfactory'' ratings from the regulators for three years running be presumed in compliance with the law, unless evidence is presented to the contrary.

Second, he proposes that small rural banks be exempt from CRA. The banks that would be excluded under this plan have a total of 2.8% of all U.S. bank assets; the banks with the remaining 97.2% would remain subject to CRA. When we wrote the current CRA regulations, we recognized the burden they placed on small banks and carved out a streamlined examination procedure for them. Mr. Gramm takes this principle only a little further.

Why, then, is the administration demonizing Mr. Gramm? As with similar disinformation campaigns in the past, the attack is meant to draw attention away from an issue on which the administration is vulnerable. What is really at stake here is a separate provision of the banking-reform bill, concerning the question of which agency should regulate most banks—the Fed, which is independent of the administration, or the comptroller of the currency, who reports to the Treasury secretary. Mr. Gramm's bill, which passed on a near-party-line vote, favors the Fed.

Such a bureaucratic turf struggle is not the stuff over which nonbureaucrats go to the barricades. So the administration has instead rallied the troops with a campaign of exaggeration about the CRA. In short, the community-development industry is being used as a pawn by the administration in a power struggle with the Fed.

The worst part of this is that the community-development industry is finally coming of age. All around the country, community-development professionals are engaged in exciting partnership with forprofit organizations to rebuild the physical and social infrastructure of some of America's blighted areas. The best of these are run in a very professional and businesslike fashion; their management teams could compete with any in corporate America.

Unfortunately, much of the industry is still quite insecure, with deep memories of being caught between widespread private-sector indifference and an unresponsive federal bureaucracy led by the Department of Housing and Urban Development. And some of the more flamboyant leaders in community development, who cut their teeth in the radicalism of the 1960s, are quick to lead protest marches and demonstrate their feelings. They have been coopted as unwitting foot soldiers in bigger wars, such as the Comptroller-Fed battle and the feud between the mortgage-insurance industry and the secondary mortgage market.

In the long run, there is no alternative to a zero-tolerance policy with regard to extortion in CRA or the type of protest that occurred at Sen. Gramm's house. Such behavior poisons the well of goodwill that makes community reinvestment possible. The time has come for those responsible for the success of CRA to break their silence and make clear whether they want community development to be a business success story or just some politician's sound bite.

What is needed is a clear way to demarcate those who deliver real community development from those who deliver a mob outside a bank branch or senator's house. The best people to do this are the leaders of community groups themselves. In private, some of the most accomplished practitioners have told me how embarrassed they are about the events at Mr. Gramm's house. They have not shied away from using the term ''extortion'' to describe activity that clearly fits the definition. These people know that their good efforts are made more difficult by the extortionists; who misuse resources and give community development a bad name.

PET CAUSES

Banks themselves must also make clear that they will not pay for political favors or meet extortionists' demands. The intent of CRA is to ensure that an adequate number of loans are made in low- and moderate-income neighborhoods and that those areas have access to bank branches and other banking services. There is no requirement that civic or community leaders must say nice things about the bank or that the bank must contribute to those leaders' pet causes or even their own organizations.

It is often too easy for bank management to simply pay for a problem to go away. Regulators should make sure that this doesn't happen, by insisting that CRA-type payments made by bank management go for services rendered—such as loan referrals—and are not de factor political contributions or extortion payments. Regulators would not tolerate a bank management that violated the Foreign Corrupt Practice Act by bribing foreign officials. Nor should they allow bribes to community groups in the U.S. The administration, meanwhile, should stop using America's developing communities as pawns in its own bureaucratic battles.

Mr. GRAMM. Mr. President, we now have one outstanding matter. We are looking at several amendments. I urge staff to get together on these. Senator LEVIN is trying to work out his language right now.

I would prefer to go ahead and pass the bill tonight rather than put it off. We are going to try to do it quickly. But I hope we don't lose so many people that we would end up not passing the bill. I guess we could move to reconsider and bring it back. But I urge my colleagues with outstanding matters to move quickly. I am going to be here all night. I would be willing to stay here and talk to anybody. A lot of people want and need to leave, but I am not going anywhere. So I am not asking you to accommodate me but to accommodate both our Democrat and Republican colleagues. Please give me your language in the next few minutes so we can move ahead and pass the bill.

Mr. President, 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.

Mr. GRAMM. Mr. President, let me yield to our distinguished colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, in a moment I am going to send an amendment to the desk. But I want to explain exactly the reason for this amendment.

A couple of days ago, I wrote to the Securities and Exchange Commission and asked them what their reaction was to the bill as drafted in terms of protecting investors. The answer that I got back from Arthur Levitt dated May 5 is that the provisions of the bill raise serious concerns about investors' protection, and, if adopted, could hamper the Commission's effective oversight of U.S. security markets.

The letter also indicated that:

> A loophole exempting bank trust activities from Federal securities laws would, therefore, seriously weaken the commission's ability to protect investors.

And:

> Adoption of the bank trust exemption in S. 900, in addition to other securities provisions in the bill, would undermine the important investor protections that make our markets the most transparent, most liquid in the

world. It is for these reasons that the commission strongly opposes the bill.

Mr. President, I ask unanimous consent that the letter from Mr. Levitt be printed in the RECORD.

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

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, May 5, 1999.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for your letter of May 4 requesting the SEC's analysis of provisions in S. 900 related to bank trust activities. As currently drafted, these provisions raise serious concerns about investor protection, and, if adopted, could hamper the Commission's effective oversight of U.S. securities markets.

The bank trust activities provisions in S. 900 would permit banks to act as ''fiduciaries'' without being covered by Federal securities laws. Virtually all bank securities activities will be able to be labeled ''fiduciary'' under the bill, and banks will be able to charge commissions for those securities transactions without being subject to SEC regulation. Under S. 900, a bank and its personnel could have economic incentives—a so-called ''salesman's stake''—in a customer account, without being subject to the strict suitability, best execution, sales practices, supervision, and accountability requirements under Federal securities laws. Fiduciary law also varies by state, and, in many cases, permits investor protections to be lessened, if not eliminated entirely, by contractual provisions. In addition, while broker-dealers are also ''fiduciaries,'' Congress has determined that securities laws should apply to them to provide customers with full investor protections. A loophole exempting bank trust activities from Federal securities laws would therefore seriously weaken the Commission's ability to protect investors.

My main concern with any financial modernization bill is the consistent regulation of securities activities, regardless of where they occur. Adoption of the bank trust exemption in S. 900, in addition to other securities provisions in the bill, would undermine the important investor protections that make our markets the most transparent, most liquid in the world. It is for these reasons that the Commission strongly opposes this bill. Moreover, as I have testified, the securities provisions in all of the bills currently under consideration in both the House and the Senate have been so diluted that the Commission opposes all of them. I appreciate your continued interest in financial modernization legislation and look forward to working with you as the bill moves forward.

Sincerely,

ARTHUR LEVITT,
Chairman.

Mr. LEVIN. Mr. President, I also received a letter from the North American Securities Administrators Association. This is the association that was organized in 1919, and consists of the 50 States' securities agencies that are responsible to protect investors.

The letter from the North American Securities Administrators Association indicates very strong problems with this bill, because, in its words, sections 501 and 502 would allow the bank to act as an investment adviser if the bank receives a fee, and ''as currently drafted, despite the claim that S. 900 would facilitate functional regulation of the securities activity in banks, banks will remain largely exempt from regulation as either a broker or dealer under the Securities and Exchange Act of 1934.''

This is very, very troubling. This is a very big issue, because it is stated in the report which accompanies the bill that the bill generally adheres to the principle of functional regulation, which holds that similar activities should be regulated by the same regulator, and that the bill is intended to ensure that banking activities are regulated by bank regulators, securities activities are regulated by securities regulators, and insurance activities are regulated by insurance regulators.

The report that accompanies the bill indicates that the intent is to adhere to the principle of functional regulation, which would mean that securities regulators would indeed regulate securities transactions, but the securities regulators write us that that is not what the bill does because of the way in which the exemption is drafted in the bill; that in effect all purchases and sales of stock by banks could be run through a trust department and be exempt from the Securities and Exchange Commission protection and from local regulations.

That is a major problem with the bill. When you are a securities regulator, and when the people who are there intending to protect the public who are buying stocks indicate strong opposition to the bill based on that, it seems to me that some alarm bells ought to be going off in this Chamber.

Mr. President, I ask unanimous consent that the letter from the North American Securities Administrators Association be printed in the RECORD.

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

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
Washington, DC, May 5, 1999.

Hon. CARL LEVIN,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for requesting the views of the North American Securities Administrators Association (''NASAA'') on proposed Sections 501 and 502 of S. 900, the Financial Services Modernization Act, and specifically, the extent to which these bill provisions would exempt bank securities transactions from state securities regulation and oversight.

Cumulatively, the above-referenced provisions, in conjunction with the proposed repeal of the Glass Steagall Act, would permit banks to offer and sell securities on bank premises through bank employees almost exclusively outside of the purview of federal or state securities regulations. As you have correctly pointed out, Section 502 of the bill proposes to exempt from the definition of securities ''dealer'' activities of a bank generally involving the buying or selling of securities for investment purposes in a fiduciary capacity. The bill goes on to define ''fiduciary capacity'' to include wide-ranging activities that far exceed activities performed under the common law concept of ''fiduciary duty'' traditionally tied to persons acting as trustees. Specifically, in Sections 501 and 502, the term ''fiduciary capacity'' is defined to permit, among other things, a bank to act as ''an investment adviser if the bank receives a fee for its investment advice or services.'' A similar exemption exists from the definition of ''broker.''

Thus, as currently drafted, despite the claim that S. 900 would facilitate functional regulation of the securities activities of banks, banks will remain largely exempt from regulation as either a broker or dealer under the Securities Exchange Act of 1934. In fact, banks will be permitted to conduct ongoing and unlimited investment advisory activities well outside traditional trust department activities, yet will continue to be excluded from regulation as an ''investment adviser'' under the Investment Advisers Act of 1940. Banks would no longer need to establish separate investment advisory affiliates or subsidiaries and would perform such activities in-house.

S. 900 purports to implement and foster functional regulation of banks engaging in securities activities. The reality is that given the breadth of the trust activities exception, there will not be any such activities to functionally regulate. The exception is so broad that all the securities activities in which a bank may wish to engage could be classified as ''trust activities,'' so that the exception would consume the rule. Securities regulators would have nothing to regulate. The ''trust activities'' exception should be limited to those traditional banking activities by a trustee involving fiduciary duty and nothing more. Retail securities business should be conducted by and through registered licensed broker-dealers, investment advisers and their representatives regulated by state and federal securities regulators.

Thank you for your consideration of this very important matter.

Respectfully,

PHILIP A. FEIGIN,
Executive Director.

Mr. LEVIN. Mr. President, I ask unanimous consent that the testimony of the Secretary of Treasury Rubin before a House commerce subcommittee be printed in the RECORD.

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

EXCERPTED TESTIMONY OF TREASURY SECRETARY ROBERT RUBIN BEFORE HOUSE COMMERCE SUBCOMMITTEE, MAY 5, 1995

Representative DIANA DEGETTE. [I]n your prepared testimony you say that you continue to believe that any financial modernization bill must have adequate protections for consumers, and you point out that you are hoping that this committee will add additional protections over the bill that came out of the Banking Committee. Are you talking specifically there about the Federal Home Loan bank system and the other issue on affiliations between commercial firms and savings associations, or are there additional consumer protections you would like to see?

Secretary RUBIN. I was referring there primarily to trying to work with the SEC in order to better enable them to perform their function of regulation. Look, the SEC has concerns, and I think they're well taken.

Representative DEGETTE. Me, too.

Secretary RUBIN. I think they're well taken. As you know, this bill was designed to

eliminate the exemption from the SEC of these various securities activities they conduct in banks at the same time. Then there are all sorts of exceptions to the exemptions. And the exceptions to the exemptions—(laughs)—could be read so broadly as to reestablish the exemption. And that's a concern the SEC has. We share that concern, and what we'd like to do, if there's a way that it can practically be done, is to work with the SEC on these issues. And that was my primary reference.

Mr. LEVIN. Mr. President, Senator SCHUMER is a cosponsor of an amendment which I am now offering which reads as follows. It is fairly short. I simply want to read this amendment. Then I will send it to the desk.

The amendment has now been accepted by the manager of the bill. I think it will help somewhat to allay some concerns in this area. But the critical issue is what will come out of conference. That, of course, we don't know. But this is the language of the amendment, which I will be sending to the desk on my behalf and on behalf of Senator SCHUMER.

It is the intention of this act, subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation, to ensure that securities transactions affected by a bank are regulated by securities regulators notwithstanding any other provision of this act.

The intention is to keep the principle that securities transactions will be regulated by securities regulators, and acknowledges that there could be some carefully drafted exceptions which do not undermine the dominant principle.

That, it seems to me, would be an improvement in this area.

I want to again thank my friend from Texas for looking at this language, indicating that it would be acceptable to him, and then, of course, the proof of the pudding as to whether we are really protecting purchasers of stock through the regulators who are there to protect purchasers and sellers of stock will be determined in conference. But the general principle enunciated in this amendment would go to conference as the principle that is governing this bill.

I also want to thank my good friend from New York, because he has worked so closely with me on this issue.

I can't yield the floor to him. But I will yield the floor. But, before doing so, and I know he does wish to speak for a few minutes, I will send the amendment to the desk.

AMENDMENT NO. 317

(Purpose: To ensure bank securities activities are regulated by securities regulators)

Mr. LEVIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself, and Mr. SCHUMER, proposes an amendment numbered 317.

Mr. LEVIN. 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 124, line 25, before ''Section'' insert the following:

''(1) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(2)''.

Mr. LEVIN. I yield the floor but hope the Senator from New York will be recognized briefly for a comment.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the President, and I thank both my colleague from Michigan and my colleague from Texas, the chairman, for their work.

It is a very important amendment. In fact, if this amendment had not been adopted, we might have seen the virtual unraveling of the strong framework of securities law that we have built up in this country since the 1940s.

When I see my friends on Wall Street sometimes complaining about the SEC—and they can be very, very strict and sometimes hardheaded on specific issues—I remind them that in the general framework of regulation, a tough and strong disclosure has made our securities markets the strongest in the world. It is the reason that billions of dollars come from overseas to the United States, because they know basically that our markets are on the level.

This bill, while in the report language said that we wish to have what is called ''functional regulation,'' that is, having the correct regulator for the type of function, not by the type of institutions, and therefore if a bank gets securities regulation it would be regulated by the SEC, just as if a securities firm did securities regulation it would be regulated by the SEC. It is a fundamental principle, particularly if this bill becomes law, which, if we change CRA, I hope it will.

It means very simply that if you underwrite securities, if you sell a security, you must abide by the SEC strict disclosure. The banking regulators have never been very good at this type of regulation, and weren't intended to be.

The securities regulators—the SEC—have always been the tough guy who is an adversarial regulator. The banking regulators have always been a friendly regulator, sort of akin to a big brother making sure the banks didn't get too far into trouble—for two good reasons: One, the banking industry had Federal insurance, and we had to protect that investment; and, two, the banks were engaged traditionally in not very risky activity.

The securities markets have no Federal insurance. They are raw capitalism, and they have had risky activities. Therefore, you really need full disclosure.

The amendment which the Senator from Michigan has put forward, which I am proud to cosponsor, is a very simple one. It says keep that functional regulation.

Let me explain to my colleagues just in a brief minute, because I know we all want to hurry, what would have happened if this amendment had not been adopted.

First, the whole regulation—the whole SEC regimentation of regulation—would not have been applied to banks as they entered the securities industry, and they will enter it massively. Then securities firms, being put at an unfair competitive disadvantage because their banks would not be regulated, would start having their securities activity occur under a bank holding company.

The entire structure of regulation which has worked so well—and every person on Wall Street I know admits it; it is tough, it is strong, but it keeps our markets on the level—would have unraveled. This bill in effect had a Trojan horse.

The amendment being proposed by the Senator from Michigan and myself closes that door. We will have to work out the language in conference, but I for one, if I am lucky enough to be a conferee, or even if I am not, I am going to work very hard to see whatever loopholes are placed in there are very narrow and very limited.

I know the hour is late but this amendment may be the most important amendment we are adding to the entire bill. It keeps the structure of functional regulation there. It has securities-type activities, wherever they be done, be regulated by the SEC. It is a system that has worked. We should not undo it right now as our capital markets are enjoying the tremendous success they have.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question in on agreeing to the amendment.

The amendment (No. 317) was agreed to.

Mr. LEVIN. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I thank my friend from Texas, as well as the Senator from Maryland, for their work, but particularly the Senator from New York.

AMENDMENT NO. 310, AS MODIFIED

Mr. GRAMM. Mr. President, I have a little technical correction that has been cleared, as I understand. I call up amendment No. 310 and ask unanimous consent that amendment No. 310 be

modified by the text I am sending now to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for Mr. BENNETT, proposes an amendment numbered 310, as modified.

Mr. GRAMM. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 310), as modified, is as follows:

At the appropriate place in the bill, insert the following:

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c–1) is amended to read as follows:

''Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.''

Mr. SARBANES. Mr. President, what did this deal with?

Mr. BENNETT. Mr. President, it is my understanding that this amendment has been cleared on both sides.

It addresses the CRA issue in what I hope is a noncontroversial way in that it calls for reporting of what happens to the CRA loans. Many of these loans are being made now with no regulation at all and no public understanding of what is happening. I, for example, asked a simple question as I went through the CRA debate. I said, What is the rate of default of CRA loans compared to non-CRA loans? And, specifically, what is the rate of default of those loans that are made through the advocacy groups that become loan brokers?

I was told the rate of failure for CRA loans generally is about six or seven times higher than normal loans but there was no information as to the rate of default among those loans that were made through the advocacy groups that have become loan brokers. I think we are entitled to know that.

This is simply a sunshine amendment that will report the facts. It does not change the regulatory situation in any way, it does not damage CRA in any way; it simply says the Congress will know what is happening with respect to CRA loans that are currently being made in the dark.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 310), as modified, was agreed to.

Mr. GRAMM. Mr. President, 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 further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

AMENDMENT NO. 318

Mr. GRAMM. On behalf of Senator SARBANES and myself, I send managers' amendments to the desk. I ask they be considered en bloc and adopted en bloc, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas (Mr. GRAMM), for himself and Mr. SARBANES, proposes an amendment numbered 318.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

THE PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 318) was agreed to.

The motion to reconsider the motion to lay on the table was agreed to.

Mr. GRAMM. It is my understanding we are now ready for a vote on final passage. I thank everyone for their assistance and patience.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I guess I should state I am going to vote against this bill on final passage. We have had a very spirited debate. We have had a number of very close votes on important amendments, and in my view the bill has not been improved sufficiently to warrant an affirmative vote, therefore I intend to vote against it. I am not, obviously, going to lay out all the reasons at this hour of night because I know we want to go to a vote here.

Mr. GRAMM. Mr. President, there are two Dorgan amendments that are pending. We had an agreement to have a voice vote.

I ask that occur now.

VOTE ON AMENDMENT NO. 313

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 313) was rejected.

VOTE ON AMENDMENT NO. 312

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 312) was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRAMM. 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. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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 Democratic leader.

SENATOR JOSEPH BIDEN CASTS HIS 10,000TH VOTE

Mr. DASCHLE. Mr. President, today I join my colleagues in recognizing a historic achievement by one of the Senate's most remarkable Members. With the vote we are about to cast, Senator JOE BIDEN becomes the youngest Member of this body ever to cast 10,000 votes.

It should come as a surprise to none of us that Senator BIDEN should set such a record. He has always been a few steps ahead of the crowd. In 1972, at the age of 29, he mounted his first Senate campaign against a popular incumbent, Republican Senator J. Caleb Boggs. No one—not even his own Democratic party—thought he could do it. But in 1973 he was sworn in as the second-youngest person ever to be popularly elected to the Senate.

The first issue Senator BIDEN tackled was campaign finance reform—as we all know, this is a difficult issue for anyone, much less a first-year member. But as we also all know, JOE BIDEN has never shied away from a fight. His candor, strength of character and commitment to principle have led him through many battles over the years.

As chairman and ranking member of the Judiciary Committee, Senator BIDEN helped this institution, and this nation, sort through the complexities of the most controversial issues of our day—from flag burning, to abortion and the death penalty,

Senator BIDEN also presided over perhaps the most contentious Supreme Court nominations hearings in history. In the midst of the controversy surrounding nominee Robert Bork, Senator BIDEN maintained a level of intellectual rigor that raised the bar for committee consideration of all future nominations.

We also recall his leadership and doggedness in crafting what may well be the most difficult and important pieces of legislation in recent years, the Violent Crime Control and Law Enforcement Act. This included the Violence Against Women Act, the very first comprehensive piece of legislation

to specifically address gender-based crimes.

He was also instrumental in creating the position of national ''Drug Czar,'' which has been invaluable in our fight against illegal drugs. His commitment to keeping drugs off the streets remains steadfast.

The Senate and this nation have also benefitted from Senator BIDEN's leadership in the foreign policy arena. As ranking member on the Foreign Relations Committee, he is widely regarded as one of the Senate's leading foreign policy experts.

He was one of the first to predict the fall of communism and anticipate the need to redefine our policies to fit a post-cold war world. And, as far back as early 1993, Senator BIDEN called for active American participation to contain the conflict in Bosnia. In his public service and personal life, JOE BIDEN sets a high standard we can all admire.

His steel will, dedication and compassion, reinforcing a powerful intellect and impressive communication skills, have made Senator BIDEN an exceptional Senator and friend. The number of people he has inspired through his commitment to his family, his values and his beliefs is legion.

Mr. President, it is indeed a pleasure to serve with JOE BIDEN, and to count him as a friend. On behalf of all the Members of this Senate, I congratulate JOE on this historic achievement and thank him for his numerous contributions to the United States Senate and to his country.

I yield the floor.

Mr. LOTT. Mr. President, I am pleased to congratulate my good friend and colleague, Senator JOE BIDEN, on casting his 10,000th vote in the United States Senate.

All of us who have listened—and listened—to Senator BIDEN on the Senate floor have come to deeply respect his leadership and commitment to causes of concern.

He led the historic effort for NATO expansion with courage and conviction.

He has a deep concern for America's role in the world and is a true leader of our foreign policy establishment.

Senator BIDEN has been a champion of victims of crime, particularly crimes against women.

Most of all, those of us who know him, have watched his grace and courage through personal suffering and serious illness.

I join my colleagues in recognizing Senator BIDEN's contributions to the Senate and extend my congratulations to him.

I congratulate the Senator from Delaware. I note he is only 56. I am 1 year older and he has already cast 10,000 votes. What an achievement.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to pay Senator BIDEN a tribute. He is an outstanding Senator and an outstanding man.

When anyone reflects on their life, they do so by thinking about significant personal and professional benchmarks and milestones. Today, one of our colleagues—and my good friend—JOE BIDEN is marking just one such accomplishment, his 10,000th career vote in the Senate.

Casting your 10,000th vote is a momentous occasion for many reasons. Beyond being an indication that a Senator has served in this body for a substantial period of time, casting 10,000 votes is a testament to an individual's commitment to public service. Furthermore, it is proof that a Senator is doing a good job, for his or her constituents have seen fit to keep an official in office long enough to achieve this accomplishment. Then again, given the type of person JOE BIDEN is, it should come as no surprise to us that the people of Delaware have repeatedly sent him to the Senate since 1972. He is a man who is motivated by a desire to help others and is dedicated to serving the people of his state and our nation. JOE BIDEN clearly entered his life in public service for the proper reasons and with the best of motives, and he is an individual who represents all that is positive about those who seek elected office.

I have had the good fortune of knowing JOE BIDEN from the beginning of his Senate career and it is hard to believe that almost thirty years could have elapsed so quickly. During the course of his tenure, I have watched JOE establish an impressive and respected record of work. He has distinguished himself in the fields of the judiciary and foreign affairs, and he is considered a forceful, passionate, and articulate advocate on both these issues. Though he is often sought for analysis and insight regarding international developments, making our streets safe, or any number of other issues before the Senate, JOE BIDEN first and foremost works tirelessly to serve the people of Delaware. The people of his state are indeed fortunate to be represented by such a capable individual.

As most of you already may know, JOE and I have worked closely together for years as members of the Judiciary Committee. We have both served as each other's chairmen and ranking members of this very important committee and I have the highest regard for JOE's intellect, leadership, and ability. Ironically, we not only sat next to each other on the committee for years, but we have been neighbors in the Russell Building for many years as well, our offices being literally right next to one another. You would be hard pressed to find a finer, more dedicated, or more friendly group of people than those who work for JOE BIDEN and I hope that he stays my neighbor for as long as he is in the Senate.

Beyond being a congenial colleague and a good neighbor, JOE BIDEN is my friend. He is someone whose word can be trusted, who wants to do what is right, who is devoted to his family, and whose heart is good. These are rare qualities in any individual, but they can be especially scarce in this town. That JOE has not changed over the years is testament to the man he is and the son his parents raised. I am proud to call JOE BIDEN my friend as I know each of my colleagues is as well.

I do not think I am going out on a limb when I predict that JOE BIDEN is going to be in the United States Senate for a long time to come, and that as long as he is a Member of this body he will continue to make valuable contributions to public policy and the nation. JOE, I thank you for your service, I thank you for all your assistance, and most of all I thank you for your many years as a loyal and kind friend.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I join in the felicitations of our distinguished colleague from Delaware. He suffered as a young lad a handicap of stuttering. He tried to overcome that by addressing the student body. We in the Senate can well attest to the fact that he has overcome it. He has led the way in foreign policy for NATO and in judicial matters.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I add my words of praise for the Senator from Delaware and make a point that he is going to be here a long time. If he matches his current record—he took office in 1973—if he does this, he will be only 82 when he casts approximately his 20,000th vote, and he will then be a kid compared to Senator THURMOND, who will be there at the time congratulating him on his 20,000th vote.

JOE BIDEN has been such a good friend to me.

When I was in the House, I asked him to introduce the Senate companion bill to my legislation to protect dolphins.

JOE did not hesitate, and he enthusiastically took up the cause—with the strong support of his beautiful daughter Ashley! And he has been a steadfast ally in that important environmental fight. He was the Senate sponsor of my Ocean Protection Act. I was the House sponsor of his VAW Act.

I am now a proud member of the Foreign Relations Committee, where JOE BIDEN shows why he is one of the most respected foreign policy experts in the country.

Congratulations, I say to my good friend, and many, many more years of success and happiness with your good

friends and colleagues here and your wonderful family at home in Delaware.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the distinguished Senator from Delaware is the only person in this body who is younger than I am but senior to me at the same time. I congratulate him on his 10,000th vote. I jumped over the cliff with him on more than a few of those votes. I look forward to the day when I might match his record.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I know everybody wants to go home, but let me say, if we tried to review JOE BIDEN's accomplishments, it would take all night. Let me put it this way: I opposed most of them.

(Laughter.)

Furthermore—this is serious—JOE BIDEN is a caring person. I work with him on the Foreign Relations Committee. He is great to work with. JOE, I am proud of you.

(Applause.)

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, this next vote is a milestone for a friend of mine—a distinguished colleague and a leader in this chamber. It represents the ten-thousandth vote cast by JOE BIDEN, and I would like to take a moment not only to bring it to the attention of our colleagues, but to reflect on a career that has been—and continues to be—a bright legacy of service.

To put this vote into perspective, Mr. President, only twenty Senators in history have reached this milestone—only twenty Senators out of the 1,851 who have had the honor of serving in this distinguished body. Each of us who has the honor of representing our state in the Senate understands what a rare privilege it is to cast a vote on this floor. In fact, the first vote we cast ranks among the most memorable moment in our lives—a moment not to be forgotten.

I'm sure that when JOE cast his first vote on January 23, 1973—over twenty-five years ago—he could not have foreseen this moment. Through the years, he has achieved many distinguished honors. He has gained national stature, as a candidate for President. He has established himself as a foremost expert on judicial and foreign policy matters. And though I know that we often differ philosophically, I can say that each vote JOE has cast, his focus has been on doing what's best for Delaware and our Nation, at large.

JOE, on this special occasion, I salute you. Ten thousand votes speak volumes about a life dedicated to public service. On behalf of our colleagues I congratulate you. And on behalf of our friends and neighbors in Delaware I thank you.

For me, it has been an honor, a pleasure, and a privilege to serve these many years with Senator BIDEN. He always does what he thinks is in the best interests of our country and our people of Delaware. I am proud to count him a friend.

Mr. KENNEDY. Mr. President, I join in commending our colleague from Delaware on reaching this major milestone in his brilliant Senate career.

For nearly three decades, he has done an outstanding job serving the people of Delaware and the Nation in the Senate. He has been an effective leader on a wide range of issues in both domestic policy and foreign policy.

It has been a special privilege for me to serve with our distinguished colleague on the Senate Judiciary Committee, and I particularly commend his leadership over the past quarter century on the many law enforcement challenges facing the nation. It is a privilege to serve with Senator BIDEN—and I am sure he will compile an equally outstanding record on his next 10,000 votes.

Mr. BIDEN. Mr. President, I will respond after everyone votes so I get to cast my 10,000th vote.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, unlike Senator BIDEN, I don't have a lot to say.

I ask unanimous consent that all Senators have until the close of business next Thursday, a week from today, to insert their statements in the RECORD and that all statements that are submitted appear at one place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Oklahoma (Mr. INHOFE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—54

Abraham	Craig	Helms
Allard	Crapo	Hollings
Ashcroft	DeWine	Hutchinson
Bennett	Domenici	Hutchison
Bond	Enzi	Jeffords
Brownback	Frist	Kyl
Bunning	Gorton	Lott
Burns	Gramm	Lugar
Campbell	Grams	Mack
Chafee	Grassley	McCain
Cochran	Gregg	McConnell
Collins	Hagel	Murkowski
Coverdell	Hatch	Nickles
Roberts	Smith (NH)	Thomas
Roth	Smith (OR)	Thompson
Santorum	Snowe	Thurmond
Sessions	Specter	Voinovich
Shelby	Stevens	Warner

NAYS—44

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mikulski
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boxer	Inouye	Reed
Breaux	Johnson	Reid
Bryan	Kennedy	Robb
Byrd	Kerrey	Rockefeller
Cleland	Kerry	Sarbanes
Conrad	Kohl	Schumer
Daschle	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	

ANSWERED "PRESENT"—1

Fitzgerald

NOT VOTING—1

Inhofe

The bill (S. 900), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. HATCH. 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 Utah.

MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR JOSEPH R. BIDEN ON HIS 10,000th VOTE

Mr. HATCH. Mr. President, I rise today to recognize a very dear friend of mine in the Senate and his historic 10,000th vote. His name is Senator JOSEPH BIDEN of Delaware, a friend and colleague whose distinguished career has elevated both the quality and stature of the Senate. The number 10,000 is an important landmark in a career that has many milestones, but I believe Senator BIDEN will be best remembered for the significance of his varied votes. I have seen many of those notable votes cast.

In every one of those votes he was careful, deliberate, and respectful of his duty to the people of Delaware. JOE and I have served in the Senate for roughly the same amount of time. He has been here a couple of years longer than I. We have worked closely together in the Senate Judiciary Committee, which he chaired and which I now chair. On occasion we have agreed to disagree. In fact, I wish he had cast more of those 10,000 votes with me. In

all seriousness, however, JOE and I have found many areas where we strongly have agreed.

JOE has long been a leader on the issue of youth violence, an issue which has affected countless lives in Delaware, Utah, and the rest of the Nation. In 1974, he was the lead sponsor of the Juvenile Justice Prevention Act. In 1992, he sponsored the Juvenile Justice Prevention Act Amendments, which provided States with Federal grants for a complete and comprehensive approach to improve the juvenile justice system and controlling juvenile crime.

He has long advocated a tough stand against illegal drugs. He authored the law creating the Nation's drug czar, and in 1986, he was the guiding force for the enactment of groundbreaking drug legislation. He has probably done as much if not more than anybody in the Senate with regard to the antidrug stances that we all should support and that we all appreciate today.

With regard to juvenile justice, next week we bring up a juvenile justice bill. Senator BIDEN has been a mainstay in helping to resolve conflicts that we have in that bill and hopefully helping it to become a bipartisan bill that all of us can support. What I admire most about JOE is the fact that he is the staunchest defender of his party's beliefs, yet he does not hesitate to cross party lines to forge a consensus position when he believes it is the right thing to do. Nowhere is that more evident than with the issue of juvenile crime.

JOE has a history of standing up for what is right when it comes to juvenile crime, and I believe he will continue to do so. We look forward to working with him next week.

While chairman of the Judiciary Committee, he authored the Violent Crime Control and Law Enforcement Act, which was signed into law in 1994. While I differed with much that was contained and dropped from the bill, this legislation contained the Biden-Hatch Violence Against Women Act, the first comprehensive law to address gender-based offenses. Senator BIDEN's leadership on this issue changed how many Americans view the issue of violence against women. He even changed how we refer to domestic abuse in the Senate by continually asking, ''What's domestic about beating your wife?''

JOE is widely regarded as a foreign policy expert. Many remember his leadership on NATO expansion in 1998. He stood out as a strong advocate for the inclusion of several Eastern European nations into the alliance. NATO is now engaged in its greatest test, and I am convinced that JOE's leadership was integral in strengthening the alliance.

In 1997, Senator BIDEN showed these same leadership skills when he led the successful effort in the Senate to ratify the Chemical Weapons Convention. JOE BIDEN has truly had a distinguished career in the Senate.

All that said and done, I could go on and on about his distinguished career, but it is his personal qualities that have impressed his friends, his family, and his colleagues, including, of course, myself as a friend and as a colleague.

Many may not know that Senator BIDEN overcame two operations for a near-fatal brain aneurysm in 1988 and returned to the Senate in 1989. I remember those days and I remember how catastrophic they were for him, his family, and for those of us who prayed for him. He showed great courage and persistence in overcoming that adversity. Nobody was more thankful than his wife and three children, to whom he is a loving husband and father. Indeed, he is renowned for putting his family first, as demonstrated by his daily commute to and from Delaware. The fact that he takes a 2-hour train ride to get here every day makes the accomplishment of reaching 10,000 votes all the more astounding.

So it is with great honor that I ask my colleagues to join me and others in congratulating Senator JOSEPH R. BIDEN on his 10,000th vote. His many contributions to this body are appreciated and recognized. I am sure that I speak for all of my colleagues when I say we will enjoy keeping a close eye on the many votes yet to come.

Just as a gift this evening, this is the last CD that we have done. It is, frankly, Santita Jackson, Jesse Jackson's daughter, singing with a wonderful young African American from Nashville, who is as good a singer as anybody in the world, named Chris Willis. This CD is entitled ''Put Your Arms Around the World.'' I think it kind of applies to JOE BIDEN. When he listens to the song written by Peter McCann and me—Peter McCann wrote ''It's the Right Time of the Night'' and ''Want to Make Love''—called ''Take Good Care of My Heart,'' that particular song, I think, really applies to Senator BIDEN because, in his own way, with his tremendous interest in foreign policy, tremendous interest in the law, his tremendous interest in overcoming injustice in our society not only here but throughout the world, I think this song will mean something to him. It certainly does to me. Santita Jackson and Chris Willis are two of the rising young stars in America. I would like to give this CD to Senator BIDEN at this time and say that I look forward to serving with him for a long time to come. So hang in there.

Thank you, Mr. President. I yield the floor.

Mr. SARBANES. Mr. President, I join with my colleagues in paying this tribute to JOE BIDEN on the occasion of him casting his 10,000th vote in the Senate. The casting of that vote is an occasion to pay tribute not for voting but for a real career of service and of great distinction. It has been one of the pleasures of my service in this body to have served with JOE BIDEN, and one of my pleasures that we represent adjoining States. Therefore, we interact on a number of issues that otherwise would not be the case amongst Members of the Senate.

He has had an extraordinary career here. He is now in his fifth term. He got elected before he was old enough, actually, under the Constitution, before he was old enough under the Constitution to be a Member of the Senate. He was elected at the age of 29, and he has just had a terrific career of accomplishment. Those who have worked with him derive great pleasure from it. We have marveled at his legislative skill.

I want to talk about two or three of the things in which he has been very much involved. We have served together on the Senate Foreign Relations Committee all of these years. And he has exercised extraordinary leadership of the Senate Judiciary Committee at various points during his career. We are making a lot of the fact now in America that crime rates are going down all across the country. So everyone is sort of looking to see what is the cause of that, or who ought to get the praise for it. I have to tell you that JOE BIDEN ought to get a lot of the praise for the fact that crime has gone down across this land. He has authored every significant anticrime initiative in the Congress over a period of time that he has been here—the Juvenile Justice Prevention Act, the Victims of Crime Act, the Violent Crime Control and Law Enforcement Act, and on and on and on.

Senator BIDEN has been a great champion of law enforcement and of those who work in law enforcement. He has been sensitive on the important civil liberties and civil rights cases, which a democracy ought to be sensitive to. He has understood how you can balance those and put it together. There are thousands and thousands of cops on the street today giving us safer neighborhoods and more secure cities and communities all across America because of JOE BIDEN's initiatives.

Senator BIDEN was the first to include the provisions with respect to violence against women and really raise to a very high level the whole issue of gender-based crimes. He has consistently focused our attention onto that area.

He has dealt in a very effective way with the gun issue, which is not easy to deal with in this body, and certainly not an easy issue to deal with effectively. I have to tell you that I think throughout all of this period Senator BIDEN had a clear perception and focus on how to do something about the crime issue. He did not demagog it. He did not seek to emotionalize it. He worked hard to develop the real programs that would make a difference in

our communities all across the country. I am extremely grateful to him for that.

On the Foreign Relations Committee, he has consistently been an advocate of an international stance by the United States—actually, the expansion of NATO was in large part a consequence of his very effective advocacy and leadership. He has been sensitive to the importance of human rights and democratic values in American foreign policy. I have been very privileged to serve with him on the Foreign Relations Committee and to see his effective leadership in that arena.

Finally, let me just say he is a terrific friend. I can't tell you how much I value and treasure his friendship, how much it has meant, how much I enjoy his sense of humor, and even how much I like to listen to his speeches—which occasionally go on for a while. But this institution has been honored by having him as a Member. It is extraordinary that at what is really, for the Senate, still a very young age, he has achieved his 10,000th vote. I wish him many, many, many thousands more. I thank him for his extraordinary service to the country and for his deep friendship to all of us.

I yield the floor.

Mr. HAGEL. Mr. President, I join my colleagues in recognizing Senator BIDEN for his 10,000th vote in the United States Senate.

I am proud to serve with Senator BIDEN on the Foreign Relations Committee, where he is the ranking Democrat Member. Senator BIDEN has set many records in the Senate. I would like to squelch the rumor, however, that he sets a record every time he speaks.

I am just in my third year as a United States Senator. Senator BIDEN is in his 27th year in the Senate. But in the time Senator BIDEN and I have served together on the Foreign Relations Committee, I have gained great respect for his wisdom and deep understanding of international issues. Senator BIDEN understands that there is no such thing as a Republican foreign policy or a Democrat foreign policy. There is only an American foreign policy. He has worked closely with Presidents in both parties. And he reaches out across the aisle to work as well with our Chairman, Senator HELMS, as he does with his junior colleagues.

Last year, Senator BIDEN was a leader in the historic expansion of NATO to include three former Warsaw Pact nations. This Congress he joined with Senator MCCAIN in sponsoring a resolution authorizing the use of all necessary force to win the war in Kosovo. Through his leadership, Senator BIDEN displays the kind of courage that earns him respect from all of his colleagues, even when they disagree.

I am proud to call JOE BIDEN my friend and colleague. America is proud to call him a United States Senator.

Mr. REID. Mr. President, two American soldiers have died in Kosovo, the first American casualties of a war to stop a genocide.

The contrast between what is unfolding in the Balkans, and what is happening here in Congress, could not be more clear.

A dictatorship, like the government of Slobodan Milosevic, imposes its will through force.

A democracy expresses its will through the act of voting.

Every vote that we cast in this body is an affirmation of the power of a democracy to solve its problems peacefully.

Today, my colleague and good friend JOE BIDEN cast his 10,000th vote in this body. That number reflects a record of public service matched by very few even in an institution like this one, through which so many great men and women have passed.

As Senators, we are all Members of a very exclusive club. We have been sent here on behalf of the good people of our respective States, to do their business.

With his 10,000th vote, JOE BIDEN has joined an even more exclusive club.

Over the history of this republic, thousands of men and women have served as Senators. But only a very few can say that they did such a good job—and kept doing a good job over such a long period of time—that they lasted long enough to vote as many times, on as many different issues, as JOE BIDEN.

But the thing that impresses me the most about JOE BIDEN's 27 years in the Senate isn't what he has done on the floor, or the number of votes he has cast—although his leadership, courage and dedication are well-known to those of us who are privileged to serve with him every day.

Instead, what impresses me most is his role as a husband to his wife Jill, and father to his sons Beau and Hunter and his daughter Ashley.

JOE BIDEN still lives in Delaware with his family and commutes every day between Delaware and Washington on the train.

Those 10,000 votes represent thousands of hours spent alone on the train to Delaware so that JOE BIDEN could spend a few precious hours with his family each night before returning to Washington on the train the next morning.

I also want to talk about the courage that my friend JOE BIDEN has shown during his long tenure as a Senator. I want to do this so that people know just what that number—10,000 votes—really means.

Only one month after first being elected to the Senate in 1972, JOE's first wife Neilia died tragically in an automobile accident along with his one-year-old daughter.

In 1988, JOE was almost killed by a brain aneurysm. He under went two risky operations and returned to the Senate after only a few months.

Mr. President, I speak of these tragedies today because I know that it has not been easy for JOE. But he has never complained—just done his work. Senator BIDEN is a great orator, but an even better father, husband and friend.

When you see what he has had to overcome, that gives a whole new meaning to that number 10,000.

Those of us who work with JOE BIDEN have long known of his dedication to the ideals of this body, and his devotion to his family.

With the attention that his 10,000th vote should bring, I hope that more people are able to see the qualities that we are privileged to see every day.

Mr. ENZI. Mr. President, I, too, add my congratulations to the Senator for his 10,000th vote. At this point in my Senate career, that is really an incredible number. I have known Senator BIDEN for a long time. I was the State Jaycee President when the U.S. Jaycees recognized him as one of the 10 outstanding young men of this country in Mobil, AL. I can't tell you how incredible it was to get to meet him at that point and how even more incredible it was when I got to join this body and meet him here after he must have done 9,000 votes. I read about him in the newspaper and have gotten to work with him, and I have enjoyed that experience.

Mr. BIDEN. Mr. President, if it is appropriate, may I respond briefly?

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I am truly appreciative of the comments my friends have made—my old-new friends, my old-old friends, and my close buddies from across the State line.

I began to wonder about casting my 10,000th vote on the occasion of the majority leader indicating there would be no more votes for 4 days and the last planes heading west were leaving. I thank my colleagues who put in the RECORD their comments. I will withhold specific comment until I read them, because God only knows what they said. But let me say that I find it no particular feat to have cast 10,000 votes. If you are around here long enough and still standing, that happens.

I hope I have cast some votes that have made this country a little bit better. I am confident there is none that I have cast that have enhanced the standing of America, or the condition of the American people, that weren't bipartisan. I can't think of any that were done that weren't done in a bipartisan manner in the end.

I look at ORRIN HATCH. ORRIN HATCH came here, and is still one of the leading conservative lights on the American political scene, and yet we have worked together for years and years and years. I cannot think that we have ever had a cross word to one another in 25 years. We have had very different views.

PAUL SARBANES, who is literally one of the brightest people I have served with—just raw, pure, gray matter, raw horsepower—to have him say the things that he said about me in reference to our personal friendship is meaningful, particularly since my wife, who works as a professor in Delaware and seldom is in Washington, is sitting in the galleries listening to this, and my No. 2 son, who is now living in Washington, heard it as well.

I am sure they know better. But my mother probably believes everything PAUL said, because I met PAUL's mother as well.

I think, if I can make one, in a sense, political observation, the first vote I cast in January of 1972 was a vote I was told—I didn't remember this—on an Assistant Secretary, I believe, the No. 2 person at State. I am not positive of that.

I remember the day, although I was obviously very junior, when I was sworn in by the Secretary of the Senate, Mr. Valeo, who actually came to me in Wilmington to swear me in, because of unusual circumstances. After he gave me the little certificate that we get when we are sworn in, he said, ''You have arrived to the Senate, to the best of my knowledge, the least senior than any man in history,'' because seniority is based on the previous offices that you have held. It keeps narrowing down to State, size, population, and age ultimately.

But when I got here, there were a number of giants in the Senate. We often hear it said today that there are no giants left in the Senate. In truth there are. There are women and men who serve in this body today who are equal to and in some ways surpass the capacity of some of the great people I have had the honor of serving with over the past almost 27 years.

So the caliber has not changed. What has changed a little bit—and I am referencing this tonight, because of my colleagues who are here on the floor—what has changed since then is the impression that we don't like each other very much, that we don't get along with one another very well, that we are nakedly partisan in all of our undertakings.

I wish the public could see that there is still a degree of camaraderie here, a degree of mutual respect that crosses that sometimes ''chasm'' called the ''center aisle,'' what makes this body more unique than any other legislative body at least in modern history. I will not challenge Senator BYRD about whether it equals or surpasses the Roman Senate, but I am confident that it does surpass any other legislative body in modern history.

I would just conclude by saying the lubricant that allows that to happen is genuine and personal respect that most of us have for one another. I think it is the defining feature of this institution.

I remember now meeting Senator ENZI back in 1972—or 1973, I guess it was—when I received that award. But I have not gotten—because we don't serve on committees together—to know him personally as well as I know my two colleagues who remain. Notwithstanding the wonderful words they have both uttered relating to me, the genuine testimony I take from what they have done is that they are here. It is 9 o'clock at night. There are no votes. The Senator from Maryland has a long drive home, because, he, like me, commutes every day to Baltimore, MD. And he drives. My friend from Utah probably missed a plane to go back to Utah this weekend.

I truly, truly appreciate it.

Let me yield the floor by saying, Mr. President, that I am asked sometimes what is the best, the most significant perk that exists being a Senator. I always answer that there are two things.

Before I became a Senator, as a young man campaigning in the midst of the Vietnam war, and the civil rights crisis, and the assassination of men who I had an incredible regard for in 1968—both Martin Luther King and Robert Kennedy—I came here thinking that all that had to happen was that we elected women and men who had a greater degree of intellectual capacity, had a better education and were smarter. I got here and I was truly dumbfounded—truly dumbfounded—by how many people who serve in this body who are so incredibly bright, who are so significantly schooled in the areas in which they speak. I arrived and I found out that Jack Javits could tell you as much about modern art as he could about foreign policy. There was Mike Mansfield, who could tell you as much about Chinese history as he could about the politics in Montana.

PAUL SARBANES can tell you as much about the international monetary system, about the history of the Balkans, about the banking system, as he can tell you about his hometown baseball team and the local politics of Baltimore.

ORRIN HATCH is a man who used to be a card-carrying union guy from Pittsburgh, who goes out as a boxer, goes out to his now home State of Utah, and gets elected after having a career as an incredible trial lawyer.

I mean it is amazing—the diversity here.

I will not mention the judge's name. But I was having lunch with a Justice once in my capacity as chairman of the Judiciary Committee. The issue was about pay raises for judges. This particular Justice said publicly—this Justice accidentally said it. He didn't intend to be quoted—that he could understand why the public wouldn't want Congresspersons and Senators to get a raise but judges were different, they were academically qualified. I know the Senator from Utah knows who I am talking about.

To this particular, very competent Justice—I was in his office—I said, ''May I close your door, Mr. Justice?'' I said, ''Mr. Justice, I have sat in the Judiciary Committee for years. I have had the opportunity as either ranking member or chairman for, I think, a 14-year period to look at the background of every single person who has come on the bench.'' At that time it was 10 or 12 years. I said, ''I am willing to make you a bet. I will take the intellectual potential of the Senate''—in the House I didn't know as well—''and match it against the entire judiciary.'' They are bright, they are competent. If I am not mistaken in time, we had, like Senator SARBANES, seven Rhodes scholars in the Senate. We had a half a dozen Marshall scholars—not me. I don't qualify on that account. We have men and women in here whose academic distinction exceeds that of 99 percent of the people—all the jobs anywhere in America, corporate, labor, business, academia.

The greatest perk I have had as a Senator was access to people with serious, serious minds and a serious sense of purpose, and who cared about something. If I dropped dead tomorrow, I would be thankful to the people of Delaware, for the individuals they have allowed me to be exposed to, to argue with, to fight with, to debate with, to agree with Members. I will be thankful to them for the gift they gave me in having that access. I don't believe there is any other place in the Nation I could have gotten that kind of exposure.

The second thing I found that has been the greatest gift in those 10,000 votes during that period is that this is the ultimate graduate education. If you take this job serious, as all my colleagues do on this floor, you learn one thing: You don't get a driver, you don't get a house, you don't get a bodyguard, nor should we, but what you do get is the ability to pick up the phone and call anybody in the world and they will take your call. You can call Nobel laureates, you can call experts in any field, and if you want to learn, this is the ultimate seminar if you take it seriously. There is no other place I can think of that a person can do that.

Mr. President, I have a lot more to learn. And of those 10,000 votes, I am sure there are many that were not as enlightened as I thought they were at the time I cast them. Hopefully, I have learned. Hopefully, I will get a chance to learn more than I know now. If you want to do it, and if you take it seriously and if you reach out across that chasm, you reach out across that aisle, believe it or not, there is somebody on the other side willing to talk to you, willing to exchange ideas with you. If you work hard enough, you actually may do a little bit—just a little bit—to change the state of affairs in this great country. That is all we can do here.

I have no illusions about the significance of the Senate in terms of determining national policy, but within the context and the role the Senate plays, we get to play little parts. The only time it works is when we cross that chasm. That is the only time it works.

I thank my colleagues. They are honorable men. They are men of achievement. I think the public gets a pretty good buy for their investment in the men that are sitting here on the floor today and the women and men who cast all the votes today; they are competent.

It has been a pleasure working with them. I hope I get to cast a few more votes. I hope I get to convince ORRIN HATCH and Senator ENZI to cast more votes my way. The truth of the matter is, as I said, nothing gets done unless you reach across that aisle. I appreciate the fact there has always been somebody on this side to talk to me.

I thank all my colleagues. For those who made other statements, I will respond in the RECORD and not take the time of my colleagues. The Baltimore-Washington tunnel is probably clear by now. We can both head north.

I yield the floor.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

Mr. ENZI. Mr. President, I wish to make brief comments about the bill.

I congratulate all of the people that have been involved in passing this bill today. It is a significant piece of banking legislation. It is a significant piece of legislation for this country. It will make a difference to consumer safety, to banks, to insurance companies, to securities companies, to all of the financial institutions of any form in this country.

I want to congratulate the staff people who worked on that bill. They were tireless, they were diligent. They have worked for longer hours than I have seen people work. I want to congratulate my fellow Senators on the Banking Committee for not only their tireless effort, but the way they debated, brought issues and amendments to the floor, and worked through the process together. This could have been a much more lengthy process than the 3 days that it took.

I particularly want to commend the ranking member on the committee. It has been a tremendous education working with him through these days. I want to congratulate the chairman, as well. I point out the contrast between the ranking member and the chairman: One is very quiet and one is very vocal. But together they worked through this issue, helped to expedite the votes that we took, helped to expedite the debates, and worked together well so we could reach this point.

I have to make a few comments about the chairman who is one of the most tireless and focused people that I have seen. I know he was an economics professor and I appreciate the amount of research he did for this, and saw that as an example of the effort he probably put in when he was teaching.

I listened to him speak. I think I would have liked to have had him as one of my professors. He can take things that are very detailed and make them interesting. If banking can be made entertaining, he does it. He has a unique use of charts and words that help to paint a picture. Unlike some economists, he is not doing the ''on the one hand and on the other hand,'' he is very decided in his opinions.

I have to mention that in Banking Committee after one of our hearings he was asked how the procedure would go on this bank reform. It was a leftover issue from last year, and a number of people were concerned and wanted it to progress. So they asked him how it would work.

He said: We are going to have a number of hearings on it, and then following the hearings we will draft the bill, and then I want Senators to have an opportunity to talk to their constituents, to talk to their banks, to talk to all of their insurance agents and to talk to their securities dealers and companies. Following that, we will have a markup.

He said: On Tuesday, Wednesday, and Thursday we will have hearings, the draft will be available on Friday, and Tuesday we will do a markup. We did have the hearings on Tuesday, Wednesday, and Thursday. The draft wasn't available until Monday so we did not do the markup until Thursday. That has to be some classic action on a bill.

It was not just a matter of taking the bill from last year, it was a matter of simplifying that. He insisted that since we had language in there that was to simplify banking language and to force the banks to operate in plain language, it was only fair that we do that too. It changed the bill from a 308-page bill to a 150-page bill.

We have had the opportunity to debate that. There are still some things to be worked out. I look forward to the conference committee. Even if I am not on it I will observe it, because I am sure it will be educational. With the intellect of the chairman and the ranking member, it will be a fascinating study and well worth watching. It is one that everybody who is hoping the playing field gets leveled and specified will be holding their breath about.

THE OCEANS ACT

Mr. STEVENS. Mr. President, it has been 30 years since the Stratton Commission took a close look at our Nation's coastal policies. The Stratton Commission's recommendations have served as a guide for U.S. oceans policy for three decades, yet as we move towards the next millennium, it is imperative that we once again consider the direction and coherence of our policies towards this immense resource. I applaud Senator HOLLINGS' efforts to explore ways to again examine these policies, and to determine the action necessary to responsibly steward this resource into the next century. I look forward to working with Senator SNOWE and others to create bipartisan support for an Oceans Act that will craft policy for a healthy ocean for our children and for their grandchildren.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 5, 1999, the Federal debt stood at $5,573,001,415,759.57 (Five trillion, five hundred seventy-three billion, one million, four hundred fifteen thousand, seven hundred fifty-nine dollars and fifty-seven cents).

One year ago, May 5, 1998, the Federal debt stood at $5,486,129,000,000 (Five trillion, four hundred eighty-six billion, one hundred twenty-nine million).

Five years ago, May 5, 1994, the Federal debt stood at $4,573,713,000,000 (Four trillion, five hundred seventy-three billion, seven hundred thirteen million).

Ten years ago, May 5, 1989, the Federal debt stood at $2,770,989,000,000 (Two trillion, seven hundred seventy billion, nine hundred eighty-nine million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,802,012,415,759.57 (Two trillion, eight hundred two billion, twelve million, four hundred fifteen thousand, seven hundred fifty-nine dollars and fifty-seven cents) during the past 15 years.

CLOSING THE SCHOOL OF THE AMERICAS

Mr. FEINGOLD. Mr. President, I rise today to express my strong support for the closing of the United States Army School of the Americas, located at Fort Benning, Georgia. I am pleased to be an original cosponsor of S. 873, a bill to close this troubled school once and for all, which was introduced recently by the Senator from Illinois, Mr. DURBIN.

The School of the Americas (SOA) was created in 1946 to train Latin American military officers in combat and counterinsurgency skills with the goal of professionalizing Latin American armies and strengthening democracies. Originally located in Panama, SOA moved to Fort Benning in 1984. There has been a great deal of controversy surrounding some of SOA's alumni, leading it to be called ''the School for Dictators.'' Some of SOA's notorious graduates include Manuel Noriega, Argentinian dictator Leopoldo Galtieri, at least 19 Salvadorean officers implicated by El Salvador's Truth

Commission in the murder of six Jesuit priests, and two of the three officers prosecuted in Guatemala for their roles in the murder of anthropologist Myrna Mack.

In 1991, following an internal investigation, the Pentagon removed certain SOA training manuals from circulation. On September 22, 1996, the Pentagon released the full text of those training manuals and acknowledged that some of those manuals provided instruction in techniques that, in the Pentagon's words, were ''clearly objectionable and possibly illegal.'' The ''techniques'' in question included such awful activities as torture, extortion, false arrest, and execution.

Not only are the human costs of this training program unjustifiable, but so are its financial costs. When I first ran for this body in 1992, I included the School of the Americas as an item on my 82+ point plan for deficit reduction. With a national debt in excess of $5 trillion, we must carefully scrutinize every program to ensure that federal tax dollars are wisely spent. We certainly do not need to spend taxpayer dollars on this kind of activity.

Since coming to the Senate in 1993, I have been contacted by hundreds of Wisconsinites who support closing the School of the Americas. Just this week, a number of Wisconsin residents joined scores of individuals from around the country at a protest here in Washington, D.C., against the continued operation of the school. The group from my home state included students, human rights activists, and members of several religious communities. I am pleased that so many Wisconsin residents are committed to working toward the closing of this school.

Numerous organizations, including Public Citizen, the Washington Office on Latin America and Human Rights Watch also support the elimination of SOA.

As a member of the Senate Committee on Foreign Relations, I am committed to promoting human rights throughout the world. In my view, our government cannot continue to support the existence of a school that counts so many murderers among its alumni. While it may be appropriate for the United States military to train its colleagues from other nations, it is inexcusable that this training should take place at an institution with a reputation as far beyond salvage as that of the School of the Americas. This legislation gives members of this body the opportunity to separate the legitimate training exercises conducted by the United States military from the sordid acts of many individuals who have been trained at SOA. We must lift the cloud of suspicion that has fallen on these programs by closing SOA.

I am pleased that S. 873 includes language expressing the sense of the Congress that all foreign military training conducted by the United States should stress respect for human rights, the proper role of the military in a democratic society, and accountability and transparency in defense and security policy. This is an excellent opportunity for the Congress, which has oversight responsibilities for military training programs, to reiterate the importance of these basic principles to the Administration, the American people, and perspective candidates for military training from other countries.

The bill also calls on the Department of Defense to vigorously screen all candidates for military training programs to ensure that they have not been implicated in human rights abuses, corruption, or drug trafficking.

I urge my colleagues to support S. 873 and close the ''School for Dictators'' once and for all.

SBP BENEFIT IMPROVEMENT ACT OF 1999

Mr. BURNS. Mr. President, I am pleased to rise to join my Senate colleagues in supporting the Survivor Benefit Plan (SBP) Benefit Improvement Act of 1999. This bill corrects a discrepancy between what Congress intended at the creation of this Act in 1972, and how it eventually got implemented.

I have always believed that the people most affected by military service are not the service members, it is the family. The spouses that raise kids on their own during a deployment. The sons and daughters that change schools in the middle of a school year because a parent got assigned to a new base. It's hard to make up for missed soccer games and scout meetings. The Senate has already passed legislation to try to improve some of these areas of quality of life, but S.4 was passed absent one item that I feel is very important, especially to our elderly military retirees living in Montana.

The uniformed services spousal benefit annuity provides 55 percent of retirement pay for a surviving military spouse, as long as the spouse is under age 62. Once the survivor reaches age 62, the benefit drops as low as 35 percent of retired pay. Let me put it on a more familiar level. If a Korean War-era Marine had signed up for this plan after his 20 years of military service, when he passed on, his wife would only get 35 percent of his eligible retirement pay, instead of the 55 percent she would have received if she was under age 62. No other federal retirement plan has this age-oriented cut. It was also intended for Congress to pay 40 percent of the benefit, and premiums for the plan were set up with that target in mind. Unfortunately, the actuaries were too pessimistic, and as a result, premiums now pay for 73 percent of the cost, with congress paying for 27 percent. This is a far cry from the 40 percent we originally intended. Other federal civilian survivor benefit plans pay up to a 50 percent subsidy with no reduction after age 62.

This bill corrects the problem by stepping up the federal share of military retirement to 45 percent by FY 2005. Given the sacrifices by our service men and women and their families, it's time we provided fair survivors benefits and fulfill our original Congressional intent.

I'm grateful to Senator THURMOND for introducing this legislation to correct this discrepancy and for letting me vocalize my support for this bill by including me as a co-sponsor. I'm confident that the Armed Services Subcommittee will give this a favorable review, and I look forward to supporting it when it comes to the floor. I encourage my colleagues to lend their support to this important provision as well.

FUNDING OF ACADEMIC HEALTH CENTERS

Mr. KENNEDY. Mr. President, the combination of Medicare payment cuts and the growth of managed care has become a devastating one-two punch against many of the nation's most respected academic health centers. A front-page article in today's New York Times documents what is happening. Teaching hospitals across the country are losing money and facing the prospect of cutting back the research, the teaching and training, and the advanced medical care that have made American medicine the envy of the world. These centers are also major safety-net institutions that provide extensive care for the uninsured.

Every American depends for quality health care on doctors trained in the nation's teaching hospitals. Research conducted at these hospitals is the basis for much of the astounding progress that we are making in medical science, and these institutions are indispensable in bringing advances in the laboratory to the bedside of the patient. For the most serious and intractable illnesses, teaching hospitals are the caregivers of last resort. They have the newest and most sophisticated equipment. The physicians who practice there are on the cutting edge of new treatments, and they see the largest number of such cases.

It would be an American tragedy if, as a result of short-sighted Medicare payment policies and equally short-sighted pressures for HMO profits, academic health centers are forced to close their doors or to curtail the research, training, and advanced care that make them such indispensable components of modern American health care.

I ask unanimous consent that the New York Times article be printed in the RECORD, and I urge my colleagues to review it carefully. It is becoming

increasingly clear that this Congress has an obligation to act before irreparable damage is done to these essential institutions.

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

TEACHING HOSPITALS BATTLING CUTBACKS IN MEDICARE MONEY

(By Carey Goldberg)

Boston, May 5—Normally, the great teaching hospitals of this medical Mecca carry an air of white-coasted, best-in-the-world arrogance, the kind of arrogance that comes of collecting Nobels, of snaring more Federal money for medical research than hospitals anywhere else, of attracting patients from the four corners of the earth.

But not lately. Lately, their chief executives carry an air of pleading and alarm. They tend to cross the edges of their palms in an X that symbolizes the crossing of rising costs and dropping payments, especially Medicare payments. And to say they simply cannot go on losing money this way and remain the academic cream of American medicine.

Dr. Mitchell T. Rabkin, chief executive emeritus of Beth Israel Hospital, says, ''Everyone's in deep yogurt.''

The teaching hospitals here and elsewhere have never been immune from the turbulent change sweeping American health care—from the expansion of managed care to spiraling drug prices to the fierce fights for survival and shotgun marriages between hospitals with empty beds and flabby management.

But they are contending that suddenly, in recent weeks, a Federal cutback in Medicare spending has begun putting such a financial squeeze on them that it threatens their ability to fulfill their special missions: to handle the sickest patients, to act as incubators for new cures, to treat poor people and to train budding doctors.

The budget hemorrhaging has hit at scattered teaching hospitals across the country, from San Francisco to Philadelphia. New York's clusters of teaching hospitals are among the biggest and hardest hit, the Greater New York Hospital Association says. It predicts that Medicare cuts will cost the state's hospitals $5 billion through 2002 and force the closing of money-losing departments and whole hospitals.

Dr. Samuel O. Thier, president of the group that owns Massachusetts General Hospital, says, ''We've got a problem, and you've got to nip it in the bud, or else you're going to kill off some of the premier institutions in the country.''

Here in Boston, with its unusual concentration of academic medicine and its teaching hospitals affiliated with the medical schools of Harvard, Tufts and Boston Universities, the cuts are already taking a toll in hundreds of eliminated jobs and pockets of miserable morale.

Five of Boston's top eight private employers are teaching hospitals, Mayor Thomas M. Menino notes. And if five-year Medicare cuts totaling an estimated $1.7 billion for Massachusetts hospitals continue, Mayor Menino says, ''We'll have to lay off thousands of people, and that's a big hit on the city of Boston.''

Often, analysts say, hospital cutbacks, closings and mergers make good economic sense, and some dislocation and pain are only to be expected, for all the hospitals' tendency to moan about them. Some critics say the hospitals are partly to fault, that for all their glittery research and credentials, they have not always been efficiently managed.

''A lot of teaching hospitals have engaged in what might be called self-sanctification—'We're the greatest hospitals in the world and no one can do it better or for less'—and that may or may not be true,'' said Alan Sager, a health-care finance expert at the Boston University School of Public Health.

But the hospital chiefs argue that they have virtually no fat left to cut, and warn that their financial problems may mean that the smartest edge of American medicine will get dumbed down.

With that message, they have been lobbying Congress in recent weeks to reconsider the cuts that they say have turned their financial straits from tough to intolerable.

''Five years from now, the American people will wake up and find their clinical research is second rate because the big teaching hospitals are reeling financially,'' said Dr. David G. Nathan, president of the Dana-Farber Cancer Institute here.

In a half-dozen interviews, around the Boston medical-industrial complex known as the Longwood Medical Center and Academic Area and elsewhere, hospital executives who normally compete and squabble all espoused one central idea: teaching hospitals are special, and that specialness costs money.

Take the example of treating heart-disease patients, said Dr. Michael F. Collins, president and chief executive of Caritas Christi Health Care System, a seven-hospital group affiliated with Tufts.

In 1988, Dr. Collins said, it was still experimental for doctors to open blocked arteries by passing tiny balloons through them; now, they have a bouquet of expensive new options for those patients, including springlike devices called stents that cost $900 to $1,850 each; tiny rotobladers that can cost up to $1,500 and costly drugs to supplement the reaming that cost nearly $1,400 a patient.

''A lot of our scientists are doing research on which are the best catheters and which are the best stents,'' Dr. Collins said. ''And because they're giving the papers on the drug, they're using the drug the day it's approved to be used. Right now it's costing us about $50,000 a month and we're not getting a nickel for it, because our case rates are fixed.''

Hospital chiefs and doctors also argue that a teaching hospital and its affiliated university are a delicate ecosystem whose production of critical research is at risk.

''The grand institutions in Boston that are venerated are characterized by a wildflower approach to invention and the generation of new knowledge,'' said Dr. James Reinertsen, the chief executive of Caregroup, which owns Beth Israel Deaconess Medical Center. ''We don't run our institutions like agribusiness, a massively efficient operation where we direct research and harvest it. It's unplanned to a great extent, and that chaotic fermenting environment is part of what makes the academic health centers what they are.''

''There wouldn't have been a plan to do what Judah Folkman has done over the last 20 years,'' Dr. Reinertsen said of the doctor-scientist at Children's Hospital in Boston who has developed a promising approach to curing cancer.

Federal financing for research is plentiful of late, hospital heads acknowledge. But they point out that the Government expects hospitals to subsidize 10 percent of 15 percent of that research, and that they must also provide important support for researchers still too junior to win grants.

A similar argument for slack in the system comes in connection with teaching. Teaching hospitals are pressing their faculties to take on more patients to bring in more money, said Dr. Daniel D. Federman, dean for medical education of Harvard Medical School. A doctor under pressure to spend time in a billable way, Dr. Federman said, has less time to spend teaching.

The Boston teaching hospitals generally deny that the money squeeze is affecting patients' care, (a denial some patients would question,) or students' quality of medical education (a denial some students would question,) or research—yet.

The Boston hospitals' plight may be partly their fault for competing so hard with each other, driving down prices, some analysts say. Though some hospitals have merged in recent years, Boston is still seen as having too many beds, and virtually all hospitals are teaching hospitals here.

Whatever the causes, said Dr. Stuart Altman, professor of national health policy at Brandeis University and past chairman for 12 years of the committee that advised the Government on Medicare prices, ''the concern is very real.''

''What's happened to them is that all of the cards have fallen the wrong way at the same time,'' Dr. Altman said. ''I believe their screams of woe are legitimate.''

Among the cards that fell wrong, begin with managed care. Massachusetts has an unusually large quotient of patients in managed-care plans. Managed-care companies, themselves strapped, have gotten increasingly tough about how much they will pay.

Boston had already gone through a spate of fat-trimming hospital mergers, closings and cost cutting in recent years. Add to the troubles some complaints that affect all hospitals: expenses to prepare their computers for 2000, problems getting insurance companies and the Government to pay up, new efforts to defend against accusations of billing fraud.

But the back-breaking straw, hospital chiefs says, came with Medicare cuts, enacted under the 1997 balanced-budget law, that will cut more each year through 2002. The Association of American Medical colleges estimates that by then the losses for teaching hospitals could reach $14.7 billion, and that major teaching hospitals will lose about $150 million each. Nearly 100 teaching hospitals are expected to be running in the red by then, the association said last month.

For years, teaching hospitals have been more dependent than any others on Medicare. Unlike some other payers, Medicare has compensated them for their special missions—training, sicker patients, indigent care—by paying them extra.

For reasons yet to be determined, Dr. Altman and others say the Medicare cuts seem to be taking an even greater toll on the teaching hospitals than had been expected. Much has changed since the 1996 numbers on which the cuts are based, hospital chiefs say; and the cuts particularly singled out teaching hospitals, whose profit margins used to look fat.

Frightening the hospitals still further, President Clinton's next budget proposes even more Medicare cuts.

Not everyone sympathizes, though. Complaints from hospitals that financial pinching hurts have become familiar refrains over recent years, gaining them a reputation for crying wolf. Critics say the Boston hospitals are whining for more money when the only real fix is broad health-care reform.

Some propose that the rational solution is to analyze which aspects of the teaching hospitals' work society is willing to pay for, and

then abandon the Byzantine Medicare cross-subsidies and pay for them straight out, perhaps through a new tax.

Others question the numbers.

Whenever hospitals face cuts, Alan Sager of Boston University said, ''they claim it will be teaching and research and free care of the uninsured that are cut first.''

If the hospitals want more money, Mr. Sager argued, they should allow in independent auditors to check their books rather than asking Congress to rely on a ''scream test.''

For many doctors at the teaching hospitals, however, the screaming is preventive medicine, meant to save their institutions from becoming ordinary.

Medical care is an applied science, said Dr. Allan Ropper, chief of neurology at St. Elizabeth's Hospital, and strong teaching hospitals, with their cadres of doctors willing to spend often-unreimbursed time on teaching and research, are essential to helping move it forward.

''There's no getting away from a patient and their illness,'' Dr. Ropper said, ''but if all you do is fix the watch, nobody ever builds a better watch. It's a very subtle thing, but precisely because it's so subtle, it's very easy to disrupt.''

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 Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON TELECOMMUNICATIONS PAYMENTS TO CUBA—MESSAGE FROM THE PRESIDENT—PM 24

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104–114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999.*

REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business.

To the Congress of the United States:

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employes opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

AN UNPRECEDENTED RECORD OF SUCCESS

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

EASING THE TAX BURDEN

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated $20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax credit will increase the amount excluded from taxation on a transferred estate to $1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law also improves the targeted capital gains provisions relating specifically to small business stocks. Moreover, small corporations are exempted under the new law from alternative minimum tax calculations. This provision saves about 2 million businesses from complex and unnecessary paperwork.

CAPITAL FOR SMALL BUSINESS GROWTH

One of the Small Business Administration's (SBA) highest priorities is to increase small business access to capital and transform the SBA into a 21st century leading-edge financial institution. The SBA's credit programs—including the 7(a) business loan guarantee program, the Section 504 economic development loan program, the microloan program, the small business investment company program, the disaster loan and surety bond programs—provide valuable and varied financial assistance to small businesses of all types. The Small Business Lending Enhancement Act of 1995 increased the availability of funds for SBA's lending programs. In the 7(a) program in fiscal year 1997 alone, with approximately 8,000 bank and nonbank lenders approved to participate, 45,288 loan guarantees valued at $9.5 billion was approved as of September 1997.

My Administration developed community reinvestment initiatives that revised bank regulatory policies to encourage lending to smaller firms. When combined with lower interest rates, this led to a sizable increase in commercial and industrial lending, particularly to small businesses. And in the first year of implementation under the Community Reinvestment Credit Act, new data were collected on small

business loans by commercial banks. The SBA's Office of Advocacy has been studying and publishing its results on the small business lending activities of the Nation's banks.

And the Office of Advocacy launched a nationwide Internet-based listing service—the Angel Capital Electronic Network (ACE–Net) to encourage equity investment in small firms. ACE–Net provides information to angel investors on small dynamic businesses seeking $250,000 to $3 million in equity financing.

REFORMING THE REGULATORY PROCESS

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed—early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman boards are addressing many concerns expressed by the small firms in dealing with regulating agencies.

EXPANDING TECHNOLOGY AND INNOVATION

Initiatives like the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and the National Institute of Standards and Technology's Manufacturing Extension Partnership and Advanced Technology Program were put in place in the 1980s to channel more Federal funding to small business research and to help small businesses move ideas from the drawing board to the marketplace. Clearly, progress has been made; much remains to be done. New Internet-based initiatives like the Access to Capital Electronic Network and the U.S. Business Advisor are designed to help many more small businesses made the connections they need to commercialize their innovative technologies.

ENHANCING INTERNATIONAL TRADE AND FEDERAL PROCUREMENT OPPORTUNITIES

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Government, my Administration and the Congrees, my Administration and the Congress have streamlined the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small fims, and a link to procurement opportunities.

THE HUMAN FACTOR

My Administration is moving to anticipate 21st century demands on our most important resource—our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our welfare to Work Partnership has already had positive results—we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger child care tax credit for working families.

I am pleased that so many Americans of all races and nationalities are asserting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running—up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20 percent wage credit and another $20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

FUTURE CHALLENGES

America's small business community is both the symbol and the embodiment of our economic freedom. That is why my Administration has made concerted efforts to expand small business access to capital, reform the system of Government regulations to make it more equitable for small companies, and expand small business access to new and growing markets.

This is an important report because it annually reflects our current knowledge about the dynamic small business economy. Clearly, much is yet to be learned: existing statistics are not yet current enough to answer all the questions about how small, minority-owned, and women-owned businesses

are faring in obtaining capital, providing benefits, and responding to regional growth or downsizing. I continue to encourage cooperative Government efforts to gather and analyze data that is useful for Federal policymaking.

I am proud that my Administration is on the leading edge in working as a partner with the small business community. Our economic future deserves no less. The job of my Administration, and its pledge to small business owners, is to listen, to find out what works and to ensure a healthy environment for small business growth.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999*.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:11 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.''

The enrolled were signed subsequently by the President pro tempore (Mr. THURMOND).

At 6:01 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 833. An act to amend title 11 of the United States Code, and for other purposes.

At 8:19 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the house has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1664. An emergency supplemental appropriation for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

MEASURE REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 1664. An emergency supplemental appropriation for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes; to the Committee on Appropriations.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on May 6, 1999, he had presented to the President of the United States, the following enrolled bills:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Courthouse.''

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2884. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Farm Interest Rates'', (Revenue Ruling 99–20), received on April 27, 1999; to the Committee on Finance.

EC–2885. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Accounting Grace Period'' (Notice 99–19), received on April 6, 1999; to the Committee on Finance.

EC–2886. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Public Disclosure of Material Relating to Tax-Exempt Organizations'' (RIN1545–AV13), received on April 9, 1999; to the Committee on Finance.

EC–2887. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Nonconvential Source Fuel Credit, Section 29 Inflation Adjustment Factor, and Section 29 Reference Price'' (Notice 99–18), received on April 6, 1999; to the Committee on Finance.

EC–2888. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Electronic Funds Transfer—Temporary Waiver of Failure to Deposit Penalty for Certain Taxpayers'' (Notice 99–20), received on April 9, 1999; to the Committee on Finance.

EC–2889. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Post-1997 Distributions of Capital Gains from Charitable Remainder Trusts'' (Notice 99–17), received on April 9, 1999; to the Committee on Finance.

EC–2890. A communication from the Assistant Secretary, Tax Policy, Department of the Treasury, transmitting, a draft of proposed legislation relative to Puerto Rico and the Virgin Islands; to the Committee on Finance.

EC–2891. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Procedure 99–21'', received on April 8, 1999; to the Committee on Finance.

EC–2892. A communication from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Firearms and Ammunition Excise Taxes, Parts and Accesories'', received on April 19, 1999; to the Committee on Finance.

EC–2893. A communication from the Assistant Commissioner (Examination), Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Mining Industry Coordinated Issue: Excess Moisture'', received on April 6, 1999; to the Committee on Finance.

EC–2894. A communication from the Acting General Counsel, Department of Defense, transmitting, a draft of proposed legislation relative to tax consequences for members of the armed forces; to the Committee on Finance.

EC–2895. A communication from the Board Members, Railroad Retirement Board, transmitting, a draft of proposed legislation relative to the National Directory of New Hires; to the Committee on Finance.

EC–2896. A communication from the Secretary of Energy, transmitting, a draft of proposed legislation entitled ''Comprehensive Electricity Competition Act″; to the Committee on Finance.

EC–2897. A communication from the Vice President, Health, American Academy of Actuaries, transmitting, a report of comments on the 1999 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Supplementary Medical Insurance Trust Funds; to the Committee on Finance.

EC–2898. A communicaton from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Import Restrictions Imposed on Byzantine Ecclesiastical and Ritual Ethnological Material from Cyprus'' (RIN1515–AC46), received April 9, 1999; to the Committee on Finance.

EC–2899. A communication from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Withdrawal of International Airport Designation of Akron Fulton Airport'' (R.P. 97–13), received April 12, 1999; to the Committee on Finance.

EC–2900. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 99–23'', received April 30, 1999; to the Committee on Finance.

EC–2901. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–23: Revisions to Schedule P (Form 1120–FSC)'' (Notice 99–23), received April 29, 1999; to the Committee on Finance.

EC–2902. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–25'' (SPR–107460–99), received April 29, 1999; to the Committee on Finance.

EC–2903. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–24: Extension of Time to File FSC Grouping Redeterminations Under Transition Rule to be Included in Final Regulations'' (Notice 99–24), received April 29, 1999; to the Committee on Finance.

EC–2904. A communication from the Chief, Regulations Unit, Internal Revenue Service,

Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 99–21, May 1999 Applicable Federal Rates'', received April 20, 1999; to the Committee on Finance.

EC–2905. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Renewable Electricity Production Credit, Publication of Inflation Adjustment Factor and Reference Prices for Calendar Year 1999'', received April 27, 1999; to the Committee on Finance.

EC–2906. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''TD 8819: Use of Actuarial Tables in Valuing Annuities, Interests for Life or Terms of Years, and Remainder and Reversionary Interests'' (RIN1545–AX14), received April 29, 1999; to the Committee on Finance.

EC–2907. A communication from the Deputy Executive Secretariat, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Implementation of Section 403(a)(2) of the Social Security Act-Bonus to Reward Decrease in Illegitimacy Ratio'' (RIN0970–AB79), received April 22, 1999; to the Committee on Finance.

EC–2908. A communication from the Health Insurance Specialist, Health Care Financing Administration, transmitting, pursuant to law, the report of a rule entitled ''State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals: Federal Fiscal Year 1999'' (HCFA–2032–N), received April 27, 1999; to the Committee on Finance.

EC–2909. A communication from the Acting Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Maximum Family Benefits in Guarantee Cases'' (RIN0960–AE03), received April 9, 1999; to the Committee on Finance.

EC–2910. A communication from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Delegation of Authority'' (RIN1512–AB87), received April 6, 1999; to the Committee on Finance.

EC–2911. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of six rules entitled ''Acid Rain Program; Continuous Emission Monitoring Rule Revisions'' (FRL #6320–8), ''Approval and Promulgation of Implementation Plans: Washington'' (FRL #6322–5), ''Approval and Promulgation of Implementation Plans: State of Iowa'' (FRL #6322–1), ''Implementation Plan and Redesignation Request for the Muscogee County, Georgia Lead Nonattainment Area'' (FRL #6321–1), ''National Emission Standards for Hazardous Air Pollutants for Source Categories: Amendments for Hazardous Air Pollutants Emissions from Magnetic Tape Manufacturing Operations'' (FRL #6321–8) and ''National Emission Standards for Hazardous Air Pollutants for Source Category: Pulp and Paper Production'' (FRL #6322–8), received April 6, 1999; to the Committee on Environment and Public Works.

EC–2912. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled ''Approval and Promulgation of Air Quality State Implementation Plans, Texas: Recodification of, and Revision to the State Implemation Plan; Chapter 114'' (FRL #6117–3), ''Approval and Promulgation of Implementation Plans: Oregon'' (FRL #6127–4), ''Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District'' (FRL #6333–4), ''Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants Allegheny County, PA; Removal of Final Rule Pertaining to the Control of Landfill Gas Emission from Existing Municipal Solid Waste Landfills'' (FRL #6111–8) and ''Missouri: Final Authorization of State Hazardous Waste Management Program Revision for Corrective Action'' (FRL #6333–2); received on April 27, 1999, to the Committee on Environment and Public Works.

EC–2913. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Approval and Promulgation of Implementation Plans Georgia: Revisions to the Georgia State Implemation Plan'' (FRL #6318–3) and ''Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants, Maryland; Control of Emissions from Large Municipal Waste Combustors'' (FRL #6330–7), received on April 20, 1999; to the Committee on Environment and Public Works.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig Gen. Harry D. Gatanas, 0000.

The following named officers for appointment in the United States Marine Corps to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

William D. Catto, 0000.
Tony L. Corwin, 0000.
Robert C. Dickerson, Jr., 0000.
Jon A. Gallinetti, 0000.
Timothy F. Ghormley, 0000.
Samuel T. Helland, 0000.
Leif H. Hendrickson, 0000.
Richard A. Huck, 0000.
Richard S. Kramlich, 0000.
Timothy R. Larsen, 0000.
Bradley M. Lott, 0000.
Jerry C. McAbee, 0000.
Thomas L. Moore, Jr., 0000.
Richard F. Natonski, 0000.
Johnny R. Thomas, 0000.

(The above nominations were reported with the recommendation that they be confirmed)

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. DODD:

S. 970. A bill to amend the Public Health Service Act to establish grant programs for youth substance abuse treatment services; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DODD (for himself and Mr. JEFFORDS):

S. 971. A bill to amend the Public Health Service Act to revise and extend the grant program for services for children of substance abusers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GREGG:

S. 972. A bill to amend the Wild and Scenic Rivers Act to improve the administration of the Lamprey River in the State of New Hampshire; to the Committee on Energy and Natural Resources.

By Mr. ROBB (for himself, Mr. KERRY, and Mrs. FEINSTEIN):

S. 973. A bill to provide for school safety, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WARNER (for himself and Mr. LEVIN) (by request):

S. 974. A bill to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and for other purposes; to the Committee on Armed Services.

By Mr. EDWARDS:

S. 975. A bill to amend chapter 30 of title 39, United States Code, to provide for a uniform notification system under which individuals may elect not to receive mailings relating to skill contests or sweepstakes, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. DODD, Mr. DEWINE, Ms. MIKULSKI, and Ms. COLLINS):

S. 976. A bill to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of Oregon (for himself and Mr. WYDEN):

S. 977. A bill to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 978. A bill to specify that the legal public holiday known as Washington's Birthday be called by that name; to the Committee on the Judiciary.

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

S. 979. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes; to the Committee on Indian Affairs.

By Mr. BAUCUS (for himself, Mr. DASCHLE, Mr. THOMAS, Mr. HARKIN, Mr. GRASSLEY, Mr. CONRAD, Mr. ROBERTS, Mr. FRIST, Mr. JOHNSON, Mr. ROCKEFELLER, Mr. JEFFORDS, Mr. WELLSTONE, and Mr. MURKOWSKI):

S. 980. A bill to promote access to health care services in rural areas; to the Committee on Finance.

By Mr. DODD:

S. 981. A bill to provide training to professionals who work with children affected by violence, to provide for violence prevention, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 982. A bill entitled ''Clean Money, Clean Elections Act''; to the Committee on Rules and Administration.

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

S. 983. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

By Ms. COLLINS (for herself and Mrs. BOXER):

S. 984. A bill to amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced from certain renewable resources; to the Committee on Finance.

By Mr. CAMPBELL:

S. 985. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. REID (for himself and Mr. BRYAN):

S. 986. A bill to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority; to the Committee on Energy and Natural Resources.

By Mr. DeWINE:

S. 987. A bill to expand the activities of the Eisenhower National Clearinghouse to include collecting and reviewing instructional and professional development materials and programs for language arts and social studies, and to require the Eisenhower National Clearinghouse to collect and analyze the materials and programs; to the Committee on Health, Education, Labor, and Pensions.

S. 988. A bill to provide mentoring programs for beginning teachers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

S. 989. A bill to improve the quality of individuals becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give school officials the flexibility the officials need to hire whom the officials think can do the job best, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

S. 990. A bill to provide for teacher training facilities; to the Committee on Health, Education, Labor, and Pensions.

By Mr. McCAIN:

S. 991. A bill to prevent the receipt, transfer, transportation, or possession of a firearm or ammunition by certain violent juvenile offenders, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Mr. LIEBERMAN, Mr. FRIST, Mr. DORGAN, Ms. MIKULSKI, Mr. COVERDELL, Mr. CLELAND, Mr. BENNETT, Mr. ROCKEFELLER, Mr. BROWNBACK, Mr. ENZI, Mrs. MURRAY, Mr. SARBANES, Mr. BURNS, Mr. KOHL, Mr. BINGAMAN, Mr. DEWINE, Ms. COLLINS, Mrs. FEINSTEIN, Mr. BOND, Mr. INHOFE, Mr. SMITH of Oregon, Mr. REID, Mr. WELLSTONE, Mr. CHAFEE, Mr. GREGG, Mr. AKAKA, Mr. BAUCUS, Mr. KENNEDY, Mrs. HUTCHISON, Mr. THURMOND, Mr. HUTCHINSON, Mr. BREAUX, Mr. CONRAD, Mr. JOHNSON, Mr. BYRD, Mr. WARNER, Mr. MURKOWSKI, Mr. BUNNING, Mr. HAGEL, Mr. ALLARD, Mr. VOINOVICH, Mr. GORTON, Mr. STEVENS, Mr. NICKLES, Mr. LOTT, Mr. SPECTER, Mr. ROBERTS, Mr. MACK, Mr. CRAIG, Mr. BIDEN, Ms. SNOWE, Mr. GRAMS, Mr. FITZGERALD, and Mr. MOYNIHAN):

S. Res. 98. A resolution designating the week beginning October 17, 1999, and the week beginning October 15, 2000, as ''National Character Counts Week''; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DODD:

S. 970. A bill to amend the Public Health Service Act to establish grant programs for youth substance abuse treatment services; to the Committee on Health, Education, Labor, and Pensions.

TEEN SUBSTANCE ABUSE TREATMENT ACT OF 1999

• Mr. DODD. Mr. President, I rise today to introduce the Teen Substance Abuse Treatment Act of 1999. This legislation fills an important gap in our national strategy for combating substance abuse in our communities. Specifically, this bill creates a dedicated funding commitment for treating youth with alcohol and drug problems.

We have made important progress in impacting the number of our youth using alcohol and drugs. However, studies reveal that alcohol is still the drug of choice for many Americans—and our youth are no exception. Studies reveal that fifty-two percent of senior high school students report using alcohol in the past month and 25% are using drugs on a monthly basis.

Each year, 400,000 teens and their families will seek substance abuse treatment but find that it is either unavailable or unaffordable. Some teens in need of treatment may have incomes too high to receive Medicaid, but too low to afford private insurance or to pay for treatment out of pocket. Those who do have private insurance through a managed care plan may find that length of treatment is severely restricted. At best, 20% of adolescents with severe alcohol and drug treatment problems who ask for help will receive any form of treatment.

Those teens who are fortunate enough to get treatment often find that available services do not adequately address their needs. The physical, hormonal, developmental, and emotional changes of the adolescent years pose challenges to health care providers, many of whom have not been trained to deal specifically with this population. Providing teens with access to research-based, developmentally and age-appropriate treatment which will address their specific needs can increase their rates of recovery and better prevent relapses.

Without intervention teen substance abusers may also engage in other risky behaviors. Teen alcohol and drug abuse may spiral into academic failure and involvement with the juvenile justice system. Juvenile courts report that in over 50 percent of their cases substance abuse is a contributing factor. In a survey of teens receiving substance abuse treatment, 59% had been arrested at least once and 16% had been arrested for felonies. In addition, teens who use alcohol are more likely to become sexually active at earlier ages and to engage in unsafe sex, increasing the chances of unplanned pregnancies and sexually transmitted diseases such as HIV/AIDS.

We also know that substance abuse is associated with aggressive, anti-social, and violent behaviors and that chemical dependency can magnify existing behavioral problems. The facts are alarming: children who abuse alcohol and drugs are at a greater risk for killing themselves or others. Alcohol-related traffic crashes are the leading cause of teen death, and alcohol is also involved in homicides and suicides, the second and third leading causes of teen deaths respectively.

Alcohol and drug use has a huge price tag both for families and society at large—and we can't afford to sit idly by while it continues to rise. Seven thousand youth in my state of Connecticut alone are in need of treatment. That is why I am introducing the Teen Substance Abuse Treatment Act. This legislation will provide grants to give youth substance abusers access to effective alcohol and drug treatment services that are developmentally and culturally appropriate. Specifically, this bill will address the particular issues of youth involved with the juvenile justice system and those with mental health or other special needs. Finally, this legislation will contribute to the development of treatment models that address the relationship between substance abuse and aggressive, anti-social, and violent behaviors.

While I am disappointed that this bill is not currently included in the Substance Abuse and Mental Health Services Reauthorization legislation that will be introduced today, I am encouraged that Senator FRIST has agreed to work with me, Senator REED, and Senator BINGAMAN prior to a markup of the bill to craft legislation to comprehensively address the substance abuse needs of adolescents.

The Teen Substance Abuse Treatment Act of 1999 expresses a commitment to ensuring that no child who asks for help with a substance abuse problem will be denied treatment. I

urge my colleagues to support this legislation.●

By Mr. DODD (for himself and Mr. JEFFORDS):

S. 971. A bill to amend the Public Health Service Act to revise and extend the grant program for services for children of substance abusers; to the Committee on Health, Education, Labor, and Pensions.

SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS REAUTHORIZATION ACT

● Mr. DODD. Mr. President, I rise to join Senator JEFFORDS in introducing the Children of Substance Abusers Reauthorization Act'' (COSA). This legislation represents a vital step in expanding and improving early intervention, prevention, and treatment services for families confronting substance abuse. In addition, this legislation addresses the devastation generated in the wake of parental substance abuse—the physical and emotional difficulties faced by children of substance abusers, abuse and neglect, and adolescent substance abuse and violence.

Children with substance abusing parents face serious health risks, including congenital birth defects and psychological, emotional, and developmental problems. For example, fetal exposure to alcohol puts a child in danger of fetal alcohol syndrome and other congenital birth defects. In addition, each year around 500,000 babies are born prenatally exposed to some form of addictive substance including crack, alcohol, and tobacco, compromising their long-term ability to thrive and to learn.

We also know that substance abuse plays a major role in child abuse and neglect—irreparably damaging family bonds and threatening to further strain an already over-burdened child welfare system. In fact, over the past 10 years, fueled by parental substance abuse, the number of abused and neglected children has more than doubled from 1.4 million in 1986 to more than 3 million in 1997, a rise more than eight times greater than the increase in the child population. The disturbing link between parental substance abuse and child abuse is irrefutable. It is estimated that children whose parents abuse drugs and/or alcohol are three times more likely to be abused and four times more likely to be neglected than children whose parents are not substance abusers. In a 1998 report, the General Accounting Office estimated that two-thirds of all children in foster-care had substance abusing mothers and that 80% of those mothers had been using drugs or alcohol for at least five years—many of them for ten years or more.

Alcohol and drug use exact a huge price tag on both children and society at large. Estimates are that parental substance abuse costs the nation approximately $20 billion a year. Of that amount, the federal government pays 44%, states 44%, and local governments 12% of the cost. We also know that the toll that substance abuse takes on families is immeasurable. Parents sacrifice the joys of watching their children grow and thrive and their children lose the opportunity to learn and grow in a safe, supportive home.

In Connecticut alone, there are an estimated 12–15,000 children of substance abusers who are in desperate need of integrated, specialized support services. To assist those families and the thousands of others across this nation battling substance abuse, this legislation seeks a broad-based commitment from schools, social service agencies, health providers, community centers, and the other entities serving families to join together to promote aggressive outreach, prevention and treatment services. Because parental substance abuse impacts so many aspects of children's lives, this legislation would also provide comprehensive, family-centered services addressing health, mental health, violence, child abuse and neglect, HIV and family planning services, child care, and transportation. In addition, COSA will strengthen the systems which provide these services by funding the education and training of providers.

COSA represents a bipartisan commitment to lessen the terrible toll that substance abuse takes on families. I am grateful for Senator JEFFORDS' cosponsorship and am pleased that Senator FRIST and the Health, Education, Labor, and Pensions Committee have agreed to include COSA within the larger Substance Abuse and Mental Health Services Reauthorization legislation that will be introduced today.

I ask my colleagues to join me in supporting this legislation.●

● Mr. JEFFORDS. Mr. President, I want to join my colleague from Connecticut in introducing the Children of Substance Abusers Reauthorization Act (COSA). Senator DODD is to be saluted for his keen ability to identify conditions that place families and children at risk and for developing innovative solutions and strategies for alleviating those conditions.

Substance abuse affects us all. Many of us have a close friend or family member who is a substance abuser or is in recovery. Even those of us not familiar with the personal struggles of substance abuse are affected. My office just received a report from General McCaffrey at the National Drug Control Policy Office that states that drugs play a part in virtually every major social issue in America today, be it health care, crime, mental illness, the dissolution of families, or child abuse. There is no question that Americans want to do ''something'' about substance abuse, but 78 percent of Americans think that the ''War on Drugs'' has failed. So what options for combating substance abuse and addiction should policy makers explore?

My state of Vermont has an innovative strategy it is eager to employ. Vermont has done its research and learned that among its school-aged youth a significant portion used illicit drugs; 51% used alcohol, 32% used marijuana, and 5% used cocaine. Twenty-nine percent of Vermont 9th graders (those are 14–15 year-olds!) used marijuana in the past month. About 49% of Vermont students in grades 8 through 12, (almost 19,000 youth) were in need of substance abuse treatment or intervention in 1996. Yet only about 10% of the youth in need of treatment or intervention indicated having received the services.

Now the really striking results. Youth in need of alcohol, drug treatment, or intervention services were significantly more likely than those not in need of services to report an array of other school- and health-related problems. Twice as likely to report fighting in the last year; twice as likely to report being threatened or injured with a weapon at school in the past year; two to three times as likely to report having ever had sex; six times more likely to report having ever had sex with four or more people; and three to four times as likely to report having been pressured or forced into having sex. The Vermont report underscored clearly the challenges posed to primary care and substance abuse treatment and intervention providers in Vermont and indicated the wide range of services that are needed to identify and respond to the multiple needs of these kids and their parents. So what options for combating substance abuse and addiction should policy makers explore?

We know that prevention is most effective when it is directed at impressionable children. Just as adolescents are the most susceptible to the allure of illicit drugs, so too is it the most imperative to delay or prevent the first use of illicit drugs, alcohol and tobacco. Case studies from the national Centers for Substance Abuse Prevention demonstrate that prevention programs work, especially when the prevention message is reinforced by parents, teachers, clergy, mentors and other role models. The options we policy makers explore must include a comprehensive strategy that provides the constellation of prevention services needed by children of substance abusers and their families.

Vermont is ready to implement just such a strategy. Working with the national Center for Substance Abuse Treatment (CSAT), Vermont has confirmed that it's adult based substance abuse treatment models are not age appropriate, they don't work for adolescents, and they need to be redeveloped specifically for youth. Problems with engagement, retention in treatment, and relapse have been chronic in our

current system. The CSAT treatment needs assessment determined that almost 40% of youth leave treatment after only one session, or leave against medical advice. Vermont has developed and is ready to implement a strategy but it needs assistance.

Vermont would like to build on the demonstrated success of the wraparound models of youth services. Adolescents will receive expanded case management, a broader array of outpatient options, easy access to intensive outpatient care, residential treatment, and encouragement to participate in collateral family treatment. The focus would be on ease of movement between levels of care, case management and integration of community based treatment plans.

The bill introduced today can provide States like Vermont much needed assistance in these areas. COSA will provide grants to nonprofit and public entities to provide a constellation of services needed by children and affected families to prevent substance abuse and stop the devastation it causes. Those services can include chid care, remedial education, counseling, therapeutic intervention services, job training. The children of substance abusers and their families is a group that desperately needs help. If we start now, we can begin to bring a close to the endless cycle of inter-generational drug abuse and this measure is the start we need to prevent further substance abuse by the next generation.

Mr. President, I would hope that my colleagues will not let this opportunity go unheeded.●

By Mr. GREGG:

S. 972. A bill to amend the Wild and Scenic Rivers Act to improve the administration of the Lamprey River in the State of New Hampshire; to the Committee on Energy and Natural Resources.

A BILL TO AMEND THE WILD AND SCENIC RIVERS ACT

Mr. GREGG. Mr. President, I rise today to introduce a bill to amend the Wild and Scenic Rivers Act. This bill improves the administration of the Lamprey River in the State of New Hampshire by adding a twelve-mile segment to its Wild and Scenic Designation. In so doing, New Hampshire residents and visitors to my state will enjoy the many benefits associated with the Wild and Scenic River program, which is administered by the National Park Service.

It has been four years since I proudly sponsored the designation of the Lamprey River in Lee, Durham and Newmarket, New Hampshire into the National Wild and Scenic River Program. I am greatly pleased to welcome the Town of Epping into the partnership, and I am honored to offer this bill which will make this possible.

Contrary to concerns which are sometimes raised by other rivers' towns, Lee, Durham and Newmarket have told me that the Wild and Scenic program has stimulated a plethora of meaningful benefits to the Lamprey River and to the residents of the towns by which it flows. I applaud the extent to which this work has occurred through volunteer efforts and through monies solicited from towns, the State of New Hampshire and private foundations. As a result, groups like the Lamprey River Advisory Committee have been able to leverage a relatively small federal investment into substantial benefits.

Within the past month, the Board of Selectmen from the Town of Epping, New Hampshire, the Epping Conservation Commission, and the Lamprey River Advisory Committee have contacted me to request that I introduce this legislation which will increase the designated area from eleven and a half to twenty-three and a half miles.

The Lamprey River is situated in coastal New Hampshire and is the largest of the rivers that discharge into Great Bay, a designated National Estuarine Research Reserve consisting of 4,500 acres of tidal waters and wetlands and 800 acres of upland. Both in physical dynamics and biological productivity, the Great Bay estuary contributes immeasurable economic value to the Northeast and clearly constitutes one of New Hampshire's prime natural areas. The Lamprey's size alone marks its importance to Great Bay. Its good water quality and intact riparian habitat throughout the watershed create an important link between the estuary and inland areas.

The Lamprey is considered New Hampshire's most significant river for all species of anadromous fish and it contains every type of stream and river fish you could expect to find in New England. Botanical studies have documented 329 species of vascular plants of which 252 are restricted to wetlands and floodplain communities. In addition, according to the State Architectural Historian, the Lamprey is one of New Hampshire's most historic streams.

Perhaps what is most important about this bill is that it will help to assure that future generations will enjoy recreational opportunities on this great river. Undeveloped along most of its entire length, it is a beautiful river to be on and fish. For a quiet retreat into the woods the Lamprey is superb—where one can expect quiet canoe or kayak paddling past densely forested banks of hemlocks and hardwoods. In upstream reaches, people most often use the river recreationally for fishing, canoeing, kayaking, and swimming in the summer. In the winter, people trade in their boats and fishing poles for cross-country skis. This is a truly exceptional river offering a vast variety of activities for anyone who cares for the outdoors and I am pleased to offer this legislation to assure that it will remain in the same condition for generations to come. I ask unanimous consent that my statement and a copy of the bill be placed in the RECORD.

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

S. 972

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

SECTION 1. LAMPREY RIVER, NEW HAMPSHIRE.

(a) IN GENERAL.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by striking paragraph (158) and inserting the following:

''(158) LAMPREY RIVER, NEW HAMPSHIRE.—

''(A) DESIGNATION.—

''(i) IN GENERAL.—The 23.5 mile segment extending from the Bunker Pond Dam in Epping to the confluence with the Piscassic River in the vicinity of the Durham-Newmarket town line (referred to in this paragraph as the 'segment') as a recreational river.

''(ii) ADMINISTRATION.—

''(I) COOPERATIVE AGREEMENTS.—The segment shall be administered by the Secretary of the Interior through cooperative agreements under section 10(e) between the Secretary and the State of New Hampshire (including the towns of Epping, Lee, Durham, and Newmarket, and other relevant political subdivisions of that State).

''(II) MANAGEMENT PLAN.—

''(aa) IN GENERAL.—The segment shall be managed in accordance with the Lamprey River Management Plan, dated January 10, 1995, and such amendments to that plan as the Secretary of the Interior determines are consistent with this Act.

''(bb) REQUIREMENT FOR PLAN.—The plan described in item (aa) shall be considered to satisfy the requirements for a comprehensive management plan under section 3(d).

''(B) MANAGEMENT.—

''(i) COMMITTEE.—The Secretary of the Interior shall coordinate the management responsibility under this Act with respect to the segment designated by subparagraph (A) with the Lamprey River Advisory Committee established under New Hampshire RSA 483.

''(ii) LAND MANAGEMENT.—

''(I) IN GENERAL.—The zoning ordinances duly adopted by the towns of Epping, Lee, Durham, and Newmarket, New Hampshire, including provisions for conservation of shoreland, floodplains, and wetland associated with the segment, shall—

''(aa) be considered to satisfy the standards and requirements of section 6(c) and the provisions of that section that prohibit Federal acquisition of lands by condemnation; and

''(bb) apply to the segment designated under subparagraph (A).

''(II) ACQUISITION OF LAND.—The authority of the Secretary to acquire land for the purposes of this paragraph shall be—

''(aa) limited to acquisition by donation or with the consent of the owner of the land; and

''(bb) subject to the additional criteria set forth in the Lamprey River Management Plan.''.

(b) CONFORMING AMENDMENT.—Section 405 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 1274 note; Public Law 104–333) is repealed.

By Mr. ROBB (for himself, Mr. KERRY, and Mrs. FEINSTEIN):

S. 973. A bill to provide for school safety, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SCHOOL SAFETY ENHANCEMENT ACT OF 1999

Mr. ROBB. Mr. President, I rise this afternoon to introduce legislation that I have been working on for several months and had not planned to introduce until later this year when the Senate considers the reauthorization of the Elementary and Secondary Education Act. However, the tragic event in Littleton has moved everyone's timetable forward.

When I was Governor of Virginia, education was my top priority. I might note that I know it was a top priority for the Presiding Officer when he was Governor of Ohio. Since I have been in the Senate I have become increasingly concerned about school safety. We simply cannot have good schools unless we have safe schools.

In 1993 I was able to get legislation enacted to create a commission on school violence. Regrettably, that commission was never funded, but it should have been. Two years ago the Senate approved an amendment I offered to allow COPS funding to be used for school safety. Last year we significantly expanded on that program, and I am grateful for the Senate's and the President's commitment to that important effort.

Over the past year, a year in which we have had too many horrible tragedies in our schools, we have all noticed that the most common questions asked following an incident of school violence are: Why didn't we see it coming? What could we have done to spot the warning signs and intervene before it was too late?

The legislation I offer today is designed to address one essential component of the school violence crisis: Prevention and intervention. In the coming weeks the Senate will consider a variety of proposals to address the issues of preventing school violence, how to manage crises when they occur, and how to punish those who engage in violence in our schools. I look forward to working with our colleagues to develop a comprehensive approach to school violence which incorporates this legislation and acknowledges the need for prevention and intervention efforts.

Out of respect for the families in Littleton and deference to the majority leader's request that we not take up legislation until next week at the earliest, I will not make extended remarks at this time and will defer to a later time. For now, I simply offer my continued prayers for those in Littleton who are still coping with a tremendous loss to their community.

Simply going to school should not be an act of courage.

By Mr. EDWARDS:

S. 975. A bill to amend chapter 30 of title 39, United States Code, to provide for a uniform notification system under which individuals may elect not to receive mailings relating to skill contests or sweepstakes, and for other purposes; to the Committee on Governmental Affairs.

SWEEPSTAKES TOLL-FREE OPTION PROTECTION ACT OF 1999

Mr. EDWARDS. Mr. President, I rise today to introduce the Sweepstakes Toll-Free Option Protection Act of 1999, the ''STOP Act.'' I hope this measure will help put a stop to a practice I find extremely troublesome: the flooding of consumers' mailboxes with unwanted and misleading sweepstakes mailings.

The Permanent Subcommittee on Investigations recently held hearings on deceptive mailings and sweepstakes promotions. I'd like to thank Senators COLLINS and LEVIN for bringing this important issue to light.

Mr. President, during the course of these hearings, it became clear to me that strong measures must be taken to curb the use of misleading sweepstakes promotions. Too many people are getting swamped with solicitations. And too many people are spending their life savings trying to win prizes. The primary victims are our nation's elderly who are led to believe that if they purchase magazine subscriptions or other products, they will increase their chances of winning.

Well, purchases do not increase the chances of winning. But often times, what purchases actually do is increase the number of solicitations sweepstakes companies send out to people, encouraging them to buy even more products. With each new purchase, consumers are led to believe that they are coming closer and closer to winning a prize. The sad truth is they are not getting closer, but the cycle of deception keeps going.

The legislation I am introducing today would require sweepstakes companies to set up a uniform toll-free telephone number that consumers can call to have their names and addresses removed from all sweepstakes mailing lists. People will no longer have to contact each and every sweepstakes promoter to stop these misleading mailings.

My legislation is a sensible approach to helping regular people who want to stop the flood of sweepstakes mailings and protect themselves from misleading solicitations. Let me tell you the story of Bobby Bagwell to help illustrate the need for this measure.

One day, Pamela Bagwell went to visit her elderly father-in-law, Bobby. When she arrived at Bobby's home, Pamela found stacks and stacks of solicitations from sweepstakes companies. She asked Bobby about them and found out that he had made numerous purchases thinking that buying products would increase his chances of winning a prize. He was so convinced he would win a prize that he even invited his neighbors to his house on the day that the Publishers Clearing House prize patrol was supposed to deliver the grand prize check.

Pamela estimates that Bobby spent more than $20,000 in 10 months on products he thought would help his chance of winning. Now as I mentioned before, Bobby is an elderly man.

But this is not the worst part of this story. Bobby also has dementia. Pamela, who has power of attorney for Bobby, contacted Publishers Clearing House at least 6 times in October last year to demand that the company stop sending Bobby solicitations. She even went so far as to send the company a doctor's certification that Bobby has dementia. And yet, the sweepstakes mailings continued to flood Bobby's mailbox. Pamela said that sometimes Bobby was receiving up to twenty per day, from many different companies.

During the hearings, I asked representatives from the four major sweepstakes companies, Publishers Clearing House, Time, American Family Enterprises and Reader's Digest, to check their records and remove Bobby's name and address from their mailing lists. All of the companies agreed to do so. However, I find it unacceptable that the only recourse someone like Pamela has is to hope that a United States Senator makes such a request for her.

Pamela and Bobby Bagwell's situation is not unique. Since the hearings, my office has received numerous calls and letters, not just from North Carolinians, but from people all over the country who tell similar, disturbing stories about their experiences with sweepstakes companies. Mr. President, my proposal is a reasonable way to help them.

I believe that people should have the right to easily put a stop to these mailings. And sweepstakes promoters should be legally required to honor such a request.

Now let me tell you how my legislation would work.

First, as I have already mentioned, it requires that sweepstakes companies set up a uniform toll-free number that individuals or people with power of attorney for such individuals, can call to get their name and address removed from all sweepstakes mailing lists. After a person places that one phone call, they will receive a removal request form to fill out and send in to the notification system. After the system receives that form, the person's name will be removed from all sweepstakes mailing lists. The form will serve as written evidence that the person made a request to have their name removed.

Second, the sweepstakes companies must include a statement in their mailings that people have the option of having their names removed from sweepstakes mailing lists and that

they can initiate this process by calling the specific toll-free number that has been established. The statement must be clear and conspicuous, which is important in order to effectively alert people about their right to stop the mailings.

Finally, my bill requires that if an individual makes a request to have their name removed from sweepstakes mailings lists, the sweepstakes companies must comply with this request. If the companies continue to send mailings against the wishes of the caller, each mailing will subject the company to a $10,000 civil penalty.

Mr. President, in closing, I should mention that the American Association of Retired Persons participated in the sweepstakes hearings and testified as to ''the severe effects'' deceptive sweepstakes mailings have on AARP members. AARP supports my idea of a toll-free uniform notification system.

My legislation is a common sense solution to a growing problem, and I am confident that it will indeed go a long way toward stopping harrassing, deceptive sweepstakes mailings.

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

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

S. 975

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 ''Sweepstakes Toll-Free Option Protection Act of 1999''.

SEC. 2. REQUIREMENTS OF PROMOTERS OF SKILL CONTESTS OR SWEEPSTAKES MAILINGS.

(a) IN GENERAL.—Chapter 30 of title 39, United States Code, is amended by adding after section 3015 the following:

''§ 3016. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings

''(a) DEFINITIONS.—In this section, the term—

''(1) 'promoter' means any person who originates and causes to be mailed any skill contest or sweepstakes;

''(2) 'removal request form' means a written form stating that an individual—

''(A) does not consent to the name and address of such individual being included on any list used by a promoter for mailing skill contests or sweepstakes; and

''(B) elects to have such name and address excluded from any such list;

''(3) 'skill contest' means a puzzle, game, competition, or other contest in which—

''(A) a prize is awarded or offered;

''(B) the outcome depends predominately on the skill of the contestant; and

''(C) a purchase, payment, or donation is required or implied to be required to enter the contest; and

''(4) 'sweepstakes' means a game of chance for which no consideration is required to enter.

''(b) NONMAILABLE MATTER.—

''(1) IN GENERAL.—Matter otherwise legally acceptable in the mails described under paragraph (2)—

''(A) is nonmailable matter;

''(B) shall not be carried or delivered by mail; and

''(C) shall be disposed of as the Postal Service directs.

''(2) NONMAILABLE MATTER DESCRIBED.—Matter that is nonmailable matter referred to under paragraph (1) is any matter that—

''(A) is a skill contest or sweepstakes; and

''(B) is addressed to an individual who made an election to be excluded from lists under subsection (e).

''(c) REQUIREMENTS OF PROMOTERS.—

''(1) NOTICE TO INDIVIDUALS.—Any promoter who mails a skill contest or sweepstakes shall provide with each mailing a clear and conspicuous statement that—

''(A) includes the address and toll-free telephone number of the notification system established under paragraph (2); and

''(B) states the system can be used to prohibit the mailing of any skill contest or sweepstakes to such individual.

''(2) NOTIFICATION SYSTEM.—Any promoter that mails a skill contest or sweepstakes shall participate in the establishment and maintenance of a uniform notification system that provides for any individual (or other duly authorized person) to notify the system of the individual's election to have the name and address of the individual excluded from any list of names and addresses used by any promoter to mail any skill contest or sweepstakes; and

''(d) NOTIFICATION SYSTEM.—

''(1) CALL TO TOLL-FREE NUMBER.—If an individual contacts the notification system through use of the toll-free telephone number published under subsection (c)(2), the system shall—

''(A) inform the individual of the information described under subsection (c)(1)(B);

''(B) inform the individual that a removal request form shall be mailed within such 7 business days; and

''(C) inform the individual that the election to prohibit mailings of skill contests or sweepstakes to that individual shall take effect 30 business days after receipt by the system of the signed removal request form or other signed written request by the individual.

''(2) REMOVAL REQUEST FORM.—Upon request of the individual, the system shall mail a removal request form to the individual not later than 7 business days after the date of the telephone communication. A removal request form shall contain—

''(A) a clear, concise statement to exclude a name and address from the applicable mailing lists; and

''(B) no matter other than the form and the address of the notification system.

''(e) ELECTION TO BE EXCLUDED FROM LISTS.—

''(1) IN GENERAL.—An individual may elect to exclude the name and address of such individual from all mailing lists used by promoters of skill contests or sweepstakes by mailing a removal request form to the notification system established under subsection (c).

''(2) RESPONSE AFTER MAILING FORM TO THE NOTIFICATION SYSTEM.—Not later than 30 business days after receipt of a removal request form, all promoters who maintain lists containing the individual's name or address for purposes of mailing skill contests or sweepstakes shall exclude such individual's name and address from all such lists.

''(3) EFFECTIVENESS OF ELECTION.—An election under paragraph (1) shall—

''(A) be effective with respect to every promoter; and

''(B) remain in effect, unless an individual notifies the system in writing that such individual—

''(i) has changed the election; and

''(ii) elects to receive skill contest or sweepstakes mailings.

''(f) PROMOTER NONLIABILITY.—A promoter, or any other person maintaining the notification system established under this section, shall not have civil liability for the exclusion of an individual's name or address from any mailing list maintained by a promoter for mailing skill contests or sweepstakes, if—

''(1) a signed request for removal form is received by the notification system; and

''(2) the promoter or person maintaining the system has a good faith belief that the request is from—

''(A) the individual whose name and address is to be excluded; or

''(B) another duly authorized person.

''(g) PROHIBITION ON COMMERCIAL USE OF LISTS.—

''(1) IN GENERAL.—

''(A) PROHIBITION.—No person may provide any information (including the sale or rental of any name or address) in a list described under subparagraph (B) to another person for commercial use.

''(B) LISTS.—A list referred to under subparagraph (A) is any list of names and addresses (or other related information) used, maintained, or created by the system established by this Act.

''(2) CIVIL PENALTY.—Any person who violates paragraph (1) shall be assessed a civil penalty by the Postal Service.

''(h) CIVIL PENALTIES.—

''(1) IN GENERAL.—Any promoter—

''(A) who recklessly mails nonmailable matter in violation of subsection (b) shall be liable to the United States in an amount of $10,000 per violation for each mailing of nonmailable matter; or

''(B) who fails to substantially comply with the requirements of subsection (c)(2) shall be liable to the United States.

''(2) ENFORCEMENT.—The Postal Service shall assess civil penalties under this section.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding after the item relating to section 3015 the following:

''3016. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.''.

SEC. 3. STATE LAW NOT PREEMPTED.

Nothing in this Act shall be construed to preempt any provision of State or local law.

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect 1 year after the date of enactment of this Act.

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. DODD, Mr. DEWINE, Ms. MIKULSKI, and Ms. COLLINS):

S. 976. A bill to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Service Administration on community-based services children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; to the Committee on Health, Education, Labor, and Pensions.

YOUTH DRUG AND MENTAL HEALTH SERVICES ACT

• Mr. FRIST. Mr. President, as a physician and father of three young boys, I am alarmed at the current level of drug use in America. In April of 1998, the Office of National Drug Control Policy reported that 74 million Americans have tried illicit drugs at least once in their lifetime. Of these, 22 million Americans have tried cocaine, 4.6 million have tried crack cocaine and 2.4 million have tried heroin. Last year, 23 million Americans used an illicit drug, and today there are 13 million Americans who are current drug users which means they have used an illicit drug in the last month.

The rapid decline of overall drug use in America that began in the mid eighties, thanks in part to the efforts of Presidents Reagan and Bush, has stagnated and leveled off.

It is true that cocaine use has decreased from 5.7 million users in 1985 to its current stagnate level of around 1.5 million in 1997 and marijuana use is also down from 19 million users in 1985 to around 11 million in 1997. However, before we become too satisfied, we as a nation must face the very troubling fact that drug and alcohol use is dramatically on the rise among our youth.

In 1992, the percentage of 10th graders that admitted to using an illicit drug at least once in the last 30 days according to the Office of National Drug Control Policy was 11 percent. By 1997 that figure had more than doubled to 23 percent. Most troubling is the dramatic increase in heroin use among our nation's teenage population.

Let us not forget about the drug of choice for our youth and adolescents, alcohol. Although the legal drinking age is 21 in all States, the National Household Survey on Drug Abuse undertaken by SAMHSA reports that more than 50 percent of young adults age eighteen to twenty are consuming alcohol and more than 25 percent report having five or more drinks at one time during the past month.

There are many factors for this increase in youth substance abuse but the factors that I, as a father, am most concerned with is the overall decline of the disapproval of drug use and the decline of the perception of the risk of drug use among our youth.

Against this alarming challenge I am pleased to introduce the ''The Youth Drug and Mental Health Services Act of 1999.''

This important and needed legislation will reauthorize the Substance Abuse and Mental Health Services Administration (SAMHSA) to improve this vital agency by providing greater flexibility for States and accountability based on performance, while at the same time placing critical focus on youth and adolescent substance abuse and mental health services. Joining me in sponsoring this effort is Senator KENNEDY who, as ranking member of my Subcommittee on Public Health, has been instrumental in developing this legislation. Joining Senator KENNEDY and me as original cosponsors are Senators JEFFORDS, DODD, DEWINE, MIKULSKI and COLLINS.

SAMHSA, formerly known as the Alcohol, Drug Abuse, and Mental Health Services Administration (ADAMHA) was created in 1992 by the Public Law 102–321, the ADAMHA Reorganization Act. SAMHSA's purpose is to assist States in addressing the importance of reducing the incidence of substance abuse and mental illness by supporting programs for prevention and treatment. SAMHSA provides funds to States for alcohol and drug abuse prevention and treatment programs and activities, and mental health services through the Substance Abuse Prevention and Treatment (SAPT) and the Community Mental Health Services (CMHS) Block Grants.

SAMHSA's block grants account for 40 percent and 15 percent respectively of all substance abuse and community mental health services funding in the States. They are a major portion of this nation's response to substance abuse and mental health service needs.

In introducing the legislation, I have targeted six main goals which include: promote State flexibility in block grant funding; ensure accountability for the expenditure of Federal funds; develop and support youth and adolescent substance abuse prevention and treatment initiatives; develop and support mental health initiatives that are designed to prevent and respond to incidents of teen violence; insure the availability of Federal funding for emergencies; and support programs targeted for the homeless to treat mental health and substance abuse.

In 1981, President Ronald Reagan revolutionized Federal support for mental health and substance abuse services by eliminating what were many discretionary programs for which States, local governments, and providers had to compete for funds. Instead he created the Alcohol, Drug Abuse and Mental Health Services (ADMS) Block Grant. This Block Grant awarded funds to States based on a formula. States were eligible to receive the funds as long as the Federal government was assured the State would comply with certain requirements. This shift to a block grant gave primary responsibility for providing mental health and substance abuse services to the States—where it should be to allow our States to respond to local needs.

Unfortunately, over the years, the Block Grant program has become more prescriptive. As a result, these additional requirements place burdens on States and remove State flexibility, which was the main purpose of the Block Grant program. We need more State flexibility and my bill accomplishes this by implementing a number of recommendations from the States. It repeals a requirement in the substance abuse block grant that requires States to use 35 percent of their funds for alcohol related activities and 35 percent for drug related activities. The requirement that States maintain a $100,000 revolving fund to support recovery homes is made optional. New waivers are created for several other requirements in the substance abuse block grant. Application requirements in the mental health block grant are minimized, and States will be able to obligate their block grant funds over two years instead of one giving them more time to plan for and use the funds.

If this bill is enacted, the Governors will be able to make a one time infusion of funds into the States substance abuse or mental health treatment system without having to commit themselves to increases in future years when budgets might not accommodate that funding. As a result of this bill, States will have more flexibility in their use of funds than they have had in the past ten years.

With more flexibility, comes the need for more accountability. Therefore, my bill changes the way States are held accountable for their use of Federal funds. For example, under the current substance abuse block grant, States are required to spend a prescribed amount of money to address the needs of pregnant addicts and women with children. States are held accountable as to whether they spent the prescribed amount of funds, not on the true outcomes of whether that population is being successfully treated which is how they should be held accountable. The Federal government should be less concerned with whether the State spent the required amount of funds and more concerned on whether the State is being successful in reducing the number of infants born addicted or HIV positive.

My bill sets a process in place over the next 2 years to develop a system based on performance measures to monitor States' progress. The reason why the bill does not implement such a system now is that the State treatment systems are not prepared to make that change. First, because there is no agreement on what measures to use. Second, the current State data systems are not adequate to collect and report on performance data. Very few States currently have data systems that could provide the necessary data.

To respond to these concerns, this bill requires the Secretary of Health and Human Services to submit a plan to Congress within 2 years detailing the performance measures to be used in such a system that have been agREED to by the States and Federal government. That plan is to include the data elements that States will have to collect, the definitions of the data elements and the legislative language

necessary to implement the recommended program.

The bill also authorizes a grant program for the Secretary to provide financial support to States for developing the data infrastructure necessary to collect and report on the performance data.

As I have previously discussed, the increase in youth drug and alcohol abuse is a problem that threatens to undermine our society. To increase the focus of SAMHSA on youth substance abuse, the bill places a new emphasis on youth in developing treatment programs.

Although I believe that none of our children is truly safe when it comes to drugs and alcohol, there are children, because of their environment or state of mental health, that are more at risk to become drug or alcohol abusers. Children of substance abusers, victims of physical or sexual abuse, high school drop outs, the economically disadvantaged or those with mental health problems or who have attempted suicide are all at risk of drug and alcohol abuse. In order to develop effective techniques for prevention and treatment for these children, the bill also reauthorizes a grant program to develop effective models for the prevention and treatment of drug and alcohol abuse among high risk youth.

During discussions regarding the increased incidence of youth substance abuse several of my colleagues on the Health, Education, Labor and Pensions Committee have approached me to express their concern and desire to develop provisions to address the problem of youth substance abuse: Senator DEWINE has expressed an interest in developing provisions that would offer early intervention and prevention; Senator DODD has correctly pointed out that there has been little focus thus far on developing techniques to provide effective treatment for our children; Senator REED has pointed out that over 60% of youth in the juvenile justice system may have substance abuse disorders, compared to 22% in the general population; and Senator BINGAMAN has offered his help to address the problems with youth substance abuse in rural areas, Native American communities and other areas that are either underserved or where there is an emerging substance abuse problem among youth.

We will be working over the next few weeks to incorporate the elements addressed above into a bipartisan proposal. In the meantime, the bill creates the authority for a new program on youth treatment which will be strengthened by the bipartisan proposal when the Health, Education, Labor and Pensions Committee takes action on the bill.

The issue of children of substance abusers is also addressed in this bill. As I have mentioned, children of substance abusers are at high risk of being substance abusers themselves. The Department of Health and Human Services reported to Congress last month that 8.3 million, or 11 percent, of American children live with at least one parent who is either an alcoholic or in need of treatment for the abuse of drugs. This report also sadly confirms that between 50 to 80 percent of children in the child abuse, neglect and foster care systems have parents who need substance abuse treatment. To address this, the bill reauthorizes the Children of Substance Abusers Act (COSA) and moves its authority to SAMHSA from the Health Resources and Services Administration (HRSA) for better coordination. Funding under COSA, which was authored by Senator DODD and enacted during the 102nd Congress, would be used for identification and evaluation of families experiencing substance abuse and offer treatment and prevention services.

Another area I am addressing in this bill is youth violence and mental health services. As we have seen by the many tragedies in our nation's schools, the issue of youth violence causes us much pause for thought. Although I believe we cannot legislate a less violent society, this bill has programs which we hope will begin to address the issue of youth violence and assist communities by helping them meet the mental health needs of youth to cope with violence related stress.

The first step the bill takes is to authorize a provision that will assist local communities in developing ways to assist children in dealing with violence, building upon the actions last year of Senators SPECTER and HARKIN in the Senate Appropriations Subcommittee on Labor, HHS and Education. This bill will authorize SAMHSA to make grants in consultation with the Attorney General and the Secretary of Education to assist local communities. These grants will support activities that include: financial support to enable the communities to implement programs designed to help violent youth; technical assistance to local communities; and assistance in the creation of community partnerships among the schools, law enforcement and mental health services. In order to receive funding for services under this provision an organization would have to ensure that they will carry out six activities which include: security of the school; educational reform to deal with violence; the review and updating of school policies to deal with violence; alcohol and drug abuse prevention and early intervention; mental health prevention and treatment services; and early childhood development and psychosocial services. The funds, however, may only be used for prevention, early intervention, and treatment services.

In order to help youth and adolescents cope with violence and emergency crises, the bill establishes grants for developing knowledge with regard to evidence-based practices for treating mental health disorders resulting from violence related stress. In addition, the bill will establish centers of excellence to provide technical assistance to communities in dealing with the emotional burden of violence if and when it occurs.

By law, SAMHSA discretionary grant awards must be peer reviewed which regularly take up to six months to approve which makes SAMHSA unable to act quickly in a emergency. To ensure the availability of funding for emergencies, the bill establishes an emergency response fund to allow the federal government to address emergency substance abuse or mental health needs in local communities. For example, this funding could be available to assist communities exposed to violence or terrorism or communities experiencing a serious substance abuse emergency such as increased drug traffic or inhalant abuse.

The final theme of the bill that I would like to highlight is the issue of services for the homeless.

Individuals who are homeless face major barriers to access and utilize mainstream addictive and mental disorder treatment and recovery services, including lack of income verification documentation, difficulties in maintaining schedules, and lack of transportation. Furthermore, most providers are not equipped to handle the complex social and health conditions which the homeless population presents. An insufficient number of mainstream providers offer the long-term, residentially-based aftercare and housing services that are essential for homeless individuals adherence to treatment and residential stability. Mainstream providers are not typically linked to the full range of health, housing, and human development services that homeless individuals with addictive and mental disorders require for recovery and residential stability.

In order to help address the unique challenges of serving the homeless, the bill reauthorizes grants to develop and expand mental health and substance abuse treatment services for homeless individuals.

In addition, it reauthorizes the successful Projects for Assistance in Transition from Homelessness program, know as PATH. PATH is a formula grant program which provides funds to States to provide mental health services to homeless individuals including outreach, screening and treatment, habilitation and rehabilitation.

Mr. President, thus far I have laid out the major legislative changes my colleagues and I are undertaking to improve SAMHSA programs. However, I would like to talk about the great work that is accomplished locally by discussing recent efforts in my home State of Tennessee.

SAMHSA provides over 70 percent of overall funding for the Tennessee Department of Health's Bureau of Alcohol and Drug Abuse Services, which is headed by Dr. Stephanie Perry.

Last year Tennessee received over $25 million from the Substance Abuse Prevention and Treatment Block Grant to spend on treatment and prevention activities. With this funding the Tennessee Bureau of Alcohol and Drug Abuse Services provides funding to community-based programs that offer a wide range of services throughout the State.

In the area of prevention services, the funding allows for the Intensive Focus Group program which provides structured, short term educational and counseling programs for youth and their families. In addition, the State is also able to fund Regional Prevention Coordinators who are assigned to each region of the State to assist communities in the development, implementation and coordination of alcohol and drug prevention activities. One additional program, I would like to highlight is the Faith Initiative which is a voluntary involvement of faith leaders to establish the role of interfaith communities in substance abuse and violence prevention.

In the area of treatment, where Tennessee spends 65 percent of its total substance abuse dollars, there are several different treatment programs that focus on youth residential and day treatment, family intervention and referral services. Other offered services include medical detoxification which is a 24 hour a day, 7 days a week program that provides residential service for alcohol and drug abusers. Overall, the block grant funds permit nearly 6,500 Tennesseans to receive the substance abuse treatment they desperately need.

I am pleased that Tennessee has focused on serving individuals with co-occurring disorders. There are an estimated 25,000 Tennesseans identified as having co-occurring disorders, meaning they require both mental health and substance abuse services. The Co-Occurring Disorders Project is a partnership between Tennessee's Division of Mental Heath Services and Bureau of Alcohol and Drug Services, allowing the patient to overcome the difficult circumstances that make their recovery complex by allowing them to receive both substance abuse treatment and mental health treatment in an integrated system of care.

Another project that SAMHSA makes possible is the Central Intake Process which Tennessee developed to establish a uniformed system for anyone who requires alcohol and/or drug use treatment. Here is how this program works as demonstrated by the true case of a man named John.

John, is a 35 year-old, black male who was referred to Central Intake by his probation officer. John's past legal history includes 12 assault charges, 3 contempt of court charges, 15 public drunk charges and one DUI. John is a high school graduate, and has 24 months of technical training in operating heavy equipment. In the 30 days prior to his assessment, John had used 2 pints of alcohol a day, smoked crack cocaine on 22 days and marijuana on 4 days. John has been abusing alcohol for 27 years, marijuana for 21 years and cocaine for 4 years. He also has reported heroin use.

He was diagnosed as alcohol, cocaine and marijuana dependent and referred to a residential program with a step-down transitional living facility outside his geographic region. Upon completion of the program, the Central Intake case manager arranged a placement with a halfway house in another part of the State. The case manager for John reports that he has been clean and sober for 10 months, continues to live in the halfway house, is employed, involved in Alcoholics Anonymous and is a member of a church. By establishing Central Intake, Tennessee, thanks to Federal block grant dollars is able to evaluate and offer appropriate treatment for individuals like John to help put their lives back together.

With the $4.4 million that the Tennessee Department of Mental Health received in 1998, Tennessee was able to utilize and enhance an array of services dedicated to mental health. Overall the block grant money was distributed to 16 private not-for-profit community health centers and nine community health agencies throughout the State. SAMHSA block grant funds were used for consumer and family support groups. In addition the major allocation of funding is spent on drop-in/socialization services across the State. In all there are 35 consumer-operated centers which provide a place for consumers to meet and socialize with other consumers of mental health services. In addition funding is used for co-occurring disorder projects which train clinicians, establish resource centers, and establish a statewide network for dual diagnosis advocacy.

To address the youth population, the Tennessee Department of Mental Health uses SAMHSA block grant dollars to fund a program called BASIC. BASIC which stands for Better Attitudes and Skills in Children is a public school based early intervention and prevention program that identifies and works with children with serious emotional disturbance with a goal of reducing the incidence of adolescent and adult mental health problems. This project also focuses on enhancing awareness and capacity for response of school personnel to the mental health needs of children.

SAMHSA funds also pay for the early children intervention project which targets preschool children with behavior problems that are in a day care setting. The purpose of this program is to intervene at the point which behavior problems become obtrusive and problematic for the parents, teaching staff and other children in the day care center.

Finally, I would like to mention the Respite Services program for families of children identified as seriously emotionally disturbed, or dually diagnosed as emotionally disturbed and mentally retarded. Respite consultants assist in identifying and developing community-based respite resources, and work with families to utilize these resources in the most effective manner.

Mr. President, the bill I introduce today will ensure that Tennessee and other states will continue to receive critically needed Federal funds for community based programs to help individuals with substance abuse and mental health disorders. The changes that I have outlined will dramatically increase State flexibility in the use of Federal funds and ensure that each State is able to address its unique needs. The bill also provides a much needed focus on the troubling issue of the recent increase in drug use by our youth and addresses how we can be helpful to local communities in regard to the issue of children and violence. I am pleased to offer this bill today and I look forward to working on theses issues with my colleagues as the bill is considered by the Senate.●

● Mr. KENNEDY. Mr. President, today, we are introducing a bill to bring mental health and substance abuse treatment services into the next century. I commend Senator FRIST for his effective leadership on this issue. We have worked closely together on this important legislation to define the types of mental health and substance abuse treatment and services research that deserve to be funded, and to improve the process of accountability for clinical outcomes.

The bill also contains a number of provisions to address the alarming increase in violence in our schools and communities and the traumatic consequences of such violence. The legislation emphasizes a number of programs to prevent and reduce the impact of mental disorders and substance abuse in children and adolescents.

The tragic events in Colorado earlier this month are a reminder of how much more we need to help families, to protect children, and to make our schools and communities safer.

This legislation provides new support for children who are witnesses and survivors of domestic and community violence. Too often, these children are at great risk for long term psychological problems, including developmental delays, psychiatric symptoms such as anxiety or depression, and even the risk that these traumatized individuals will grow up to become perpetrators of violence themselves.

Another major feature of this bill is the attempt to address a number of concerns that were not apparent when we established the Substance Abuse and Mental Health Services Administration in 1992. We need to do more to help states identify the kinds of assistance that are most relevant to the persons they are currently serving and to do so in the most efficient and effective ways. Our bill accomplishes this by streamlining the services, and helps assure that the right services are going to those who most need them.

We also intend to address the needs of persons with both mental disorders and substance abuse. We must give greater priority to programs that support the mental health and substance abuse treatment needs of patients in primary care clinics.

I look forward to working closely with my colleagues to enact this legislation. We know that we can deal more effectively with the serious problems of substance abuse and mental illness, and enable far more of our fellow citizens to lead fulfilling and productive lives.●

●Mr. JEFFORDS. Mr. President, I rise today to join my colleague from Tennessee, Senator FRIST, in introducing the ''Youth Drug and Community-Based Substance Abuse and Mental Health Services Act.'' I am proud to be a cosponsor of this legislation that will reauthorize the very important work conducted by the Substance Abuse and Mental Health Services Administration (SAMHSA). I want to commend Senator FRIST for his valuable leadership in this effort.

Substance abuse affects us all. Many of us have a close friend or family member who is a substance abuser or living in recovery, and persons with mental illness continue to needlessly face obstacles to their successful treatment that can, and should be eliminated.

SAMHSA's role is to improve access to quality mental health and substance abuse services in the nation. It carries out this responsibility to the tremendous advantage of States, local governments, and communities across the nation. This reauthorization bill will improve access and reduce barriers to high quality, effective programs and services for individuals who suffer from, or are at risk for, substance abuse or mental illness, as well as for their families and communities. It strengthens SAMHSA's national leadership in ensuring that knowledge, based on science and state-of-the-art practice, is effectively used for the prevention and treatment of addictive and mental disorders.

SAMHSA fosters Federal-State partnerships by supporting State and local community mental health and substance abuse programs. SAMHSA's budget of $2.3 billion is distributed through grants to states, local communities, private organizations, and schools. This reauthorization will increase flexibility for the States and for the Secretary in the provision of these services. This bill will repeal and/or make optional several existing requirements, and instead allows the States to use the grant funds to better serve their particular mental health and substance abuse populations. It dramatically reduces the administrative burden of federal mandates and allows the States greater flexibility to coordinate programs to develop a seamless system of care.

This flexibility necessitates a need for increased accountability. This bill improves the way States are held accountable for their use of Federal funds. Under the current system, States are required to spend certain amounts on certain populations and their success is determined on whether they have spent the required amount of funds. Not on whether they are accomplishing program goals. We will change these programs to focus on performance and results as Congress has done with other programs.

I would now like to speak about what I see as the most important provisions of this bill. The first is the Title I provisions relating to services for children and adolescents. It is critical that we focus on treatment for youth. The substance abuse treatment system in this country is focused primarily on adult addicts. A system of care for adolescents is not routinely available. And yet the statistics show that adolescents are more frequently using drugs than they did five years ago. This reauthorization facilitates a system of care that addresses their needs.

The events of Littleton, Colorado have made us all keenly aware of the mental health of children in dealing with violence. The provision on Children and Violence in this bill pulls together the abilities of the Departments of Health and Human Resources, Education and Justice to support programs to address children and violence issues at the community levels. Mental health professionals, educators, and law enforcement officials can collaborate so that at-risk youths with disorders can be diagnosed early and moved into the proper treatment setting.

School districts will implement the wide range of early childhood development, early intervention and prevention, and mental health treatment services that appear to have the greatest likelihood of preventing violence among children. To ensure the availability of funding for emergencies, the bill establishes an emergency response fund to allow the federal government to support communities which have experienced trauma due to teen violence. To help youth and adolescents cope with violence and emergency crises, the bill establishes grants for developing knowledge with regard to best practices for treating psychiatric disorders resulting from emergency crisis. This is an approach that I understand is supported by both the research and service communities. It makes sense to me and I know that such programs will be helpful in every community in America.

I must also point out that this bill includes the formula compromise included in last years's omnibus appropriations bill for the Substance Abuse Prevention and Treatment Block Grant funds. This is an issue of paramount importance to small and rural states, and I am pleased that this legislation ratifies last year's agreement.

Mr. President, this is an important bill that will greatly improve the quality of substance abuse and mental health treatment in this nation. I look forward to considering this bill in the near future in committee, and then I hope it will receive the full attention of the Senate. I would like to once again thank Senator FRIST for putting so much time and effort into crafting legislation that will benefit so many American families.●

● Mr. DODD. Mr. President, I rise to express my support for the Substance Abuse and Mental Health Services Administration (SAMHSA) Reauthorization Act and to commend Senator FRIST for his leadership on this issue. I am pleased to join him as a co-sponsor of this legislation.

This reauthorization will support SAMHSA in achieving its mission to improve the quality and availability of mental health and substance abuse prevention, early intervention, and treatment services. The SAMHSA Act allows States to develop comprehensive systems to provide better quality mental health care so that children and adults with serious emotional disturbances may remain in the comfort of their home and within a familiar environment as they receive treatment. The flexibility provided by this piece of legislation will also allow States to build partnerships with schools and neighborhoods so that we can better confront the causes and impact of violence on our schools and communities. I am pleased that this legislation will also continue to support homeless individuals who need mental health services and will allow States to be innovative in addressing the needs of special populations such as pregnant, addicted women and those with HIV.

I am particularly pleased that this legislation incorporates a bill introduced by Senator JEFFORDS and myself, the ''Children of Substance Abusers Act'' (COSA). Children with substance abusing parents face serious health risks, including congenital birth defects, psychological, emotional and developmental problems, and the increased likelihood of becoming substance abusers themselves. Additionally, they are three times more likely

to be abused and four times more likely to be neglected than children whose parents are not substance abusers. COSA addresses the devastation generated in the wake of parental substance abuse by promoting aggressive outreach to families in need and providing early intervention, prevention, and treatment services, and education and training for health and social services providers on recognizing and serving these families.

Although this legislation is an excellent beginning, I am concerned about the omission of two critical issues which have not been adequately addressed by federal efforts to date— the need to provide treatment to teens who are abusing alcohol and drugs and the use of restraints and seclusion on children in mental health facilities.

Statistics reveal that in senior high schools across the country, twenty-five percent of students use an illicit drug on a monthly basis, and seven percent on a daily basis. In 1997, fifty-two percent of senior high school students reported monthly alcohol use, meaning more than four million teens consumed alcohol in any given month. Yet, only twenty percent of the 648,000 adolescents with severe substance abuse problems receive treatment. The legislation that I have introduced today, the ''Teen Substance Abuse Treatment Act of 1999'' would fill an important gap in our national strategy for combating substance abuse in our communities by dedicating funding for treating youth with alcohol and drug problems. This legislation would authorize grants to develop innovative services aimed at the specific needs of teenagers, including services that coordinate mental health and substance abuse services. In addition this legislation would address the interaction between substance abuse and violent and antisocial behavior.

While I am disappointed that this bill is not currently included in the SAMHSA Reauthorization legislation that will be introduced today, I am encouraged that Senator FRIST has agreed to work with me, Senator REED, and Senator BINGAMAN prior to a markup of the bill to craft legislation to comprehensively address the substance abuse needs of adolescents.

Secondly, Mr. President, I also today want to briefly mention an issue that I hope will eventually be addressed within SAMHSA's reauthorization. This issue, the misapplication of restraints and seclusion within facilities providing mental health care services, signals a national tragedy that must be addressed. As evidenced last year by the Hartford Courant in a ground breaking investigative series that confirmed 142 deaths that occurred during or shortly after restraints were applied, the federal government must do better to protect individuals with mental illnesses from the punitive and deadly misuse of restraints and seclusion. Additionally, because many of these deaths go unreported, the actual number of restraint-related deaths may be many times higher. More than 26 percent of restraint-related deaths were children—nearly twice the proportion they constitute in mental health institutions.

The alarming number of deaths reported in the series illustrates the need for national, uniform standards for the use of restraints in the mental health care field. Low pay for mental health care workers, little-to-no training, and a lack of accountability and oversight, all contribute to the deplorable conditions found in many of the nation's mental health care treatment centers. The initiative that I hope to include within SAMHSA will establish uniform standards for restraint use, ensure adequate training and appropriate staffing levels, and allow protection and advocacy organizations to review deaths that occur at mental health care facilities. Legislation concerning the use of restraint and seclusion use is badly needed. As the Hartford Courant series mentioned, the federal government monitors the size of eggs but does not record the number of deaths caused by the use of restraints and seclusion in mental health care facilities. I look forward to working with Senator FRIST toward the inclusion of this important initiative within SAMHSA's reauthorization.

Mr. President, this bill demonstrates our continuing support for SAMHSA and for sustaining programs which improve the quality and availability of substance abuse and mental health services. I am pleased that Senator FRIST has moved this legislation forward and look forward to working with him to include provisions to address the substance abuse treatment needs of adolescents and to enact standards regarding the use of restraint and seclusion. I again offer my support and cosponsorship of this bill.●

By Mr. WARNER:

S. 978. A bill to specify that the legal public holiday known as Washington's Birthday be called by that name; to the Committee on the Judiciary.

GEORGE WASHINGTON BICENTENNIAL ACT OF 1999

●Mr. WARNER. Mr. President, I rise today to introduce legislation to reestablish the third Monday in February as a national holiday called ''Washington's Birthday.''

Current law provides that the third Monday in February is a legal public holiday designated as ''Washington's Birthday.'' Nonetheless, there is an inaccurate misconception that this federal holiday is called ''President's Day.'' Not only does the use of the phrase ''President's Day'' in reference to the third Monday in February have no force in federal law, the misnomer obscures the true meaning of the holiday.

Simply put, the true meaning of the federal holiday known as ''Washington's Birthday'' is to celebrate the birthday of the father of our country. Washington's role in achieving our Nation's independence, in helping to create our Constitution, and as the first President of the United States of America cannot be overestimated.

As one of Virginia's delegates to the Second Continental Congress assembled in Philadelphia in May 1775, Washington was elected Commander in Chief of the Continental Army. As Commander in Chief of the Army, Washington helped ensure the independence of our Nation when he, with the help of French allies, forced the surrender of British forces at Yorktown. After the war, Washington soon realized the problems associated with the Articles of Confederation, and he became a prime mover in the steps leading to the Constitutional Convention in Philadelphia in 1787. Washington presided over the Constitutional Convention and ultimately yielded to the cries that he serve as our country's first President. After the Constitution was ultimately ratified, the electoral college twice unanimously elected Washington to serve as President of the United States.

As the father of our country, President Washington deserves to be distinguished from other Presidents. Federal law recognizes this deserved distinction in that President Washington's birthday is the only President's birthday recognized as a federal holiday. However, because this holiday is all too often misconceived as ''President's Day,'' this legislation is necessary to reestablish that the federal holiday is in fact ''Washington's Birthday.''

This legislation would achieve this objective by simply requiring all entities and officials of the United States Government, as well as federally funded publications, to refer to this day as ''Washington's Birthday.'' This bill in no way infringes on the right of any State or local government to recognize a ''President's Day'' or any other holiday. In fact, ''President's Day'' is a State holiday in a number of states.

President Buchanan emphasized the importance of Washington's birthday when he stated, ''when the birthday of Washington shall be forgotten, liberty will have perished from the earth.'' I urge my colleagues to support this bill to ensure that President Washington receive the distinction he deserves.●

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

S. 979. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes; to the Committee on Indian Affairs.

TRIBAL SELF-GOVERNANCE AMENDMENTS OF 1999

● Mr. CAMPBELL. Mr. President, today I introduce amendments to the

Indian Self-Determination and Education Assistance Act of 1975 (''ISDEA'') to provide for greater tribal self-governance for the programs and services of the Department of Health and Human Services (''HHS'').

Over the years the poor circumstances and conditions of Native Americans have been compounded by vacillating federal policies and federal domination of matters affecting Indian people.

This situation began to change in 1970, when President Nixon delivered his now-famous ''Message to Congress on Indian Affairs'', which laid the foundation for a more enlightened federal Indian policy. This new policy allowed tribes to forge their own destiny and challenged the federal government to find new, innovative ways to administer Indian programs.

Because of the tangible benefits it has brought, this shift away from federal domination and toward Indian self-determination has been supported by every Administration since 1970.

Indian self-determination fosters strong tribal governments and reservation economies. This policy has encouraged tribes to assume more responsibility for their own affairs, caused a reduction in the federal bureaucracy and, most importantly, improved the quality of services to tribal members.

The most definitive expression of the policy change brought about by President Nixon was the ISDEA which authorized tribes to negotiate and enter into agreements with the U.S. to assume control over and operate federal programs which had been previously administered by federal employees.

In the years after enactment of the ISDEA, Congress expanded on the framework by enacting tribal ''self-governance'' laws which created a demonstration project that authorized tribes to enter into ''compacts'' with the U.S., so that they may administer an array of services.

The principles of the ISDEA are similar to those of block granting to the states. Instead of the federal government micro-managing Indian tribes, the federal government is contracting with tribes to perform those functions. Like states, tribes know best which governmental programs best serve their communities and how programs should be delivered. In short, the concept of local administration of federal dollars works.

By continuing to build tribal capacity and expertise in the administration of programs and services previously administered by employees of the Department of the Interior and the HHS, the Act has forged stronger tribal governments and economies and led to a smaller federal presence in Indian affairs.

The current self governance ''demonstration project'' in health care involves approximately 50 tribes. The legislation I introduce today builds on these successes, makes the self governance program permanent and expands an array of eligible functions available for tribal self governance to include the many programs, services and activities of the HHS, such as clinical services, public health nursing, mental health, substance abuse, community health representatives, and dental health.

The bill ensures continued participation by the tribes now participating in the self governance project, and provides for participation by an additional 50 tribes or tribal organizations annually.

This is far from a ''no-strings attached'' approach to federal programs. To participate, tribes must successfully complete legal and accounting requirements, as well as demonstrate financial stability and financial management capability.

This legislation also addresses the issue of which functions may be performed by tribes and which may not. This bill differentiates between those services and activities that are federal, and therefore ineligible for tribal performance through a self-governance compact, and those that are not inherently federal, and therefore eligible for tribal performance through a self-governance compact.

To track the progress made in raising the health status of Indians, the bill requires participating tribes to report health-related data to the Secretary so that an accurate picture of Indian health can be drawn.

I am mindful that there are issues we need to explore further, such as contract support cost funding, and I fully anticipate that interested parties will have full and fair opportunity to raise their concerns during the legislative process.

I am hopeful that after working with the tribes, the Administration and other interested parties, and after careful consideration by the Committee on Indian Affairs, we will be able to enact this important legislation to raise the health status of Native Americans and continue the unparalleled success of the Indian self-determination policies.●

By Mr. BAUCUS (for himself, Mr. DASCHLE, Mr. THOMAS, Mr. HARKIN, Mr. GRASSLEY, Mr. CONRAD, Mr. ROBERTS, Mr. FRIST, Mr. JOHNSON, Mr. ROCKFELLER, Mr. JEFFORDS, Mr. WELLSTONE, and Mr. MURKOWSKI):

S. 980. A bill to promote access to health care services in rural areas; to the Committee on Finance.

PROMOTING HEALTH IN RURAL AREAS ACT OF 1999

Mr. BAUCUS. Mr. President, I rise today to introduce the Promoting Health in Rural Areas Act of 1999.

All Americans deserve access to quality health care. But in rural America health care delivery is often difficult, given the great distances and extreme weather conditions that typically prevail. That's why Senator DASCHLE and I, along with bipartisan group of Senators, are introducing this important legislation. Its provisions are many, but it purpose is singular: to correct the federal government's tendency to view all areas—urban and rural—with a one-size-fits all lens.

Before I begin explaining what this bill does, I want to recognize the tremendous contributions of some of the cosponsors' staff who have worked on the bill.

The Minority Leader is known in the Senate not only for this tremendous leadership, but for the quality of his staff. Elizabeth Hargrave is no exception. On loan from the Department of Health and Human Services, she has worked tirelessly to see this bill through to introduction. With her expertise and attention to the intricate details of health policy, we have come up with a solid, comprehensive bill, much improved from that which was introduced last year.

Tom Walsh on the Senate Aging Committee has also done tremendous work. His knowledge of Medicare law is vast, and his parent demeanor has done wonders toward making negotiations on this bill amicable and fruitful. Heidi Cashman with Senator ROBERTS, Neleen Eisinger with Senator CONRAD, Diane Major and Stephanie Sword with Senator THOMAS, Sabrina and Bryan with Senator HARKIN, The list goes on. The Promoting Health in Rural Areas Act is the product of many long meetings, extensive research, and a great deal of cooperation. Would that we could all work so well together.

So why is this bill important? As you know, Mr. President, a couple of years ago Congress passed the Balanced Budget Act. In it we extended the life of Medicare for several years and passed some important rural health provisions, including Medicare reimbursement for telemedicine and the Medicare Rural Hospital Flexibility Program to establish Critical Access Hospitals (CAHs).

Under the new CAH law, rural hospitals can convert to limited-service hospital status and received flexibility with Medicare regulations designed for full-size, full-service facilities. They are reimbursed by Medicare based on actual costs, not fixed or limited payments; in exchange, CAHs agree to a limit of 15 hospitals beds and patients stays of limited duration. The model for the new program was based largely on Montana's Medical Assistance Facility Program. CAHs show well the progress we can make if rural areas are afforded the flexibility to develop solutions to the problems they know best. They also illustrate a creative means by which we can use the Medicare program to keep rural hospitals open—and rural communities alive.

But not all of the Balanced Budget Act was positive for rural areas. Far from it. Montana health care facilities, including hospitals, home health agencies and nursing homes, are suffering.

In 1997, even before the BBA cuts, small rural hospitals in Montana lost 6.5% treating Medicare patients. And although we do not yet have complete data on the impact of the BBA changes, anecdotal evidence tells me that the situation in rural Montana has gotten even worse. In rural areas where many, usually most, patients are of Medicare age, we cannot expect these facilities to stay open without paying them enough to break even. We must do something to ensure the integrity of our rural health care systems.

This bill is a good first step. Among other things, the bill provides rural communities with assistance in recruiting health care providers; expands the range of services that can be provided with telemedicine; increases payments to hospitals in rural areas; expands access to mental health services in rural areas; changes the formula by which managed care payments are calculated to attract more managed care health plans to rural areas; and increase rural representation on the Medicare Payment Advisory Commission.

As Dennis Farney, a reporter from Kansas once wrote: ''A prairie is not any old piece of flat land in the Midwest. No a prairie is wine-colored grass, dancing in the wind. A prairie is a sun-splashed hillside, bright with wild flowers. A prairie is a fleeting cloud shadow, the song of the meadowlark. It is the wild land that has never felt the slash of the plow.'' For me, this conjures up images of an idyllic rural setting, far removed from the commotion of city life. And certainly that is in the minds of many who live in these sparsely-populated areas—that they are inhabiting a part of the world that is in many ways pristine and untouched.

Of course there is a price to pay for that. Rural folks should not expect to have all the amenities of city life: opera houses and professional sports teams are just a couple of things that rural areas must simply do without. Rural Montanans can't expect to have a subway system—or even a Subway sandwich shop for that matter—because economies of scale dictate as much.

And even in the area of health care, rural Americans realize they give up something. Full-service hospitals and dental clinics are the stuff of populated areas, and will probably remain so. But although you won't find a full-service acute-care hospital in Choteau, Montana, you can find a CAH. And though you don't find a full-service dental clinic in Eureka, you can find a rural health clinic. Rural residents cannot expect to have the most extensive health care facilities or access to the array of specialists typical of urban settings, but they should expect a minimum standard of quality care. This bill is a step in the right direction towards raising that standard.

Whether it's helping rural areas with highway dollars, preventing small post offices from moving to towns' outskirts, or keeping hospitals open, I think most of us agree that saving rural areas is something that ought to be done. Regardless of how hard we try, however, we cannot do so without ensuring the integrity of these communities' health care systems. I urge my colleagues to join the Minority Leader and I in doing just that.

Mr. DASCHLE. Mr. President, today I introduce a bill intended to improve health care for Americans living in rural areas. The Promoting Health in Rural Areas Act of 1999 would improve the viability of rural hospitals and clinics, help rural communities attract and retain health care providers and health plans, and make optimal use of the extraordinary medical and telecommunications technology available today.

One-fifth of Americans live in rural areas. They experience the same health care access problems that Americans in cities and suburbs face—plus some problems that are uniquely rural. Issues of geography and transportation, which rural Americans face all the time, can make it difficult to visit the doctor or get to a hospital. These problems are made worse by the short supply of health care professionals in rural areas.

Rural communities are striving to improve access through telehealth and the recruitment of health care professionals. At the same time, they must also struggle to maintain what they have, to ensure that providers who leave their area are replaced, and to keep their hospitals' doors open. This bill contains several provisions that will help them do this—by improving Medicaid and Medicare reimbursements to rural providers, strengthening recruitment programs, and encouraging the development of telehealth. These are important steps to improve access, increase choice, and improve the quality of care provided in more isolated parts of the country.

One problem rural areas face is reimbursement systems that favor urban areas, or that do not take the special needs of rural providers into account. For example, Medicare payments to hospitals are based on formulas that are biased toward urban areas. The Medicare Payment Advisory Commission, and its predecessor, the Prospective Payment Advisory Commission, have been pointing out these inequities for years. This bill would correct the formulas and pay hospitals more fairly.

Another reimbursement problem in rural states is payment for health plans in Medicare+Choice. The bill includes a provision to guarantee that plans in rural counties get the increased reimbursement promised in the Balanced Budget Act. This provision is important to ensure that beneficiaries in rural areas have some of the health plan choices available to urban seniors.

Rural communities also face difficulty recruiting and retaining health care providers. Despite great increases in the number of providers trained in this country over the past 30 years, rural communities have not shared equitably in the benefits of this expansion. As a result, about 22 million rural Americans live in areas considered Health Professional Shortage Areas because they do not have enough doctors to serve their community.

Our bill addresses obstacles in current law to the recruitment and training of providers in rural areas. One obstacle is the current requirement that communities actually lose a physician before they qualify for recruitment assistance to replace that provider. This bill would let communities get assistance for up to 12 months in advance when they know a retirement or resignation is pending. Another provision in the bill ensures that new Medicare reimbursement rules for medical residents, enacted as part of the Balanced Budget Act, do not discriminate against areas that train residents in rural health clinics or other settings outside a hospital.

Telehealth is another promising tool to bring medical expertise to rural communities. Through telehealth technology, rural patients can significantly shorten their travel time to see specialists, and they can have access to doctors they would otherwise never encounter. The benefits of telehealth extend to rural health professionals as well, providing them with technical expertise and interaction with peers that can make practicing in a rural area more attractive.

Our bill addresses some of the barriers that have limited the development of telehealth. It would expand Medicare reimbursement for telehealth to all rural areas, and to all services Medicare currently covers. The bill also would make telehealth more convenient, by allowing any health care practitioner to present a patient to a specialist on the other side of the video connection. The bill also includes a grant program to help communities establish telehealth programs.

Mr. President, rural America deserves appropriate access to health care—access to hospitals, access to providers, and access to quality services. Providing this care in rural communities raises unique challenges, but we can—and must—overcome those challenges. The bill I introduce today, along with my colleague Senator BAUCUS and other members of the Rural Health Caucus, takes important steps toward that goal.

Mr. CONRAD. Mr. President, today, I am pleased to join Senator BAUCUS, Senator DASCHLE, and other Senators to introduce the Promoting Health in Rural Areas Act of 1999 (PHIRA). This legislation will improve access, increase choice and improve the quality of health care in rural America.

As you know, Mr. President, the Balanced Budget Act (BBA) of 1997 produced real savings for the Medicare program and helped to extend solvency of the program. However, since passing the BBA, we have heard concerns from many rural health care providers that they are facing serious financial pressures due in large part to reductions that were enacted as part of the BBA.

During the BBA debate, I was very concerned that across-the-board cuts in Medicare would have a disproportionate impact on rural health care. Rural hospitals rely heavily on Medicare and in my state of North Dakota, Medicare accounts for 70 percent of hospital revenue. This means that Medicare reimbursement reductions have a bigger direct impact on rural hospitals than on other hospitals. It also means that rural hospitals have fewer other sources of revenues where they can increase margins to make up for losses in Medicare revenue.

To help protect access to health care in rural areas, I and a coalition of other Senators, worked hard to fight for provisions in the BBA to protect our rural areas. We made positive steps toward ensuring that health care in rural areas is affordable and accessible.

Our victories included, for the first time, requiring Medicare reimbursement for telehealth. Also included was the creation of the Critical Access Hospital program. The BBA also helped to reform managed care reimbursement to make it more equitable to rural areas and added Graduate Medical Education language to protect rural residency programs.

Despite our efforts, BBA reductions are having an unfair and disproportionate impact on rural health care systems—these cuts have caused real pain for providers and threaten to reduce access to health care for seniors, particularly in rural areas.

To help address these concerns, we have worked hard to develop legislation that will ensure our rural areas have access to quality care. The Promoting Health in Rural Areas Act of 1999 will improve Medicaid and Medicare reimbursement to rural providers, strengthen health professional recruitment programs, and encourage the development of telehealth.

One problem that rural areas face is reimbursement systems that favor urban areas, or that do not take the special needs of rural providers into account. Medicare payments to hospitals are currently based on formulas that are biased toward urban areas. The first element of PHIRA would correct these formulas and pay hospitals more fairly. In the BBA, Medicaid funding for Community Health Clinics (CHCs) and Rural Health Clinics (RHCs) was changed, leaving no guarantee that states will adequately fund these facilities. This bill would create a new payment system for CHCs and RHCs that will help ensure continued support for these essential facilities. The bill would also guarantee that Medicare+Choice plans in rural counties get the increased reimbursement promised in the BBA. This provision is important to ensure that beneficiaries in rural areas have at least some of the health plan choices that are available to urban seniors.

The second element of our bill includes provisions to attract and bring more health care providers into our communities. Rural communities face difficulties in recruiting and retaining health care providers. In my state, over 85% of counties are designated as either a partial or full health shortage profession area (HPSA). Nationwide, 22 million rural Americans live in HPSAs. We must do more to attract qualified health care providers into our rural areas. Currently, communities must actually lose a physician before they qualify for recruitment assistance to replace that provider. This bill would let communities get assistance for up to 12 months in advance when they know someone is going to retire. In addition, this bill will take positive steps to ensure that our future health care providers choose to serve in HPSAs. Currently, students in our National Health Service Corps program, a program helps students pay for their medical education or re-pay their medical student loans in return for serving in HPSAs, are facing undue hardship due to the fact that they are being taxed on scholarships they receive to participate in the NHSC. This bill will reward students for their commitment to working in HPSAs by exempting them from being taxed on their NHSC scholarships.

The third element of PHIRA will go even further to ensure that the most important medical services are available in our communities by expanding access to telehealth services. The promise of telehealth is becoming increasingly apparent. Throughout the country, providers are experimenting with a variety of telehealth approaches in an effort to improve access to quality medical and other health-related services. Those programs are demonstrating that telecommunications technology can alleviate the constraints of time and distance, as well as the cost and inconvenience of transporting patients to medical providers. Many approaches show promising results in reducing health care costs and bringing adequate care to all Americans. For the first time, technological advances and the development of a national information infrastructure give telehealth the potential to overcome barriers to health care services for rural Americans and afford them the access that most Americans take for granted. But it is clear that our nation must do more to integrate telehealth into our overall health care delivery infrastructure.

This bill would expand Medicare reimbursement for telemedicine to all rural areas, and to all Medicare services. Medicare reimbursement policy is an essential component of helping to integrate telehealth into the health care infrastructure and is particularly important in rural areas, where many hospitals do as much as 80% of their business with Medicare patients. Because the Secretary defined reimbursable services so narrowly in the BBA, this legislation clarifies that all services that are covered under Medicare Part B will be covered if they are instead delivered vial telehealth. In particular, it clarifies that the technology called ''store and forward'', which is a cost-effective method of transferring information, is included in this reimbursement policy.

This bill will also help communities build home-grown telehealth networks. It will help to build telehealth infrastructure and foster rural economic development, and it incorporates many of the most important lessons learned from other grant projects and studies on telehealth from across the Federal government. Because so many rural and underserved communities lack the ability to attract and support a wide variety of health care professionals and services, it is important to find a way to bring the most important medical services into those communities. Telehealth provides an important part of the answer. It helps bring services to remote areas in a quick, cost-effective manner, and can enable patients to avoid traveling long distances in order to receive health care treatment.

Mr. President, I am confident that the Promoting Health in Rural Areas Act will take important steps toward ensuring those in our rural and underserved communities have access to quality, affordable health care. I urge my colleagues to support this legislation.

Mr. THOMAS. Mr. President, I rise today to join several of my colleagues in introducing the ''Promoting Health in Rural Areas Act,'' a bill designed to increase access to quality health care services in rural areas. I am pleased to have worked with my colleagues—Senators BAUCUS, ROBERTS, GRASSLEY, HARKIN, DASCHLE, CONRAD and COLLINS—in crafting this bill for rural America.

Rural health care has been a top priority for me throughout my service in the House and Senate. As co-chairman of the Senate Rural Health Care Caucus, I am pleased that rural health care

is an issue that we have always addressed in a bipartisan way in the Senate.

Rural health care is at a crossroads. Many communities are left short-handed through no fault of their own. The lack of physicians, nurses and other health professionals make it difficult for rural individuals to receive the most basic primary care. Further, inadequate and, more importantly, unequal reimbursement by federal agencies multiplies these unique challenges and leaves rural individuals and families without access to vital medical care.

The Promoting Health in Rural Areas Act of 1999 offers clear and sensible solutions to these problems. It increases reimbursement rates for rural hospitals and clinics, it offers communities additional assistance in recruiting physicians, it promotes the use of telemedicine services, it expands coverage of mental health services in rural areas and it ensures adequate representation of rural health care on a national Medicare advisory board. It is a long-term solution tailored to the needs of rural areas.

The bill incorporates many of the best ideas and recommendations that emerged from the Wyoming Health Care Policy Forum I hosted in Casper on August 26–27, 1998. Wyoming's health care providers, health care recipients, elected representatives and concerned citizens assembled to evaluate and assess the direction of Wyoming's health care delivery system and to chart a blueprint for its future.

This bill increases payments to Sole Community Hospitals, Rural Health Clinics and private health plans contracting with Medicare by exempting them from a proposed prospective payment system for outpatient hospital services. Facilities would be reimbursed on actual costs, providing a higher reimbursement rate. It would also update the cost reporting year, or ''rebase,'' the data Medicare uses to calculate costs and reimbursements.

Most hospitals in Wyoming are designated as Sole Community Hospitals because of isolation, weather, travel conditions and the absence of other health care facilities. They are crucial for health care delivery in Wyoming.

Further, the bill would expand the eligibility for hospitals to become Critical Access Hospitals. Critical Access Hospitals are a newly designated class of hospitals in rural areas that have been given greater flexibility and relief from federal regulations so they can organize their staff and facilities to meet the immediate emergency care needs of their small communities. They can tailor or reconfigure their services without losing their Medicare certification.

Rural communities through the United States are federally designated health professional shortage areas (HPSA). Wyoming has 22 of them. This means there is less than one primary care physician for every 3500 persons living in those areas. The Promoting Health in Rural Areas Act helps solve this dilemma by offering effective solutions to recruit and retain health care providers.

It revises Medicare's Graduate Medical Education (GME) programs by raising the cap on the number of residents that will be allowed to participate in family practice residency programs. In addition, it provides added recruiting assistance to communities in HPSAs. Current law places rural communities at risk because it requires that a community first lose a physician before it qualifies for recruitment assistance. This bill recognizes pending physician resignations and retirements so communities have access to assistance before they lose their provider.

Further, it enhances the National Health Service Corps (NHSC) by giving tax relief to those receiving scholarships and loans under the program. The NHSC is an important component in the rural health care delivery system and additional tax relief would encourage recipients to remain in rural areas.

Telehealth technologies play a key role in bridging the barriers of time and distance that prevent access to medical care. We must ensure that the technology is practical, affordable, accessible and maintains privacy. The bill expands the types of telemedicine services that will be reimbursed under Medicare, which will be very useful in establishing a well-coordinated network of physicians, mid-level practitioners, hospitals and clinics. It also encourages solutions to telemedicine questions that have been raised about practicing interstate medicine by authorizing a Joint Working Group on Telehealth that would identify, monitor and coordinate federal telehealth projects and issue an annual report to Congress.

Mental health care is a priority in this bill. Individuals in rural areas often have limited access to mental health services. As a result, rural states license additional categories of mental health professionals than are recognized by Medicare. This bill ensures more of the services will be covered by Medicare.

Two years ago, Congress established the Medicare Payment Advisory Commission to make important policy recommendations on Part A and Part B of the Medicare program. Unfortunately, of the current 15-member board, only one health care professional is from a rural area. Our bill requires that the Commission include at least two representatives from Rural Areas. This will help ensure that the board members fully understand the implications of their policy decisions.

In conclusion, the Promoting Health in Rural Areas Act provides the answers many rural communities are looking for to ensure quality health care for their residents. I look forward to discussing and actively debating rural health this Congress. It is possible that Medicare reform legislation will be debated this year and the Senate Rural Health Care Caucus will work to attach many of these provisions to such legislation. We understand the impact recent Medicare changes are having on our nation's fragile rural health system.

We need to act now. This bill is a great start.

Mr. HARKIN. Mr. President, I am pleased to join my distinguished colleagues, Senators DASCHLE, BAUCUS, THOMAS, CONRAD, ROBERTS, GRASSLEY, COLLINS, and FRIST in introducing a critical piece of legislation for America's rural communities, the ''Promoting Health in Rural Areas Act of 1999''. As co-chairs of the Senate Rural Health Caucus, Senator THOMAS and I convened this bipartisan group last fall to craft a comprehensive rural health bill, building on the hard work of Senators DASCHLE and BAUCUS from the 105th Congress. I am very proud that today we are able to come together across party lines to introduce a bill that will improve the ability of rural Americans to access good quality health care.

Today, the health care system in rural Iowa is on the verge of being admitted to an intensive care unit. Iowans living in small towns and rural areas are facing too many barriers to quality health care. But seniors living in New Hampton, Iowa, pay the same Medicare taxes as those who live in New York City—they should get the same quality health care.

This bill aims to improve access, increase choice, and improve the quality of care provided in rural towns in Iowa and around the nation. Current formulas for Medicaid and Medicare payments to hospitals are biased towards urban areas. This bill raises payments for rural hospitals by making it easier for them to qualify for special designations. The bill also strengthens health professional recruitment programs, helps expand access to mental health services in rural areas, requires that rural areas be represented on the Medicare Payment Advisory Commission and expand the range of Medicare-reimbursed services that can be provided via telemedicine.

Health care providers in rural areas like Iowa practice a conservative, cost-effective approach to health care. They should be rewarded for their resourcefulness, not penalized with unfair reimbursement rates. But Medicare payments to hospitals are currently based on formulas that give urban areas an advantage. This bill corrects these formulas so that hospitals can be paid more fairly. It also includes provisions specifically targeted to small, rural

hospitals and the unique problems they face.

In addition, the bill guarantees that Medicare+Choice plans in rural counties get the increased reimbursement promised in the Balanced Budget Act of 1997. This provision will help ensure that seniors in rural areas have some of the same health plan choices available to urban seniors. These changes will help to address some of the inequity that exists for Medicare managed care.

And I will soon introduce legislation that will take the next critical step: fixing the inequity in Medicare fee-for-service. The vast majority of seniors living in rural areas will continue to receive their care through Medicare fee-for-service, yet the reimbursement rate for rural providers is woefully inadequate. My bill will address the imbalance between rural and urban fee-for-service rates, and I hope to introduce it in the next several weeks.

Mr. President, the health care system in this country is undergoing dramatic changes and our rural health care infrastructure is struggling to keep pace with the new landscape. The bill we are introducing today is the product of a bipartisan commitment to make sure that rural Americans have access to the same high quality health care that all Americans have come to expect. I am proud to be a part of this effort.

Mr. ROBERTS. Mr. President, I rise today to join my colleagues in introducing the Promoting Health in Rural Areas Act of 1999.

Health care today is at a crossroads. Rural communities face significant challenges in their efforts to recruit and retain health care providers. Hospitals and other health care facilities are facing increasing pressure from Medicare reductions. In 1997, Congress passed significant changes to the Medicare program in an effort to preserve the program for future generations. A new Congressional Budget Report says we are exceeding our expectations. In fact, since the beginning of the fiscal year in October, Medicare spending was $2.6 billion less than the amount spent in the similar period last year.

While this is good news for the fiscal integrity of the Medicare program, I am concerned about the unintended effects these reductions are having on the beneficiaries who depend on Medicare for health care services. It doesn't do much good to ''save'' the program if providers can no longer afford to deliver the services and beneficiaries are no longer able to access these services.

A new review by Ernst & Young reports that total hospital Medicare margins are expected to decline from 4.3 percent in fiscal year 1997 to only 0.1 percent in this fiscal year and remain below three percent through 2002.

Even more shocking is that total hospital margins for small, rural hospitals are expected to fall from 4.3 percent in fiscal year 1998 to negative 5.6 percent by fiscal year 2002, an amazing decline of 233 percent. Kansas hospitals are expected to lose over $530 million. I simply don't think our rural health system can survive any more reductions.

The Promoting Health in Rural Areas Act of 1999 will help to improve access, increase choice, and improve the quality of care provided in rural America.

Health care providers in rural areas generally serve a large number of Medicare patients. However, Medicare reimbursement to rural providers is not adequate to cover the costs of these services. This measure takes steps to ensure fair Medicare and Medicaid payments to rural providers by targeting those hospitals with special designations in rural areas. Provisions are included to increase payments and improve the Sole Community Hospital, Medicare Dependent Hospital, and Critical Access Hospital programs. In addition, these special facilities are exempt from a new outpatient reimbursement system that is being developed by the Health Care Financing Administration.

The Promoting Health in Rural Areas Act of 1999 also strengthens health professional recruitment programs and gives communities a chance to begin recruitment efforts before a crisis hits. Under current law, a community must effectively lose a physician before they qualify for recruitment assistance as a shortage area.

This measure also takes steps to encourage the use of telehealth, a critical piece of the rural health infrastructure. Under current law, HCFA limits reimbursement to four groups of services. This bill will expand reimbursement to include any services currently covered by Medicare in a rural area. In addition, the bill authorizes a new grant/loan program for telemedicine activities in rural areas.

Compromise is a way of life for rural Americans. Rural residents have fewer choices of physicians or hospitals. Rural providers must settle for fewer medical colleagues to rely on for consultation and support.

However, rural communities can no longer compromise. The regulatory burden is too much. Payments are too low. There simply isn't any more ''fat'' in the system.

Mr. President, I fear this is only the tip of the iceberg. As payment changes continue to be implemented and HCFA continues to issue new regulations and paperwork burdens, rural communities are going to suffer the most. In fact, many may not survive. We are already losing home health agencies at an alarming rate. Are hospitals the next to go?

I am committed to efforts to preserve access to health care services for all Kansans. We can do this if we simply focus on practical reforms that take into account the realities of practicing medicine in rural states like Kansas. We can guarantee access to quality health care services if we make changes now. We can't afford to wait. I urge my colleagues to join me today in supporting this legislation and look forward to working together to enact common sense solutions—before it's too late.

By Mr. DODD:

S. 981. A bill to provide training to professionals who work with children affected by violence, to provide for violence prevention, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

VIOLENCE PREVENTION TRAINING FOR EARLY CHILDHOOD EDUCATORS ACT

• Mr. DODD. Mr. President, I am pleased to introduce the ''Violence Prevention Training for Early Childhood Educators Act,'' legislation designed to teach violence prevention to children at the earliest ages.

all of us have been shaken by the tragedy at Littleton, Colorado. Americans are left searching for answers to many questions. How could these teenagers have committed such brutality? What happened to the innocence and joy of youth? How can society help prevent such violent, deadly behavior from happening again?

One of the most effective solutions is to begin violence prevention at an early age. My proposal was not thrown together as a quick-fix to the Littleton tragedy. It is a carefully thought-out program aimed at true prevention. It is designed to help early childhood educators— the people who work directly with young children in preschools, child care centers, and elementary schools—learn the skills necessary to prevent violent behavior in young children. This legislation supports programs that prepare these professionals so that early childhood teachers, child care providers, and counselors are able to teach children how to resolve conflicts without violence. In addition, these professionals are in the perfect position to reach out and extend these lessons to parents and help whole families adopt these powerful skills.

Research has demonstrated that aggressive behavior nearly childhood is the single best predictor of aggression in later years. Children observe and imitate aggressive behavior over the course of many years. They certainly have plenty of exposure to violence, both in the streets and at home. For example, a Boston ho0spital found that 1 out of every 10 children seen in their primary care clinic had witnessed a shooting or stabbing before the age of 6. I am disheartened to report that in my home state of Connecticut, 1 in 10 teens have been physically abused. Alarmingly, more than a third of teenage boys report that they have guns or

could get one in less than a day. Aggression may become very well-learned by the time a child reaches adolescence. Therefore, we must provide children with strategies for altering the negative influences of exposure to violence. Early childhood offers a critical period for overcoming the risk of violent behavior and later juvenile delinquency. And the proper training of professional who work with young children offers an effective route to reaching these kids.

This is not to suggest that early childhood professionals would replace parents as a source of teaching prosocial and acceptable behavior. Instead, these teachers should be encouraged to work with the whole family to address conflict without violence and aggression.

In 1992, as part of the Higher Education Act reauthorization, Congress enacted similar legislation to provide grants for programs that train professionals in early childhood education and violence counseling. These grants funded some remarkable programs. In my home state, a program at Eastern Connecticut State University trained students—half of whom were minority, low-income indivdiuals—to be teachers in their own communities, and trained child care providers in violence prevention with young children.

Unfortunately, just as these efforts were getting off the ground and starting to show promising results, the funding for the program was rescinded as part of the major 1994 rescission bill. Looking back, after the horrible events in Littleton, Colorado, Springfield, Oregon, and too many other communities, I think we can clearly see that was a mistake, Hindsight is always clearer—but let's not make the same mistake going forward. As we now work towards the reauthorization of the Elementary and Secondary Education Act, I hope that my proposal for a similar grant program for early violence prevention training is included in these discussions.

Preventing future acts of violence is an issue that rises above partisan politics. I think we can all agree that steps need to be taken to reduce the development of violent behavior in children. Please join me in this effort to begin creating a safer society for everyone, especially our children.●

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 982. A bill entitled ''Clean Money, Clean Elections Act''; to the Committee on Rules and Administration.

CLEAN MONEY, CLEAN ELECTIONS ACT

Mr. WELLSTONE. Mr President, I am here today to introduce the ''Clean Money, Clean Elections'' campaign finance reform legislation. It is in some ways the ''gold standard'' of true campaign finance reform, against which any more modest legislation ought to be assessed. The conceptual approach it embodies—replacing special interest money in our current system with clean money—is being adopted by state legislatures and in referenda across the country.

Some of my colleagues might respond to this announcement by saying that there are other issues that have arisen in this session that are more important than a debate over whether we will comprehensively reform our campaign finance laws. Some might argue that the American people appear to care more about other issues. I would argue, though, that public concern about one issue does not necessarily have to come at the expense of another. And while it is clear that Americans care very deeply about a variety of issues—Kosovo, taxes, education, and Social Security reform first among them—it is also clear that they care very much about the nature of our political system. When asked, 60 percent of Americans say they think that reforming the way campaigns are financed should be a high priority on our National agenda. There is no question in my mind that these people are right—reforming the way campaigns are financed should be, must be, a high priority on our agenda.

Many people believe our political system is corrupted by special interest money. I agree with them. It is not a matter of individual corruption. I think it is probably extremely rare that a particular contribution causes a member to cast a particular vote. But the special interest money is always there, and I believe that we do suffer under what I have repeatedly called a systemic corruption. Unfortunately, this is no longer a shocking announcement, even if it is a shocking fact. Money does shape what is considered do-able and realistic here in Washington. It does buy access. We have both the appearance and the reality of systemic corruption. And we must act.

In the House, a bipartisan effort is currently underway to force consideration of the Shays-Meehan bill, and the number of signers is slowly building. Yesterday, moderate House Republicans met with Speaker HASTERT to ask for an early vote on the bill. Today, Representative TIERNEY is introducing the ''Clean Money'' companion bill with 38 original co-sponsors. The House is acting on campaign finance reform, as should we on the Senate side. Here in the Senate, we must push forward this spring on tough, comprehensive reform.

I wonder if anyone would bother to argue that the way we are moving toward a balanced federal budget is unaffected by the connection of big special-interest money to politics? The cuts we are imposing most deeply affect those who are least well off. That is well-documented. The tax breaks we offer benefit not only the most affluent as a group, but numerous very narrow wealthy special interests. Does anyone wonder why Congress retains massive subsidies and tax expenditures for oil and pharmaceutical companies? What about tobacco? Are they curious why Congress permits a health care system dominated by insurance companies? Or a version of ''free trade'' which disregards the need for fair labor and environmental standards, for democracy and human rights, and for lifting the standard of living of American workers, as well as workers in the countries we trade with? How is it that Congress ever considers major legislation that directly promotes the concentration of ownership and power in the telecommunications industry, in the agriculture and food business, and in banking and securities? For the American people, how this happens, I think, is no mystery.

I think most citizens believe there is a connection between big special interest money and outcomes in American politics. People realize what is ''on the table'' or what is considered realistic here in Washington often has much to do with the flow of money to parties and to candidates. We must act to change this.

We must act to change this because the American people have lost faith in the system. People are turning away from the political process. They are surrendering what belongs most exclusively to them, their right to be heard on the issues that affect them, simply because they don't believe their voices will carry over the sound of all that cash. The degree of distrust, dissatisfaction, and outright hostility expressed by the American people when asked about the political process overwhelms me. According to recent polls, cynicism abounds:

92 percent of all Americans believe special-interest contributions buy votes of members of Congress.

88 percent believe that those who make large campaign contributions get special favors from politicians.

67 percent think that their own representative in Congress would listen to the views of outsiders who made large political contributions before they would listen to their own constituents' views.

And nearly half of all registered voters believe lobbyists and special interests control the government in Washington.

We must act on campaign finance reform. We must act to restore Americans' trust in our political process. We must act to renew their hope in the capacity of our political system to respond to our society's most basic problems and challenges. We must act to provide a channel for the anger that many Americans feel about the current system, and acknowledge the grassroots reform movement that's been

building for years. These are our duties, and we must act to move the reform debate forward.

As Members of Congress, most pressing for us should be the question of why so many people no longer trust the political process, especially here in Congress, and what we can do to restore that trust. Polls and studies continue to show a profound distrust of Congress, and of our process. Many Americans see the system as inherently corrupt, and they despair of making any real changes because they figure special interests have the system permanently rigged.

I do not need to rehash the many serious problems with our campaign financing system. The bottom line is indisputable: the system does not have—and has not had for many years—the confidence of the American people. People have lost faith in Congress as an institution, in the laws we pass, and in the democratic process itself, because of the money chase and its accompanying systemic corruption. Too often in our system, money determines political viability, it determines the issue agenda, and it determines to whom legislators are accountable: cash constituencies, not real constituencies. Most troubling, money often determines election outcomes, and the public knows it.

Too many Americans believe that a small but wealthy and powerful elite controls the levers of government through a political process which rewards big donors—a system in which you have to pay to play. Why do you think corporate welfare has barely been nicked, but welfare for the poor and needy in this country has been gutted? The not-so-invisible hand of corporate PACs and well-heeled lobbyists, and huge corporate soft money contributions can be seen most openly here.

Too many Americans see our failures . . .

to alleviate the harsh, grinding poverty that characterizes the lives of too many of our inner-city residents,

to reduce the widening gulf between rich and poor,

to combat homelessness, drug addiction, decaying infrastructure, rising health care costs, and an unequal system of education.

And they want to know why we can't, or won't, act to address these problems head-on. Americans understand that without real reform, attempts to restructure our health care system, create jobs and rebuild our cities, protect our environment, make our tax system fairer and more progressive, fashion an energy policy that relies more on conservation and renewable sources, and solve other pressing problems will remain frustrated by the pressures of special interests and big-money politics.

In thinking about reform legislation, I start with the premise that political democracy has several basic requirements:

First, free and fair elections. It is hard to say with a straight face that we have them now. That's why people stay home on election day, why they don't participate in the process. Incumbents outspend challengers 8 or 10–1, millionaires spend their personal fortunes to buy access to the airwaves, and special interests buy access to Congress itself, all of which warps and distorts the democratic process.

Second, the consent of the people. The people of this country, not special interest big money, should be the source of all political power. Government must remain the domain of the general citizenry, not a narrow elite.

Third, political equality. Everyone must have equal opportunity to participate in the process of government. This means that the values and preferences of all citizens, not just those who can get our attention by waving large campaign contributions in front of us, must be considered in the political debate. One person, one vote—no more and no less—the most fundamental of democratic principles.

Each of these principles is undermined by our current system, funded largely through huge private contributions. Contributions that come with their own price tag attached—greater access and special consideration when push comes to shove. It's time for real reform.

Over the years, I have introduced and re-introduced campaign finance reform legislation, pushed amendments, organized my colleagues, given speeches, observed a self-imposed fundraising code stricter than current law, fought filibusters, and otherwise tried in every way I could to get tough, sweeping reform enacted into law. All to no avail. To my great regret, campaign finance reform so far has been successfully blocked in Congress by those who oppose it, staunch defenders all of the status quo.

Which is why I stand here today, reintroducing the ''Clean Money, Clean Elections'' legislation that we introduced during the last Congress. We have tightened and strengthed some of the nuts and bolts of the legislation, but it is much the same bill that it was when we first introduced it: simple and sweeping, fundamental campaign finance reform.

If the 1994 elections are remembered as the year the Republicans swept into power in Congress, then the 1998 elections should go down as the year that special-interest money smothered Washington. Money has always played a role in American politics and campaign spending is not a new problem, but it has exploded during the 1990s. In the 1993–94 election cycle, the national political parties raised $18.8 million in soft money contributions. By the 1997–98 election cycle that figure was up to $193.2 million in soft money. That's nearly a five-fold increase in just under five years. There can be no doubt that big money has become the primary currency of democracy in Washington.

In the 1995–96 election cycle, corporations, groups, and individuals representing business interests outspent labor by 12–1. Individuals and PACs representing the natural resource industries (such as gas and oil companies) outspent environmental interests by an estimated 27–1 in contributions to congressional candidates. Political contributions representing finance, insurance, and real estate interests were in excess of $130 million for the last election cycle. In the 1996 election cycle, less than one-quarter of one percent of the American people made contributions of more than $200 in a Federal election. Yet an astounding eighty percent of all political money came from this tiny group. Of all the economically-interested money given to Congressional candidates, almost none represented the millions of Americans who are poor, or parents of public school children, or victimized by toxic dumping or agri-chemical contamination, or who are small bank depositors and borrowers, or people dependent on public housing, transportation, libraries, and hospitals. It is clear who is represented under the current system and who is shut out.

The bill I am introducing today strikes directly at the heart of the crisis in the current system of campaign finance: the only way for candidates of ordinary means to run for office and win is to raise vast sums of money from special interests, who in turn expect access and influence on public policy. Real campaign finance reform needs to restore a level playing field, open up federal candidacies to all citizens, end the perpetual money chase for Members of Congress, and limit the influence of special interest groups. This legislation does all of these things by offering:

The strictest curbs on special-interest money and influence. The ''Clean Money, Clean Elections'' legislation bans completely the use of ''soft money'' to influence elections, discourages electioneering efforts masquerading as non-electoral ''issue ads,'' provides additional funding to clean money candidates targeted by independent expenditures, and most importantly, allows candidates to reject private contributions if they agree to participate in the clean money system of financing.

The greatest reduction in the cost of campaigns. Because it eliminates the need for fundraising expenses and provides a substantial amount of free and discounted TV and/or radio time for Federal candidates, this legislation allows candidates to spend far less than ever before on their campaigns.

The most competitive and fair election financing. By providing limited

but equal funding for qualified candidates, and additional funding for clean money candidates if they are outspent by non-participating opponents, this legislation allows qualified individuals to run for office on a financially level playing field, regardless of their economic status or access to larger contributors. Right now, the system is wired for incumbents because they are connected to the connected. The big players, the heavy hitters, tend to be attracted to incumbents, because that is where the power lies. This bill would allow all citizens to compete equally in the Federal election process.

And an end to the money chase, shorter elections, and stronger enforcement. ''Clean Money, Clean Elections'' campaign finance reform frees candidates and elected officials from the burden of continuous fundraising and thus allows public officials to spend their time on their real duties. In effect, it also shortens the length of campaigns, when the public is bombarded with broadcast ads and mass mailings, by limiting the period of time during which candidates receive their funding. Moreover it strengthens the enforcement and disclosure requirements in Federal election campaigns.

What I am proposing are fundamental changes, necessary changes if we hope to ever regain the public's confidence in the political process. This legislation is both simple to understand and sweeping in scope. As a voluntary system this bill is constitutional, and it effectively provides a level playing field for all candidates who are able to demonstrate a substantial base of popular support. ''Clean Money, Clean Elections'' strengthens American democracy by returning political power to the ballot box and by blocking special interests' ability to skew the system through large campaign contributions.

Most importantly, this legislation attacks the root cause of a system founded on private special interest money, curing the disease rather than treating the symptoms. The issue is no longer one of tightening already existing campaign financing laws, no longer a question of what's legal and what's illegal. The real problem is that most of what's wrong with the current system is perfectly legal. Big money special interests know how to get around the letter of the law as it is now written. This current system of funding congressional campaigns is inherently anti-democratic and unfair. It creates untenable conflicts of interests and screens out many good candidates. By favoring the deep pockets of special interest groups, it tilts the playing field in a way that sidelines the vast majority of Americans. This legislation takes special interest out of the election process and replaces it with the public interest, returning our political process to the hallowed principle of one person, one vote.

I am not naive about the prospects for campaign finance reform during this Congress, and realize that the sweeping reform bill that I am introducing today is a ''vision bill.'' But that's okay, for as Yogi Berra is reported to have said, ''If you don't know where you're going, you may end up someplace else.'' This is where I want to go, and where I believe the vast majority of Americans would also like to go. In one recent survey, 48% percent of respondents thought they would be more likely to see Elvis than real campaign finance reform. And while this is obviously a somewhat toungue-in-cheek response for many people, I think it also reflects a deeply cynical electorate. For once let's not live down to their worst expectations, and let's pass tough, comprehensive campaign finance reform during this Congress.

I ask consent that a summary of the bill and a section-by-section analysis be included in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

SHORT SUMMARY OF ''CLEAN MONEY, CLEAN ELECTIONS'' CAMPAIGN FINANCE REFORM ACT OF 1999

''CLEAN MONEY'' FINANCING

Candidates voluntarily forgot private contributions and accept strict spending limits in exchange for publicly financed election funds, as well as other benefits such as free or reduced rate prime access broadcast time.

Amount of ''clean money'' candidates receive in general election based on state's Voting Age Population (VAP).

If the voting age population is less than 4 million: $320,000 + VAP(.24)=clean money funding amount

If the voting age population is greater than 4 million: $320,000 + VAP(.20)=clean money funding amount

Candidates receive 67% of general election funding for contested primary election.

Additional clean money financing provided to match non-participating opponents' expenditures in excess of spending limits, as well as independent expenditures made against clean money candidate or in favor of non-participating opposition candidate.

SOFT MONEY BAN

Prohibits national parties from soliciting or receiving contributions or spending funds not subject to the Federal Election Campaign Act (FECA).

Certain necessary state level activities are excluded from these prohibitions, and the establishment of ''state party grassroots funds'' is allowed for certain generic campaign activity.

INDEPENDENT EXPENDITURES AND EXPRESS ADVOCACY

Creates new, tighter definition of independent expenditures to ensure proper distance from candidates.

Toughens reporting requirements for independent expenditures.

Creates new definition for express advocacy using three independent standards, any one of which meets definition (provides ''fall back'' standard should any part of definition be declared unconstitutional).

Exempts voting records and voting guides from definition of express advocacy.

REPORTING AND DISCLOSURE

Limits a party's coordinated expenditures to 10 percent of the amount of clean money the candidate is eligible to receive for the general election.

Tightens the definition of party coordination, and requires a party to limit its coordinated and independent expenditures.

Doubles the penalties for ''knowing and wilful'' violations of federal election law.

Requires Senate candidates to file disclosure reports and disclosures electronically and directly with the Federal Election Commission (FEC), which must then be made available on the Internet within 24 hours.

Requires that campaign advertisements contain sufficient information to clearly identify the candidate on whose behalf the advertisements are placed.

Establishes new reporting requirements for issue advertisements.

THE CLEAN MONEY, CLEAN ELECTIONS CAMPAIGN FINANCE REFORM ACT—SECTION-BY-SECTION

Section 1. Short title; table of contents.

TITLE I—CLEAN MONEY FINANCING OF SENATE ELECTION CAMPAIGNS. pp. 2–32.

Section 101. Findings and declarations. Section 101 states the purposes of the legislation.

Section 102. Eligibility requirements and benefits of "clean money" financing of Senate election campaigns. Section 102 of the bill would create a new Title V in the 1971 Federal Election Campaign Act (2 U.S.C. 431). It defines ''clean money,'' establishes the requirements for a major party or other candidate to qualify and receive clean money; establishes the dates and methods for receiving clean money; places restrictions, including spending limits, on clean money candidates; establishes the amounts of clean money to be provided to candidates for primary and general elections; and allows for providing additional clean money to match expenditures by and on behalf of an opponent which exceed a trigger-amount above the voluntary spending limit adopted by the clean money candidate.

The section defines clean money as the funds provided to a qualifying clean money candidate. Clean money will be provided from a Senate Election Fund established in the Treasury and composed of unspent seed money contributions, qualifying contributions, penalties, and amounts appropriated for clean money financing of Senate election campaigns.

The clean money candidate qualifying period begins 270 days prior to the date of the primary election. To qualify for clean money financing for a primary or a general election, a candidate must be certified as qualified by 30 days prior to the date of that election. Prior to the candidate receiving clean money from the Senate Election Fund, a candidate wishing to qualify as a clean money candidate may spend only ''seed money.'' Seed money contributions are private contributions of not more than $100 in the aggregate by a person. It is the only private money a clean money candidate may receive as a contribution and spend. A candidate's seed money contributions are limited to a total of $50,000 plus an additional $5,000 for every congressional district in the state over one. Seed money can be spent on campaign related costs such as to open an office, to fund a grassroots campaign or hold community meetings, but cannot be spent for a television or radio broadcast or for personal use. At the time that a clean money candidate receives clean money, all unspent seed money shall be remitted to the Federal Election Commission (FEC) to be deposited in the Senate Election Fund.

To qualify for clean money financing, a major party candidate must gather a number of qualifying contributions equal to one-quarter of 1 percent of the state's voting age population, or 1,000 qualifying contributions, whichever is greater. A qualifying contribution is $5, made by an individual registered to vote in the candidate's state, and is made during the qualifying period. Qualifying contributions are made to the Senate Election Fund by check, money order, or cash. They shall be accompanied by the contributor's name and address and a signed statement that the purpose of the contribution is to allow the named candidate to qualify as a clean money candidate.

A major party candidate is the candidate of a party whose candidate for Senator, President, or Governor in the preceding 5 years received, as a candidate of that party, 25 percent or more of the total popular vote in that state for all candidates for that office.

Clean money candidates qualify for clean money for both the primary and the general election. A qualifying candidate will receive clean money for the primary election upon being certified by the FEC, and once the ''primary election period'' has begun. A candidate will be certified within 5 days of filing for certification if the candidate has gathered the threshold number of contributions, has not spent private money other than seed money, and is eligible to be on the primary ballot. The primary election period is from 90 days prior to the primary election date until the primary election date. The qualifying period begins 180 days before the beginning of the primary election period. A candidate must be certified as a clean money candidate 30 days prior to the primary election in order to receive clean money financing for the primary election.

A clean money candidate who wins the party primary and is eligible to be placed on the ballot for the general election will receive clean money financing for the general election. A candidate not of a major party who does not qualify as a clean money candidate in time to receive clean money financing for the primary election period may still qualify for clean money financing for the general election by gathering the threshold number of qualifying contributions by 30 days prior to the general election and qualifying to be on the ballot.

The amount of clean money a qualified candidate receives for the primary and general election is also the spending limit for clean money candidates for each respective election. The clean money amount for the general election for a qualified clean money candidate is established according to a formula based on a state's voting age population. The section establishes a clean money ceiling for the general election of $4.4 million, and a floor of $760,000. The clean money amount for a contested major party primary is 67 percent of the clean money amount for the general election. In the case of an uncontested primary or general election, the clean money amount is 25 percent of the amount provided in the case of a contested election.

To qualify for clean money financing, a candidate who is not a major party candidate must collect 150 percent of the number of qualifying contributions that a major party candidate in the same election is required to collect. A candidate who is not a major party candidate must otherwise qualify for clean money financing according to the same requirements, restrictions and deadlines as does a major party candidate. A candidate who is not a major party candidate who qualifies as a clean money candidate in the primary election period will receive 25 percent of the regular clean money amount for a major party candidate in the primary. A candidate who is not a major party candidate who qualifies as a clean money candidate will receive the same clean money amount in the general election as will a major party candidate.

Additional clean money financing, above the regular clean money amount, will be provided to a clean money candidate to match aggregate expenditures by a private money candidate and independent expenditures against the clean money candidate or on behalf of an opponent of the clean money candidate, which are, separately or combined, in excess of 125 percent of the clean money spending limit. The total amount of matching clean money financing received by a candidate shall not exceed 200 percent of the regular clean money spending limit.

The section establishes penalties for the misuse of clean money and for expenditure by a clean money candidate of money other than clean money.

Section 103. Reporting requirements for expenditures of private money candidates. Section 103 requires private money candidates facing clean money opponents to report within 48 hours expenditures which in aggregate exceed the amount of clean money provided to a clean money candidate. A report of additional expenditures, in aggregate increments of $1,000, will also be required.

Section 104. Transition rule for current election cycle. Section 104 allows a candidate who received private contributions or made private expenditures prior to enactment of the Act not to be disqualified as a clean money candidate.

TITLE II—INDEPENDENT EXPENDITURES; COORDINATED EXPENDITURES, pp. 33–50.

Section 201. Reporting requirements for independent expenditures. Section 201 amends Section 304(c) of the 1971 FECA (2 U.S.C. 434(c)) to require reporting of independent expenditures made or obligated to be made by a person in support of, or in opposition to, a candidate for office. Prior to 20 days before the date of the election, each such independent expenditure which exceeds in aggregate $1,000 by a person shall be reported within 48 hours. After 20 days prior to the date of the election, each such independent expenditure made or obligated to be made which exceeds in aggregate $500 shall be reported within 24 hours.

Section 202. Definition of independent expenditure. Section 202 amends section 301 of the 1971 FECA (2 U.S.C. 431) to create a new definition of independent expenditure. An independent expenditure would be an expenditure made by a person other than a candidate or candidate's authorized committee that is made for a communication that contains express advocacy; and is made without the participation or cooperation of, and without coordination with, a candidate.

The section defines express advocacy as a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or other general public communication or political advertising and that advocates the election or defeat of a clearly identified candidate, including a communication that contains a phrase such as ''vote for'', ''re-elect'', ''support'', ''cast your ballot for'', ''(name of candidate) for Congress'', ''(name of candidate) in (year)'', ''vote against'', ''defeat'', ''reject''; or contains campaign slogans or individual words that in context can have no reasonable meaning other than to recommend the election or defeat of a clearly identified candidate;

OR

A communication that refers to a clearly identified candidate in a paid advertisement that is broadcast through radio or television; involves aggregate disbursements of $5,000 or more; and is made within the last 60 days before the date of the general election.

The section provides a fall back definition of express advocacy should a portion of the above definition not be in effect. The fall-back definition would be in addition to any portion of the above still in effect. The fall-back definition establishes that express advocacy would be a communication that clearly identifies a candidate, and taken as a whole, with limited reference to external events, expresses unmistakable support for or opposition to the candidate; or is made for the clear purpose of advocating the election or defeat of the candidate, as shown by a statement or action by the person making the communication, the targeting or placement of the communication, and the use by the person making the communication of polling, demographic or other similar data relating to the candidate's campaign for election.

Each standard is severable from the others and any one standard is sufficient to meet the definition of express advocacy. Voting records and voting guides are exempted from the definition of express advocacy.

Section 203. Limits on expenditures by political party committees. The section amends section 315(d)(3) of the 1971 FECA (2 U.S.C. 441a(d)(3)) to limit a party's coordinated expenditures in a race involving a clean money candidate. In the case of any Senate election in which 1 or more candidates are clean money candidates, the amount that any party may spend in connection with that race or in coordination with a candidate is limited to 10 percent of the amount of clean money a clean money candidate is eligible to receive for the general election.

Section 204. Party independent expenditures and coordinated expenditures. The section, modeled after H.R. 417, the Shays-Meehan bill, strictly tightens the definition of party coordination in numerous ways. The section also requires a party which makes a coordinated expenditure in connection with a general election campaign for Federal office in excess of $5,000 to file a certification that the party will not make any independent expenditures in connection with that campaign. The section further tightens the definition of coordinated expenditure by persons other than a party. It establishes that coordinated expenditures shall be considered to be contributions made to a candidate (with an exception that allows the limited party coordinated expenditures on behalf of a clean money candidate as provided in Section 203).

TITLE III—VOTER INFORMATION, pp. 50–60.

Section 301. Free broadcast time. The section provides clean money candidates with 30 minutes of free broadcast time during the primary election period and 60 minutes of free broadcast time during the general election period. The broadcasts shall be between 30 seconds and 5 minutes in length, aired during prime time for television or drive time for radio. Any one station shall not be required to provide a clean money candidate with more than 15 minutes of free time during an election period.

Section 302. Broadcast rates and preemption. A clean money candidate in a contested election shall be charged 50 percent of the lowest charge described in section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) for purchased broadcast time during the 30 days preceding the primary and 60 days preceding the general election.

Section 303. Campaign advertisements; issue advertisements. The section requires that campaign advertisements contain sufficient information clearly identifying the candidate on whose behalf the advertisements are placed. The information shall include an audio statement by the candidate where applicable which states that the candidate approves the communication, and a clearly identifiable photographic or similar image of the candidate where applicable. Private money candidates shall include the following statement: ''This candidate has chosen not to participate in the Clean Money, Clean Elections System and is receiving campaign contributions from private sources.''

The section also establishes new reporting requirements for issue advertisements, including the amount of the disbursement for an issue advertisement, the name and address of the person making the disbursement, donors of $5,000 or more to the person during the calendar year, and the purpose of the advertisement. An issue advertisement is an advertisement which is not an independent expenditure or contribution that contains the name or likeness of a Senate candidate during an election year, and recommends a position on a political issue.

Section 304. Limit on Congressional use of the franking privilege. The section prohibits franked mass mailings during an election year by a Senate candidate who holds Congressional office, except for a notice of public meeting which contains only the candidate's name, and the date, time, and place of the public meeting.

TITLE IV—SOFT MONEY, pp. 60–77.

This title prohibits political party soft money and is identical to that found in H.R. 417, the Shays-Meehan bill.

Section 401. Soft money of political parties. The section prohibits national parties from soliciting or receiving contributions or spending funds not subject to the Federal election Campaign Act. It prohibits state, district or local committees of a political party from spending money during an election year for activity that might affect the outcome of a Federal election unless the money is subject to the FECA. The section establishes certain activities excluded from the above prohibition, which are legitimate or necessary activities of the committees.

The section prohibits parties or their committees from soliciting funds for, or making any donation to, tax-exempt organizations. It also prohibits candidates and Federal office-holders from receiving or spending funds not subject to the FECA.

Section 402. State party grassroots funds. The section allows establishment of state party grassroots funds solely for the purpose of generic campaign activity, voter registration, or other activities specified in the FECA, and the development and maintenance of voter files. The fund shall be separate and segregated.

Section 403. Reporting requirements. The section establishes new reporting requirements for national parties and congressional campaign committees for all receipts and disbursements.

Section 404. Soft money of persons other than political parties. The section requires individuals other than a committee of a political party that make an aggregate disbursement in excess of $50,000 during a calendar year in which there is a Federal election to file a statement with the Federal Election Commission. The section does not apply to a candidate or a candidate's authorized committees, or to an independent expenditure.

TITLE V—RESTRUCTURING AND STRENGTHENING OF THE FEDERAL ELECTION COMMISSION, pp. 78–91.

Section 501. Appointment and terms of Commissioners. The President shall appoint 6 members of the Commission with the advice and consent of the Senate and 1 member from among persons recommended by the Commission.

Section 502. Audits. The section authorizes random audits and investigations by the Commission to ensure voluntary compliance with the FECA. The subjects of such audits and investigations shall be selected on the basis of impartial criteria established by a vote of at least 4 member of the Commission.

Section 503. Authority to seek injunction. The section authorizes and sets out standards for initiation by the Commission of a civil action for a temporary restraining order or preliminary injunction.

Section 504. Standard for investigation. The section grants the Commission greater discretion in opening an investigation.

Section 505. Petition for certiorari. The section allows petition to the Supreme court on certiorari.

Section 506. Expedited procedures. The section allows the Commission to order expedited proceedings based on clear and convincing evidence that a violation of the FECA has occurred, is occurring, or is about to occur, to avoid harm or prejudice to the interests of the parties.

Section 507. Filing of reports using computers and facsimile machines; filing by Senate candidates with Commission. The section instructs the Commission to require the filing of reports in electronic form in certain cases, and instructs the Commission to allow the filing of reports by facsimile machines. The Commission is required to make information filed electronically available on the Internet within 24 hours of filing.

The section requires Senate candidates to file designations, statements, and reports directly with the Commission.

Section 508. Power to issue subpoena without signature of chairperson. The section allows the Commission to issue a subpoena without the signature of the chairperson or vice chairperson.

Section 509. Prohibition of contributions by individuals not qualified to vote. The section prohibits contributions in connection with a Federal election by an individual who is not qualified to register to vote in a Federal election, and prohibits receiving contributions from any such individuals.

Section 510. Penalties for violations. The section increases and tightens penalties for knowing and willful violations of Federal election law.

TITLE VI—EFFECTIVE DATE, p. 91

Section 601. Effective date. The Act and the amendments made by the Act would take effect on January 1, 2000.

Mr. FEINGOLD. Mr. President, I thank my friends, Senator KERRY of Massachusetts and Senator WELLSTONE of Minnesota, and commend them on the introduction of their campaign finance reform proposal, the Clean Money bill. I am very pleased that they are once again introducing this far reaching and visionary piece of legislation. I think it is important as we deal in this Senate with the more limited bill that I have proposed with the Senator from Arizona, Senator MCCAIN, that the American people understand that we do not believe that the job will be completed if that bill becomes law.

Of course, I also want to thank Senators KERRY and WELLSTONE for their strong support of the McCain-Feingold bill. I also want to make it very clear that these two pieces of legislation are completely consistent and complimentary. The Clean Money bill introduced today contains the central components of the McCain-Feingold and Shays-Meehan bills—a soft money ban, provisions to deal with phony issue ads, and improved enforcement and disclosure. But it adds a comprehensive system of financing Senate campaigns, based on initiatives that have been endorsed by the voters in Maine, Massachusetts, and Arizona for their state elections, to provide public funding to qualified candidates for state officeholders.

Mr. President, when I first ran for the Wisconsin State Senate many years ago, my race would literally not have been possible were it not for Wisconsin's system of partial public financing. Under the state system in effect at that time, I had to raise approximately $17,500 from friends and family, and the state election fund provided a grant of the same amount. So once I raised my share, my fundraising work was done, and I could spend my time going door to door campaigning. I won that first race by only a few votes, and I'm convinced that my retail campaigning was the difference. So I believe it is fair to say that I wouldn't be in the United States Senate today if Wisconsin didn't have that system of public financing, that allowed a person of limited means to run for office, and win.

Today, all over the country, citizens are coming to realize that the money chase that is required to run for office is depriving them of good candidates and representatives. Not everyone who would be a hardworking and effective public servant comes from a wealthy background or from a community of friends or business associates who can finance a campaign. And so the Clean Money movement is taking hold in state after state. Overwhelming majorities in polls taken on this issue support a Clean Money system, where candidates raise a large number of very small contributions to qualify for a limited public grant to run an adequate, but not an extravagant, campaign. These polls, and the successful ballot initiatives in Maine, Massachusetts, and Arizona show that the public is not only ready, but eager, for a new way of financing our elections.

Obviously, Mr. President, a majority in the United States Senate is not yet

ready for such a clean break with the current system. But I believe that over time we in the Senate will catch up with public sentiment, and this is the way we will have to go. I am convinced that Clean Money is the future of campaign financing in this country, at both the state and federal level. And so I am very pleased that Senators KERRY and WELLSTONE have decided to reintroduce their bill and I thank them for their leadership.

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

S. 983. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

RAILROAD CAR VISIBILITY ACT

Mr. JOHNSON. Mr. President, I rise today to introduce the Railroad Car Visibility Act, which would require all railroad cars—including those on passenger an commuter trains—to have some form of reflective marker.

This legislation provides a simply way to improve rail car visibility at rail crossings and sidings, sites where many accidents have occurred in recent years. When crossings and sidings are in rural areas or near small towns—as is often the case in South Dakota—they usually are unlit or very poorly lit, increasing the potential for disaster. While locomotives are required to use lighting such as ditch lights to increase visibility, rail cars are often unmarked, which means they are difficult for automobile drivers to see. This legislation attempts to remedy this problem by requiring that all rail cars display some form of visible marker, such as reflectors of reflective tape.

Last year, the Department of Transportation (DOT) issued a memorandum on reflective markings and their effectiveness for increasing visibility. DOT tested several different types of reflectors, including different colors and patterns, The memorandum concludes that ''bright color patterns distributed to give an indication of the size or shape of the rail car make the most effective marking systems.'' Fitting rail cars with reflective materials would be relatively inexpensive but, by increasing visibility, would reduce the number of accidents, unnecessary injuries and deaths at rail crossings and sidings. As one railroad executive has said, ''It's sort of a tragedy that something that makes so much common sense has to be legislated. Everyone should do it. The railroad industry is its own worst enemy sometimes.

This legislation has the support of both South Dakota's legislature and Governor Janklow. I urge my colleagues to support this legislation and work with me to secure its passage.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

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

S. 983

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

SECTION 1. IMPROVED CONSPICUITY OF RAIL CARS.

(a) IN GENERAL.—Section 20132 of title 49, United States Code, is amended—

(1) by striking the heading and inserting the following:

"§ 20132. Visible markers for train cars";

and

(2) by adding at the end the following:

''(c) IMPROVED CONSPICUITY.—Not later than 180 days after the date of enactment of this subsection, the Secretary of Transportation shall—

''(1) develop and implement a plan to ensure that the requirements of this section are met; and

''(2) issue regulations that require that, not later than 2 years after the date of issuance of the regulations, all cars of freight, passenger, or commuter trains be equipped, and, if necessary, retrofitted, with at least 1 highly visible marker (including reflective tape or appropriate lighting).''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 201 of title 49, United States Code, is amended by striking the item relating to section 20132 and inserting the following:

''20132. Visible markers for train cars.''.

By Mr. CAMPBELL:

S. 985. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce The Intergovernmental Gaming Agreement Act of 1999 to address an area of contention between tribes and states that centers on the ability of tribes to operate gaming activities on their lands.

In 1988, virtually no one contemplated that Indian gaming would become the billion dollar industry that exists today, providing some tribes with much needed capital for development and employment opportunities where none previously existed.

Because of gaming, some tribes have been very successful, fortunate mostly because of their geographical location. These tribes employ thousands of people, both Indian and non-Indian, and have greatly reduced the welfare rolls in their local area.

It is extremely important for us to keep these facts, and the goals of the gaming statute in mind and to remember that where gaming exists, it provides a great opportunity for tribes to develop other business and development projects. However, it must also be recognized that not all tribes will find the keys to a brighter economic future in gaming.

In the 1987 Cabazon case, the U.S. Supreme Court decided that tribes could operate casino style gaming without the consent or regulation of the state, in cases where the state otherwise allowed such gambling.

In 1988, Congress passed the Indian Gaming Regulatory Act, otherwise known as ''IGRA'', as a compromise between states and tribes. IGRA was an attempt to allow tribes to continue to develop the gaming operations allowed under federal case law, but gave states for the first time the right to have some say in how those operations would be regulated.

It was not Congress' intention in enacting IGRA to provide States with veto authority over a tribe's plans to develop gaming operations.

Unfortunately, a few States have attempted to do just this, and at least two states have effectively prevented tribes from opening gaming operations by simply refusing to negotiate with them.

A group of tribes and states has been attempting to negotiate their differences and have been doing so for some 18 months, to no avail. As the Committee on Indian Affairs knows well after numerous hearings, each side has presented demands in such a way that the other is simply unwilling to consider.

I firmly believe The Intergovernmental Gaming Agreement Act of 1999 will go a long way in solving this problem by encouraging full and fair negotiations and by allowing each side recourse to federal court at the critical stage in the mediation stage of the proposed process.

The Intergovernmental Gaming Agreement Act of 1999 requires tribes to negotiate with states for purposes of concluding a class III gaming agreement. Only when states refuse to negotiate outright or reach an impasse during negotiations by failing to come to agreement within six months of the tribe's request for negotiation, can a tribe access the alternative procedures outlined in this bill.

Once the tribe applies for procedures with the Secretary of the Interior, the Secretary first must attempt to reconcile state-tribal differences by referring the parties to mediation. Even when a tribe has applied to begin the procedure for developing a class III compact, the state has full and unfettered access to the procedure at every stage.

This legislation allows the state to intervene in the process at the point of their choosing and, when all is said and done, the states have the right to challenge the outcome in federal district court.

I ask unanimous consent that a copy of the bill be printed in the RECORD and urge my colleagues to support these reasonable and necessary amendments.

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

S. 985

Be it enacted in 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 ''The Intergovernmental Gaming Agreement Act of 1999''.

SEC. 2. AMENDMENTS TO THE INDIAN GAMING REGULATORY ACT.

The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) is amended—

(1) by striking section 11, subsection (d) and inserting the following:

''(d)(1) Class III gaming activities shall be lawful on Indian lands only if those activities are—

''(A) authorized by an ordinance or resolution that—

''(i) is adopted by the governing body of the Indian tribe having jurisdiction over such lands,

''(ii) meets the requirements of subsection (b), and

''(iii) is approved by the Chairman,

''(B) located in a State that permits such gaming for any purpose by any person, organization, or entity; and

''(C) authorized by a Compact that is approved pursuant to tribal law by the governing body of the Indian tribe having jurisdiction over those lands;

''(D) conducted in conformance with a compact that—

''(i) is in effect; and

''(ii) is—

''(I) entered into by an Indian tribe and a State and approved by the Secretary under paragraph (3); or

''(II) issued by the Secretary under paragraph (3).

''(2)(A) If any Indian tribe proposes to engage in, or to authorize any person or entity to engage in, a class III gaming activity on Indians lands of the Indian tribe, the governing body shall adopt and submit to the chairman an ordinance or resolution that meets the requirements of subsection (b).

''(B) The Chairman shall approve any ordinance or resolution described in subparagraph (A), unless the Chairman specifically determines that—

''(i) the ordinance or resolution was not adopted in compliance with the governing documents of the Indian tribe, or

''(ii) the tribal governing body was significantly and unduly influenced in the adoption of such ordinance or resolution by any person identified in section 12(e)(1)(D).

''(C) Upon approval of such an ordinance or resolution, the Chairman shall publish in the Federal Register such ordinance or resolution and the order of approval.

''(3) COMPACT NEGOTIATIONS; APPROVAL.—

''(A) IN GENERAL.—

''(i) COMPACT NEGOTIATIONS.—Any tribe having jurisdiction over lands upon which a class III gaming activity is to be conducted may request the State in which those lands are located to enter into negotiations for the purpose of entering into a compact with that State governing conduct of Class III gaming activities.

''(ii) REQUIREMENTS FOR REQUEST FOR NEGOTIATIONS.—A request for negotiations under clause (i) shall be in writing and shall specify each gaming activity the Indian tribe proposes for inclusion in the compact. Not later than 30 days after receipt of the written request, the State shall respond to the Indian tribe.

''(iii) COMMENCEMENT OF COMPACT NEGOTIATIONS.—Compact negotiations conducted under this paragraph shall commence not later than 30 days after the date on which a response by a State is due to the Indian tribe, and shall be completed not later 120 days after the initiation of compact negotiations, unless the State and the Indian tribe agree in writing to a different period of time for the completion of compact negotiations.

''(B) NEGOTIATIONS.—

''(i) IN GENERAL.—The Secretary shall, upon request of an Indian tribe described in subparagraph (A)(i) that has not reached an agreement with a State concerning a compact referred to in that subparagraph (or with respect to an Indian tribe described in clause (ii)(I)(bb) a compact) during the applicable period under clause (ii) of this subparagraph, initiate a mediation process to—

''(I) conclude a compact referred to in subparagraph (A)(i); or

''(II) if necessary, provide for the issuance of procedures by the Secretary to govern the conduct of the gaming referred to in that subparagraph.

''(ii) APPLICABLE PERIOD.-

''(I) IN GENERAL.—Subject to subclause (II) the applicable period described in this paragraph is—

''(aa) in the case of an Indian tribe that makes a request for compact negotiations under subparagraph (A), the 180-day period beginning on the date on which that Indian tribe makes the request; and

''(bb) in the case of an Indian tribe that makes a request to renew a compact to govern class III gaming activity on Indian lands of that Indian tribe within the State that the Indian tribe entered into prior to the date of enactment of the Indian Gaming Regulatory Act of 1988, during the 60-day period beginning on the date of that request.

''(II) EXTENSION.—An Indian tribe and a State may agree to extend an applicable period under this paragraph beyond the applicable termination date specified in item (aa) or (bb) of subclause (I).

''(iii) MEDIATION.—

''(I) IN GENERAL.—The Secretary shall initiate mediation to conclude a compact governing the conduct of class III gaming activities on Indian lands upon a clear showing by an Indian tribe that, within the applicable period specified in clause (ii), a state has failed—

''(aa) to respond to a request by an Indian tribe for negotiations under this subparagraph; or

''(bb) to negotiate in good faith.

''(II) EFFECT OF DECLINING NEGOTIATIONS.—The Secretary shall initiate mediation within 10 days after a State declines to enter into negotiations under this subparagraph, without regard to whether the otherwise applicable period specified in clause (ii) has expired.

''(III) COPY OF REQUEST.—An Indian tribe that requests mediation under this clause shall provide the State that is the subject of the mediation request a copy of the mediation request submitted to the Secretary within 5 days of receipt of the request.

''(IV) PANEL.—The Secretary, in consultation with the Indian tribes and States, shall establish a list of independent mediators, that the Secretary, in consultation with the Indian tribes and the States, shall periodically update. All mediators placed upon the list shall be certified by the American Arbitration Association as qualified to conduct arbitration in accordance with the American Arbitration Association rules and procedures.

''(V) NOTIFICATION BY STATE.—Not later than 10 days after an Indian tribe makes a request to the Secretary for mediation under subclause (I), the State that is the subject of the mediation request shall notify the Secretary whether the State elects to participate in the mediation process within 5 days of receipt of the request. If the State elects to participate in the mediation, the mediation shall be conducted in accordance with subclause (IV). If the State declines to participate in the mediation process, the Secretary shall issue procedures pursuant to clause (iv).

''(VI) ''MEDIATION PROCESS.—

''(aa) IN GENERAL.—Not later than 20 days after a State elects under subclause (V) to participate in a mediation, the Secretary shall submit to the Indian tribe and the State the names of 3 mediators randomly selected by the Secretary from the list of mediators established under subclause (IV).

''(bb) SELECTION OF MEDIATOR.—Not later than 10 days after the Secretary submits the mediators referred to in item (aa), the Indian tribe and the State may each peremptorily remove one mediator from the mediators submitted. If either the Indian tribe or the State declines to remove a mediator, the Secretary shall randomly remove names until only one mediator remains. The remaining mediator shall conduct the mediation.

''(cc) INITIAL PERIOD OF MEDIATION.—The mediator shall, during the 60-day period beginning on the date on which the mediator is selected under item (bb) (or a longer period upon the written agreement of the parties to the mediation for an extension of the period) attempt to achieve a compact.

''(dd) LAST BEST OFFER.—If by the termination of the period specified in item (cc), no agreement for concluding a compact is achieved by the parties to the mediation, each such party may, not later than 10 days after that date, submit to the mediator an offer that represents the best offer that the party intends to make for achieving an agreement for concluding a compact (referred to hereinafter as a 'last-best-offer'). The mediator shall review a last-best-offer received pursuant to this item not later than 30 days after the date of submission of the offer.

''(ee) REPORT BY MEDIATOR.—Not later than the date specified for the completion of a review of a last-best-offer under item (dd), or in any case in which either party in a mediation fails to make such an offer, the date that is 10 days after the termination of the initial period of mediation under item (cc), the mediator shall prepare and submit to the Secretary a report that includes the contentions of the parties, the conclusions of the mediator concerning the permissible scope of gaming on the Indian lands involved, and recommendations for the operation and regulation of gaming on the Indian lands in accordance with this Act.

''(ff) FINAL DETERMINATIONS.—Not later than 60 days after receiving a report from a mediator under item (ee), the Secretary shall make a final determination concerning the operation and regulation of class III gaming that is the subject of the mediation.

''(VII) PROCEDURES.—Subject to clause (iii)(V), on the basis of a final determination described in clause (iii)(VI)(ff), the Secretary shall issue procedures for the operation and regulation of the class III gaming described in that item by the date that is 180 days after the date specified in clause (iii)(V) or upon the determination described in clause (iii)(VI)(ff).

''(VIII) JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.—

''(aa) The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the Secretary, the Commission, a State, or an Indian tribe to challenge the Secretary's decision to complete a compact or initiate mediation or to challenge specific provisions of procedures issued by the Secretary or the operation of class III gaming under clause (iii)(V) or (iii)(VII).

''(bb) The Secretary's decision to complete a compact or to initiate mediation pursuant to clause (iii)(V) or (iii)(VII) shall be immediately reviewable in the United States District Court.

''(cc) Upon receipt of a petition to review a decision of the Secretary to complete a compact or initiate mediation pursuant to class (iii)(V) or (iii)(VII), the United States District Court shall appoint a three judge panel to hear the proceedings and render a decision regarding whether the determination of the Secretary was valid as a matter of law.

''(IX) Prohibition.—No compact negotiated, or procedures issued, under this subparagraph shall require that a State undertake any regulation of gaming on Indian lands unless—

''(I) the State affirmatively consents to regulate that gaming; and

''(II) applicable State laws permit that regulatory function.

''(C) MANDATORY DISAPPROVAL.—Notwithstanding any other provision of this Act, the Secretary may not approve a compact if the compact requires State regulation of gaming absent the consent of the State or the Indian tribe.

''(D) EFFECTIVE DATE OF COMPACT OR PROCEDURES.—Any compact negotiated, or procedures issued, under this subsection shall become effective upon the publication of the compact or procedures in the Federal Register by the Secretary.

''(E) EFFECT OF PUBLICATION OF COMPACT.—Except for an appeal conducted under subchapter II of chapter 5 of title 5, United States Code, by an Indian tribe or a State associated with the compact, the publication of a compact pursuant to subparagraph (B) shall, for the purposes of this Act, be conclusive evidence that the class III gaminng subject to the compact is a activity subject to negotiations under the laws of the State where the gaming is to be conducted, in any matter under consideration by the Commission or a Federal Court.

''(F) DUTIES OF COMMISSION.—Consistent with minimum standards and as otherwise authorized by this Act, the Commission shall monitor and, if authorized by those standards and this Act, regulate and license class III gaming with respect to and in a manner consistent with any compact that is approved by the Secretary under this subsection and published in the Federal Register.

''(3) PROVISIONS OF COMPACTS.—

''(A) IN GENERAL.—A compact negotiated under this subsection may only include provisions relating to—

''(i) the application of the criminal and civil laws (including regulations) of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of that gaming activity in a manner consistent with the requirements of the standards promulgated by the Commission.

'(ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of those laws (including regulations);

''(iii) the assessment by the State of the costs associated with those activities in such amounts as are necessary to defray the costs of regulating that activity;

''(iv) taxation by the Indian tribe of that activity in amounts comparable to amounts assessed by the State for comparable activities;

''(v) remedies for breach of compact provisions;

''(vi) standards for the operation of that activity and maintenance of the gaming facility, including licensing, in a manner consistent with the requirements of the standards promulgated by the Commission.

''(vii) any other subject that is directly related to the operation of gaming activities.

''(B) STATUTORY CONSTRUCTION WITH RESPECT TO ASSESSMENTS; PROHIBITION.—

(i) STATUTORY CONSTRUCTION.—Except for any assessments for services agreed to by an Indian tribe in compact negotiations, nothing in this section may be construed as conferring upon a State, or any political subdivision thereof, the authority to impose any tax, fee, charge, or other assessment upon an Indian tribe, an Indian gaming operation or the value generated by the gaming operation, or any person or entity authorized by an Indian tribe to engage in class III gaming activity in conformance with this Act.

''(ii) ASSESSMENT BY STATES.—A State may assess the assessments agreed to by an Indian tribe referred to in clause (i) in a manner consistent with that clause.

''(4) STATUTORY CONSTRUCTION WITH RESPECT TO CERTAIN RIGHTS OF INDIAN TRIBES.—Nothing in this subsection impairs the right of an Indian tribe to regulate class III gaming on the Indian lands of the Indian tribe concurrently with a State and the Commission, except to the extent that such regulation is inconsistent with, or less stringent than, this Act or any laws (including regulations) made applicable by any compact entered into by the Indian tribe under this subsection that is in effect.

''(5) EXEMPTION.—The provisions of section 2 of the Act of January 2, 1951 (commonly referred to as the 'Gambling Devices Transportation Act') (64 Stat. 1134, chapter 1194; 15 U.S.C. 1175) shall not apply to any class II gaming activity or any gaming activity conducted pursuant to a compact entered into after the date of enactment of this Act, but in no event shall this paragraph be construed as invalidating any exemption from the provisions of section 2 of the Act of January 2, 1951 for any compact entered into prior to the date of enactment of this Act''.

(b) JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.—The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the Secretary, the Commission, a State, or an Indian tribe to enforce any provision of a compact entered into under subsection (a) or to enjoin a class III gaming activity located on Indian lands and conducted in violation of any compact that is in effect and that was entered into under subsection (a)

(c) APPROVAL OF COMPACTS.—

(1) IN GENERAL.—The Secretary may approve any compact between an Indian tribe and a State governing the conduct of class III gaming on Indian lands of that Indian tribe entered into under subsection (a).

(2) REASONS FOR DISAPPROVAL BY SECRETARY.—The Secretary may disapprove a compact entered into under subsection (a) only if the compact violates any—

(A) provision of this Act or any regulation promulgated by the Commission pursuant to this Act;

(B) other provision of Federal law; or

(C) trust obligation of the United States to Indians.

(3) EFFECT OF FAILURE TO ACT ON COMPACT.—If the Secretary fails to approve or disapprove a compact entered into under subsection (a) before the date that is 45 days after the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent the compact is consistent with the provisions of this Act and the regulations promulgated by the Commission pursuant to this Act.

(4) NOTIFICATION.—The Secretary shall publish in the Federal Register notice of any compact that is approved, or considered to have been approved, under this subsection.

(d) REVOCATION OF ORDINANCE.—

(1) IN GENERAL.—The governing body of an Indian tribe, in its sole discretion, may adopt an ordinance or resolution revoking any prior ordinance or resolution that authorized class III gaming on the Indian lands of the Indian tribe. That revocation shall render class III gaming illegal on the Indian lands of that Indian tribe.

(2) PUBLICATION OF REVOCATION.—An Indian tribe shall submit any revocation ordinance or resolution described in paragraph (1) to the Commission. The Commission shall publish that ordinance or resolution in the Federal Register. The revocation provided by that ordinance or resolution shall take effect on the date of that publication.

(3) CONDITIONAL OPERATION.—Notwithstanding any other provision of this subsection—

(A) any person or entity operating a class III gaming activity pursuant to this Act on the date on which an ordinance or resolution described in paragraph (1) that revokes authorization for that class III gaming activity is published in the Federal Register may, during the 1-year period beginning on the date on which that revocation, ordinance, or resolution is published under paragraph (2), continue to operate that activity in conformance with an applicable compact entered into under subsection (a) that is in effect; and

(B) any civil action that arises before, and any crime that is committed before, the termination of that 1-year period shall not be affected by that revocation, ordinance, or resolution.

(e) CERTAIN CLASS III GAMING ACTIVITIES.—

(1) COMPACTS ENTERED INTO BEFORE THE DATE OF ENACTMENT OF THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999.—Class III gaming activities that are authorized under a compact approved or issued by the Secretary under the authority of this Act prior to the date of enactment of the intergovernmental gaming agreement act of 1999 shall, during such period as the compact is in effect, remain lawful for the purposes of this Act, notwithstanding the Intergovernmental Gaming Agreement Act of 1999 and the amendments made by that Act or any change in State law.

(2) COMPACT ENTERED INTO AFTER THE DATE OF ENACTMENT OF THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999.—Any compact entered into under subsection (a) after the date specified in paragraph (1) shall remain lawful for the purposes of the Intergovernmental Gaming Agreement Act of 1999, notwithstanding any change in state law, other than a change in State law that constitutes a change in the public policy of the State with respect to permitting or prohibiting class III gaming in the State.

By Mr. REID (for himself and Mr. BRYAN):

S. 986. A bill to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority; to the Committee on Energy and Natural Resources.

GRIFFITH PROJECT PREPAYMENT AND CONVEYANCE ACT

Mr. REID. Mr. President, I rise today to introduce the Griffith Project Prepayment and Conveyance Act. This act directs the Secretary of Interior to convey the Robert B. Griffith Water Project, located in Clark County, Nevada, to the Southern Nevada Water Authority. To understand the intent of this bill, it is necessary to briefly discuss the history of the water delivery system which supports the Las Vegas Valley.

The Robert B. Griffith Water Project, also known as the Southern Nevada Water Project, was conceived as a federal reclamation project in Clark County, Nevada, in the 1960's.

Authorized by Congress in 1965, the enabling legislation directed the Secretary of Interior to construct, operate, and maintain the project for the purpose of delivering water to Clark County for both municipal and industrial use. The Congressional authorization also allowed the Secretary of enter into a contract with the State of Nevada, through duly authorized agencies, for the delivery of water and the repayment of reimbursable construction costs.

The federal portion of the Southern Nevada Water Project was completed in two stages over a period of 15 years at a cost of just under $200 million dollars, including capitalized interest. In 1982, with federal construction substantially completed, Congress officially changed the name of the project from the Southern Nevada Water Project to the Robert B. Griffith Water Project.

Coincidental with the federal construction of the water project, the State of Nevada, acting through the Colorado River Commission, constructed the Alfred Merritt Smith Water Treatment Plant. This facility is integrated into the Griffith Project, and together the facilities are referred to as the Southern Nevada Water System. Principal users of the water supplied by the system include the Las Vegas Valley Water District, the cities of Boulder, Henderson, and North Las Vegas, and Nellis Air Force Base.

In 1991, in the fact of dramatic growth in Clark County and the Las Vegas Valley, the State of Nevada, in cooperation with seven other public agencies, created the Southern Nevada Water Authority. The purpose of the Authority included acquisition of additional water supplies and the operation, maintenance, and expansion of the Southern Nevada Water System.

Beginning in 1995, the Colorado River Commission and the Southern Nevada Water Authority each began constructing additional facilities to expand the operational capacity of the Southern Nevada Water Authority each began constructing additional facilities to expand the operational capacity of the Southern Nevada Water System. By agreement in 1996, the State of Nevada and the Colorado River Commission assigned all of their interests, responsibilities, and liabilities in the System to the Southern Nevada Water Authority.

The Authority has now embarked on a multi-phrase expansion of the Southern Nevada Water System. When completed, this expansion is expected to have a capital cost exceeding $2 billion. The entire cost of the expansion is being financed through the Authority and its members.

One can see that the scope of the System is now much greater than that originally foreseen by Congress in 1965. When the first phrase of the original Southern Nevada Water Project was completed in 1971, fully 85% of the costs had been incurred by the federal government. At the end of 1998, the percentage of outstanding indebtedness financed by the federal government had fallen to 14% as compared to 86% for the Southern Nevada Water Authority. When the project expansion now being undertaken by the Authority is ultimately completed sometime around 2017, only 6% of the overall costs will have been financed by the federal government.

Because certain portions of the overall system are still in the name of the United States, it is becoming increasingly burdensome for the Southern Nevada Water Authority to manage the operation and management of the system. If for example, a pump station in the Griffith Project portion of the system requires repair or maintenance, Authority employees must notify the Bureau of Reclamation that a repair is needed, describe the exact nature of the work to be performed, obtain permission for a crew to perform the work and schedule the work to be done at such a time as when a Bureau of Reclamation employee can be present to "oversee" the repair or maintenance. When the work is completed, the Bureau of Reclamation sends the Authority an invoice for the time spent by its personnel.

The time has come for the title to the Griffith Project components of the Southern Nevada Water System to be transferred to local ownership. As proposed, this conveyance will occur under financial terms and conditions that are similar to other title transfer laws which have been enacted for other projects and which are governed by guidance from the Department of the Interior and the Office of Management and Budget. In particular, the conveyance will require a payment to the United States by the Authority equal to the net present value of the remaining repayment obligation.

I thank my fellow Senator from Nevada, Mr. BRYAN, for his support on this issue and look forward to working with the Senate Energy and Natural Resources Committee to ensure timely consideration of this important legislation.

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

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

S. 986

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 "Griffith Project Prepayment and Conveyance Act."

SEC. 2. DEFINITIONS.

In this Act:

(1) AUTHORITY.—The term "Authority" means the Southern Nevada Water Authority, organized under the laws of the State of Nevada.

(2) GRIFFITH PROJECT.—The term "Griffith Project" means the Robert B. Griffith Water Project, authorized by Public Law 89–292 (commonly known as the "Southern Nevada Water Project Act") (79 Stat. 1068), including all pipelines, conduits, pumping plants, intake facilities, aqueducts, laterals, water storage and regulatory facilities, electric substations, and related works constructed and all interests in land acquired under Public Law 89–292.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 3. CONVEYANCE OF GRIFFITH PROJECT.

(a) IN GENERAL.—In consideration of the assumption by the Authority from the United States of all liability for administration, operation, and maintenance of the Griffith Project and subject to the payment by the Authority of the net present value of the remaining repayment obligation (as determined in accordance with Office of Management and Budget Circular A–129, as in effect on the date of payment and conveyance), the Secretary shall convey and assign to the Authority all right, title, and interest of the United States in and to the Griffith Project.

(b) RIGHT TO USE AND OCCUPY PUBLIC LAND.—On and after the date of the conveyance under subsection (a), the Authority shall have the right to use and occupy without charge all public land, including withdrawn public land—

(1) on which the Griffith Project is situated; or

(2) that is used for the purposes of the Griffith Project as of that date.

(c) REPORT.—If the conveyance under subsection (a) has not occurred by July 1, 2000, the Secretary shall submit to Congress a report on the status of the conveyance.

(d) ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—If the Secretary completes the conveyance under subsection (a) before the deadline under subsction (c), 50 percent of the cost of administrative action and environmental compliance for the conveyance shall be paid by the Secretary, and 50 percent shall be paid by the Authority.

(2) FAILURE TO MEET DEADLINE.—If the Secretary fails to complete the conveyance under this Act before the deadline under subsection (c), 100 percent of the cost described in paragraph (1) shall be paid by the Secretary.

SEC. 4. RELATIONSHIP TO EXISTING OPERATIONS

(a) IN GENERAL.—Nothing in this Act expands or changes the use or operation of the Griffith Project from its use and operation as of the day before the date of enactment of this Act.

(b) FUTURE ALTERATIONS.—If the Authority changes the use or operation of the Griffith Project, the Authority shall comply with all applicable laws (including regulations) governing the changes at that time.

SEC. 5. RELATIONSHIP TO EXISTING CONTRACTS.

The Secretary and the Authority may modify Contract No. 7–07–30–W004 as necessary to conform the contract to this Act.

SEC. 6. RELATIONSHIP TO OTHER LAWS.

On conveyance of the Griffith Project under section 3, the Act of June 17, 1902 (43 U.S.C. 391 et seq.), and all Acts amendatory of that Act or supplemental to that Act shall not apply to the Griffith Project.

By Mr. DEWINE:

S. 987. A bill to expand the activities of the Eisenhower National Clearinghouse to include collecting and reviewing instructional and professional development materials and programs for language arts and social studies, and to require the Eisenhower National Clearinghouse to collect and analyze the materials and programs; to the Committee on Health, Education, Labor, and Pensions.

EISENHOWER NATIONAL CLEARINGHOUSE ACT

S. 988. A bill to provide mentoring programs for beginning teachers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

TEACHER MENTORING ACT OF 1999

S. 989. A bill to improve the quality of individual becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give school officials the flexibility the officials need to hire whom the officials think can do the job best, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

ALTERNATIVE CERTIFICATION AND LICENSURE OF TEACHERS ACT OF 1999

S. 990. A bill to provide for teacher training facilities; to the Committee on Health, Education, Labor, and Pensions.

TEACHER QUALITY ACT OF 1999

Mr. DEWINE. Mr. President, I rise today to talk about probably the most important thing we do as a society—educating our children. This week is National Teacher Appreciation Week, and it gives us a good opportunity to recognize the crucial role teachers play in our children's lives. After parents and families, America's teachers play the most important role in helping our children realize their potential. No teacher can replace the role of loving and attentive families, but once our children leave their homes and enter America's schools, it is the responsibility of federal, state and local elected officials to provide every possible opportunity for a child to realize his or her full potential.

The way to do that, Mr. President, is to see that every child learns from a qualified educator in a safe school environment.

As the Senate begins to consider education legislation, we should take time to listen to the lessons learned by America's best classroom teachers—teachers like Ohio's Teacher of the Year, Ellen Binkley Hill. Ohio is fortunate to have teachers like Ellen, and the thirty two other finalists for Ohio's Teacher of the Year.

Ellen teaches second grade at New Vienna Elementary School in Clinton County, Ohio. Over the past year I have had the pleasure of talking with Ellen on two occasions—and I want to take a moment to read how Ellen describes the role of a teacher, because I think her words capture what it means to be a great educator.

I quote: ''Teachers must be living examples of the transforming power of education. We must lead extraordinary lives filled with insight, rich with experiences, and tempered with compassion. It is every teacher's responsibility to serve each child, empowering all children to reach their potential, and then to reach higher.'' End of quote.

Mr. President, as a father, I want my children to learn from teachers like Ellen Binkley Hill. As a Senator, I would like to see all of the nation's children being taught by teachers like Ellen Binkley Hill.

A qualified, highly trained teacher is the most important education resource in any classroom. Across America today, in classrooms around the country, tomorrow's business leaders, tomorrow's inventors, tomorrow's doctors, tomorrow's Presidents, and even tomorrow's teachers are building their foundation of learning, their foundation of experiences that will shape their lives forever. They are being led through this process by our neighbors, friends and family members who make up America's 2.7 million-member teaching force.

Mr. President, in the spirit of this important week, I am introducing four bills that I believe will help our teachers realize their highest potential in our classrooms, and ensure that our children have the best possible educator at the front of their classroom.

The first bill is the Teacher Mentoring Act. America's teaching force is aging, a situation that offers both benefits and challenges. The average school teacher is 43 years old, an increase of 3 years over the average age in 1987. Nearly a quarter of our teachers are over 50 years old and nearing retirement.

These seasoned veterans are the backbone of many schools across the country. Many are also leaders in their schools and their communities, taking on the added challenges of educating the most difficult students and mentoring their younger peers. As these experienced educators near the end of their careers, we must ensure that the practical hands-on knowledge they have accumulated is passed on to those teachers following in their footsteps.

Mr. President, new teachers entering today's challenging classrooms need the close support of these veteran teachers, particularly during their first few years on the job. Unfortunately, more than 25 percent of new teachers leave the job in their first three years and I believe mentoring programs are one way we can help stabilize the ranks of our new teachers.

The Teacher Mentoring Act, which is the companion to a bill written by my friend Congressman RICK LAZIO [LA (as LAdder)-ZEE-OH] of New York, would establish a $10 million competitive grant program. This program would encourage states to implement training programs, or support existing programs that utilize our experienced classroom veterans as mentors to new teachers. Ohio is currently operating a mentoring program that assigns each new teacher to a mentor. These mentors provide classroom teaching advice, as well as an experienced shoulder to lean on when they first enter their new school.

The second bill I am introducing today is the Alternative Certification and Licensure of Teachers Act. This bill would improve the supply of well-qualified elementary and secondary school teachers by encouraging and assisting States to develop and implement programs for alternative routes to teacher certification or licensure requirements. After all, the most important and effective education resource in any classroom is a highly trained and dedicated teacher.

There are many talented professionals who have demonstrated a high level of subject area competence outside the education profession who wish to pursue careers in eduction, but have not fulfilled the requirements to be certified or licensed as teachers. Alternative certification can provide an opportunity for these people to become teachers—so they can share their knowledge and experiences with children in the classroom.

The legislation would provide $15 million to the States for either new or pre-existing alternative certification programs or fund pre-existing programs. Last year's Higher Education Act endorsed alternative certification as a means to enlarge the pool of quality teachers—but I believe we need to go further. We need to continue to open alternative certification routes to attract teachers who would otherwise not enter the classroom.

The third bill I am introducing today is the Teacher Quality Act.

We have learned from various studies that the most effective teacher training programs have some things in common. Both teachers and teaching program evaluators agree that the most effective teacher training programs are intensive; are of reasonable length, and provide an avenue for teachers to update their skills. The Teacher Quality Act would help improve the quality of teachers in elementary and secondary schools—and provide teachers the opportunity to learn new technologies and increase subject matter knowledge. My bill would establish a competitive grant program that will give school districts the opportunity to establish teacher training facilities.

The idea for this legislation is based on the model established by the Mayerson Academy in Cincinnati, Ohio. This Academy was established in 1992 as a partnership between the Cincinnati business community and its schools. Their mission: to provide the highest quality training and professional development opportunities to the men and women responsible for educating the children of Cincinnati.

The program is a great success. This school year the Academy will provide 160,000 hours of training to teachers. The Mayerson Academy is separate from the school system in order to ensure independent evaluation of its results and a consistent base of support. This status also allows it to benefit from the perspectives and experience of the business leadership.

Finally, I am introducing the Eisenhower National Clearinghouse Improvement Act.

Collecting and effective disseminating the best teacher training practices is an important responsibility of the federal government. The Eisenhower National Clearinghouse, or ENC, is the nation's repository of K–12 instructional materials specifically related to math and science education. This information is made available in a user-friendly format for educators. The Ohio State University is currently home to the Clearinghouse.

Since 1992, ENC has distributed over 3.67 million CD–ROM's and print publications. Products are distributed to schools, colleges of education, and various education groups and professional organizations across the country. ENC has received over 40 million hits on their web site since its creation in 1994. In addition, ENC has established over 100 Access Centers across the country to expand direct service to more teachers.

While this program has proven its value, there is room for improvement. The bill I am introducing today would expand ENC's jurisdiction to include Language Arts and Social Studies, with a particular emphasis in all curriculum areas on effective use of educational technology.

With thousands of teacher training programs available, it is becoming increasingly difficult for educators to find out which programs have been proven effective and which have not. My legislation would require ENC to gather a sampling of the best evaluations on the materials they collect and provide easy access to these evaluations. ENC will not be permitted to conduct evaluations directly, but would be required to create a ranking for materials and programs based on the reviews they collect and make these reviews easily accessible to teachers who utilize their service.

All four of these bills would help improve the quality of education. I look forward to working with my colleagues on these and other important education measures. Before I close, let me mention one other key issue affecting the education of our kids—school violence.

The threat of violence—and the reality of drug abuse—in our schools are all too real. We must ensure that America's families and teachers are empowered with the information, training and resources to help our children overcome these obstacles. This year, as a member of the Health, Education, Labor and Pensions Committee I will be working with the other members of the committee to reauthorize the Elementary and Secondary Education Act, which includes the Safe and Drug Free Schools Act. The recent tragic events in Colorado are a painful reminder that we need to do everything we can to improve our violence and drug abuse prevention efforts and these reauthorizations, as well as the upcoming debate on the juvenile justice reform legislation, provide us with excellent opportunities for this Congress to make a positive difference in the name of school safety.

Mr. President, I ask unanimous consent that the names of the finalists for Ohio's Teacher of the Year be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

OHIO TEACHER OF THE YEAR—FINALISTS

Teacher	School	School district
Brenda Baker Gehm	Monroe Elementary	Middletown/Monroe
Jennifer L. VanMatre	Bridgeview Middle School	Sidney City
M. Diana Bellamy	White Oak Middle School	Northwest Local
Stephanie L. Tillman	Crosby Elementary	Southwest Local
Maureen V. Judy	Fort Miami Elementary	Maumee City
Kenneth Wayne Fellows	Anthony Wayne High	Anthony Wayne Local
Pamela S. Hesselbart	Sylvan Elementary	Sylvania City
Elaine M. Broering	St. Henry Elementary	St. Henry Consolidated Local
William E. Denlinger	Piqua High School	Piqua City
Sandra S. Lageman	Saville Elementary	Mad River Local
Janice D. Plank	Whitehall-Yearling High School	Whitehall City
Karen Moss	Amanda Elementary	Amanda-Clearcreek Local
Larry Dale Hardman	O.R. Edgington Elementary	Northmount City
Margaret M. Scott	Princeton Junior High School	Princeton City
Colette Bernadette Peters	Butternut Elementary	North Olmsted City
Linda Joyce Borton	Penta County JVS	Penta County Vocational
Beverly Sheridan	Hadley Watts Middle School	Centerville City
Cynthia M. Walker	Fairfield Central Elementary	Fairfield City
Anne Kaczmarek	Brecksville-Broadview Heights	Brecksville-Broadview Heights
Terese Ann D'Amico	Thomas Jefferson Magnet	Euclid City
Steven Moorhead	Elmwood Middle School	Elmwood Local
Leslie Louise Kastner	Royal Manor Elementary	Gahannna-Jefferson City
Mary Ann Whiteleather	Kirkmere Elementary	Youngstown City
Nicki T. Embly	Rimer Elementary	Akron City
Sharon Joanne Smith	Zane Trace Elementary	Zane Trace Local
Diane Squire Radley	Memorial Elementary	Brunswick City
Catherine S. Platano	Sterling Morton Elementary	Mentor Exempted Village
Mark G. Silvers	Wayne High School	Huber Heights City
Nanci Sullivan	Harding Middle School	Stuebenville City
Sandy A. Murray	Jones Middle School	Upper Arlington City
Kay Wallace	Pickerington High School	Pickerington Local
Barbara Hampton	Hilltop Community Elementary	Reading Community City

By Mr. McCAIN:

S. 991. A bill to prevent the receipt, transfer, transportation, or possession of a firearm or ammunition by certain violent juvenile offenders, and for other purposes; to the Committee on the Judiciary.

YOUTH VIOLENCE PREVENTION ACT OF 1999

Mr. McCAIN. Mr. President, today I am introducing the ''Youth Violence

Prevention Act of 1999.'' This legislation will prevent juveniles from illegally accessing weapons and punish those who would assist them in doing so, prohibit juveniles who commit acts of gun violence from purchasing guns in the future, and punish juveniles who illegally carry or use handguns in schools.

Before I get into the particulars of the legislation, I would like to take a moment to discuss the broader issues surrounding the question of youth violence.

Recent events have shaken the collective conscience of our nation. The recent killings at Columbine High School in Colorado have brought home to every American the degree to which we are failing are children.

The most basic and profound responsibility that our culture—any culture—has is raising its children. We are failing in that responsibility, and the extent of our failure is being measured in deaths and injuries of kids in schoolyards and on the streets of our neighborhoods and communities.

Over the past few years, we have been jolted time and again by the horrifying images of school shootings. Every day, in towns and cities across this country, kids are killing kids, and kids are killing adults, in a spiraling pattern of youth violence driven by the drug trade, gang activity, and other factors.

Primary responsibility lies with families. As a country, we are not parenting our children. We are not adequately involving ourselves in our children's lives, the friends they hang out with, what they do with their time, the problems they are struggling with. This is our job, our paramount responsibility, and we are failing. We must get our priorities straight, and that means putting our kids first.

Parents need help. They need help because our homes and our families, and our children's minds, are being flooded with a tide of violence that pervades our society. Movies depict graphic violence, and children are taught to kill and maim by interactive video games. The Internet, which holds such tremendous potential in so many ways, is tragically used by some to communicate unimaginable hatred, images and descriptions of violence, and ''how-to'' manuals on everything from bomb construction to drugs. Our culture is dominated by media, and our children, more so than any generation before them, are vulnerable to the images of violence and hate that, unfortunately, are dominant themes in so much of what they see and hear.

I have recently joined with some of my colleagues to call upon the President to convene an emergency summit of the leaders of the entertainment and interactive media industry to develop an action plan for controlling children's access to media violence. I am pleased that the President has heeded this call and will convene such a summit next week.

I have also joined others in introducing legislation calling upon the Surgeon General to conduct a comprehensive study of media violence, in all its forms, and to issue a report on its effects, with recommendations on how we can turn around this tragic tide of youth violence.

These are important steps targeting various aspects of the complex problem of youth violence. However, we must press the fight on every front. One reality of the horrific gun violence that is so prevalent among our youth is the illegal use of guns. The legislation I am introducing today is specifically targeted at the illegal means by which kids are acquiring guns and is designed to ensure that violence youth offenders are punished, and that they will not acquire guns in the future.

First, the bill extends the provisions of the Gun Control Act that prohibit certain purchases to include juveniles. Currently, under federal law, a juvenile may commit multiple violent felonies, using a gun, and when he or she turns 18 years old, that same individual may walk into a gun store and legally purchase a weapon. This is absurd. This legislation would prevent them from doing so. Where a juvenile has committed an offense that would constitute a violent felony if he or she were an adult, that juvenile will be sentenced as an adult and will be ineligible to be paroled simply because they turn 18.

Second, this legislation provides that whoever illegally purchases a weapon for another individual, knowing that the recipient intends to commit a violent felony, may be imprisoned up to 15 years. Further, whoever illegally purchases or transfers a weapon to a juvenile, knowing that the recipient intends to commit a violent felony, may be imprisoned up to 20 years.

Under this legislation, if a juvenile illegally possesses a handgun and violates the Gun Free School Zone law with the intent to carry, possess, discharge, or otherwise use the handgun or ammunition in the commission of a violent felony, they may be imprisoned for up to 20 years.

Mr. President, let me make very clear that this legislation in no way infringes on the Second Amendment rights to bear arms. I do not believe we should further restrict the rights of law-abiding Americans to own a gun. Rather, we should focus on halting the spread of violent crime and punishing violent criminals who abuse their Second Amendment rights. I believe it is imperative to better safeguard children from the dangerous effects of violent crime in America, as well as educate them on the potential danger of weapons.

Mr. President, this legislation is not a panacea. As I have stated, the malady of youth violence that is eating at the soul of this nation is a complex disease. It will require a multi-faceted cure. As I have outlined, I am pushing for a comprehensive approach. What we must have, if there is any hope, is the unqualified commitment of all Americans to raise our children, to put them first. I urge all Americans to get involved in their kids' lives. Ask questions, listen to their fears and concerns, their hopes and their dreams.

Childhood is a time of innocence, a time to teach discipline and values. Our children are our most precious gifts, they are full of innocence and hope. We must work together to preserve the sanctity of childhood.

Mr. President, I ask unanimous consent that the text of the Youth Violence Prevention Act of 1999 be printed in the RECORD.

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

S. 991

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 ''Youth Violence Prevention Act of 1999.''

SEC. 2. PROHIBITION ON FIREARMS OR AMMUNITION POSSESSION BY VIOLENT JUVENILE OFFENDERS.

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended by—

(1) inserting ''(A)'' after ''(20)'';

(2) redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) inserting after clause (ii) the following:

''(B) For purposes of section 922(d) and (g) of this title, the term 'act of violent juvenile delinquency' means an adjudication of delinquency in Federal or State court, based on a finding of the commission of an act by a person prior to his or her eighteenth birthday that, if committed by an adult, would be a serious violent felony, as defined in section 3559(c)(2)(F)(i) of this title, had Federal jurisdiction been exercised (except that section 3559(c)(3) shall not apply to this subparagraph):''; and

(4) striking ''What constitutes'' through ''this chapter,'' and inserting:

''(C) What constitutes a conviction of such a crime or an adjudication of an act of violent juvenile delinquency shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any State conviction or adjudication of an act of violent juvenile delinquency that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, by the jurisdiction in which the conviction or adjudication of an act of violent juvenile delinquency occurred shall not be considered a conviction or adjudication of an act of violent juvenile delinquency for purposes of this chapter,''.

(b) PROHIBITION.—Section 922 of title 18, United States Code is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or'' ; and

(C) by inserting after paragraph (9) the following:

''(10) has committed an act of violent juvenile delinquency.''; and

(2) in subsection (g)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or'' ; and

(C) by inserting after paragraph (9) the following:

''(10) has committed an act of violent juvenile delinquency.''.

(c) EFFECTIVE DATE OF ADJUDICATION PROVISIONS.—The amendments made by this section shall apply only to an adjudication of an act of violent juvenile delinquency that occurs after the date that is 30 days after the date on which the Attorney General notifies Federal firearms licensees, through publication in the Federal Register by the Secretary of the Treasury, that the records of such adjudications are routinely available in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act.

SEC. 3. STRAW PURCHASE PENALTIES.

(a) STRAW PURCHASE PENALTIES.—Section 924(a)(2) of title 18, United States Code, is amended to read as follows:

''(2) Whoever knowingly violates—

''(A) subsection (d), (g), (h), (i), (j) or (o) of section 922 shall be fined as provided in this title, imprisoned not more than 10 years, or both; and

''(B) section 922(a)(6) shall be fined as provided in this title, imprisoned not more than 10 years, or both, except—

''(i) whoever knowingly violates subsection (a)(6) for the purpose of selling, delivering, or otherwise transferring a firearm knowing or having reasonable cause to know that another will carry or otherwise possess or discharge or otherwise use the firearm in the commission of a violent felony, shall be—

''(I) fined under this title, imprisoned not more than 15 years, or both; or

''(II) fined under this title, imprisoned not more than 20 years, or both where the procurement is for a juvenile; and

''In this paragraph, the term 'violent felony' means conduct described in section 924(e)(2)(B) of this title and the term 'juvenile' has the same meaning as in section 922(x).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 180 days after the date of enactment of this Act.

SEC. 4. JUVENILE WEAPONS PENALTIES.

(a) JUVENILE WEAPONS PENALTIES.—Section 924(a) of title 18 United States Code, is amended—

(1) in paragraph (4), by striking ''Whoever'' and inserting ''Except as provided in paragraph (6), whoever''; and

(2) by striking paragraph (6) and inserting the following:

''(6)(A) A juvenile who violates section 922(x) shall be fined under this title, imprisoned not more than 1 year, or both, except—

''(i) a juvenile shall be sentenced to probation on appropriate conditions and shall not be incarcerated unless the juvenile fails to comply with a condition of probation, if—

''(I) the offense of which the juvenile is charged is possession of a handgun or ammunition in violation of section 922(x)(2); and

''(II) the juvenile has not been convicted in any court of an offense (including an offense under section 922(x) or a similar State law, but not including any other offense consisting of conduct that if engaged in by an adult would not constitute an offense) or adjudicated as a juvenile delinquent for conduct that if engaged in by an adult would constitute an offense; or

''(ii) a juvenile shall be fined under this title, imprisoned not more than 20 years, or both, if—

''(I) the offense of which the juvenile is charged is possession of a handgun or ammunition in violation of section 922(x)(2); and

''(II) during the same course of conduct in violating section 992(x)(2), the juvenile violated section 922(q), with the intent to carry or otherwise possess or discharge or otherwise use the handgun or ammunition in the commission of a violent felony.

''(B) A person other than a juvenile who knowingly violates section 922(x)—

''(i) shall be fined under this title, imprisoned not more than 1 year, or both; and

''(ii) if the person sold, delivered, or otherwise transferred a handgun or ammunition to a juvenile knowing or having reasonable cause to know that the juvenile intended to carry or otherwise possess or discharge or otherwise use the handgun or ammunition in the commission of a violent felony, shall be fined under this title, imprisoned not more than 20 years, or both.

''(C) In this paragraph, the term 'violent felony' means conduct as described in section 924(e)(2)(B) of this title.

''(D) Except as otherwise provided in this chapter, in any case in which a juvenile is prosecuted in a district court of the United States, and the juvenile is subject to the penalties under paragraph (A)(ii), the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult. No juvenile sentenced to a term of imprisonment shall be released from custody simply because the juvenile reaches the age of 18 years.''.

(b) UNLAWFUL WEAPONS TRANSFERS TO JUVENILES.—Section 922(x) of title 18, United States Code, is amended to read as follows:

''(x)(1) It shall be unlawful for a person to sell, deliver, or otherwise transfer to a person who the transferor knows or has reasonable cause to believe is a juvenile—

''(A) a handgun; or

''(B) ammunition that is suitable for use only in a handgun.

''(2) It shall be unlawful for any person who is a juvenile to knowingly possess—

''(A) a handgun; or

''(B) ammunition that is suitable for use only in a handgun.

''(3) This subsection does not apply to the following:

''(A)(i) A temporary transfer of a handgun or ammunition to a juvenile or to the possession or use of a handgun or ammunition by a juvenile if the handgun or ammunition are possessed and used by the juvenile—

''(I) in the course of employment;

''(II) in the course of ranching or farming related to activities at the residence of the juvenile (or on property used for ranching or farming at which the juvenile, with the permission of the property owner or lessee, is performing activities related to the operation of the farm or ranch);

''(III) for target practice;

''(IV) for hunting; or

''(V) for a course of instruction in the safe and lawful use of a handgun.

''(ii) Clause (i) shall apply only if the juvenile's possession and use of a handgun or ammunition under this subparagraph are in accordance with State and local law and the following conditions are met:

''(I)(aa) Except when a parent or guardian of the juvenile is in the immediate and supervisory presence of the juvenile, the juvenile shall have in the juvenile's possession at all times when a handgun or ammunition is in the possession of the juvenile, the prior written consent of the juvenile's parent or guardian who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

''(bb) during transportation by the juvenile directly from the place of transfer to a place at which an activity described in division (aa) is to take place the handgun shall be unloaded and in a locked container or case, and during the transportation by the juvenile of that firearm, directly from the place at which such an activity took place to the transferor, the handgun shall also be unloaded and in a locked container or case; or

''(II) With respect to ranching or farming activities as described in subparagraph (A), a juvenile may possess and use a handgun or ammunition with the prior written approval of the juvenile's parent or legal guardian, if such approval is on file with the adult who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition and that person is directing the ranching or farming activities of the juvenile.

''(B) A juvenile who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a handgun or ammunition in the line of duty.

''(C) A transfer by inheritance of title (but not possession) of a handgun or ammunition to a juvenile.

''(D) The possession of a handgun or ammunition taken in defense of the juvenile or other persons against an intruder into the residence of the juvenile or a residence in which the juvenile is an invited guest.

''(4) A handgun or ammunition, the possession of which is transferred to a juvenile in circumstances in which the transferor is not in violation of this subsection, shall not be subject to permanent confiscation by the Government if its possession by the juvenile subsequently becomes unlawful because of the conduct of the juvenile, but shall be returned to the lawful owner when such handgun or ammunition is no longer required by the Government for the purposes of investigation or prosecution.

''(5) In this subsection, the term 'juvenile' means a person who is less than 18 years of age.

''(6) In a prosecution of a violation of this subsection, the court—

''(A) shall require the presence of a juvenile defendant's parent or legal guardian at all proceedings;

''(B) may use the contempt power to enforce subparagraph (A); and

''(C) may excuse attendance of a parent or legal guardian of a juvenile defendant at a proceeding in a prosecution of a violation of this subsection for good cause shown.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect 180 days after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 135

At the request of Mr. DURBIN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 135, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes.

S. 172

At the request of Mr. MOYNIHAN, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from

California [Mrs. FEINSTEIN] were added as cosponsors of S. 172, a bill to reduce acid deposition under the Clean Air Act, and for other purposes.

S. 331

At the request of Mr. JEFFORDS, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 331, a bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

S. 429

At the request of Mr. DURBIN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 429, a bill to designate the legal public holiday of ''Washington's Birthday'' as ''Presidents' Day'' in honor of George Washington, Abraham Lincoln, and Franklin Roosevelt and in recognition of the importance of the institution of the Presidency and the contributions that Presidents have made to the development of our Nation and the principles of freedom and democracy.

S. 459

At the request of Mr. HATCH, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Colorado [Mr. ALLARD] was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 496

At the request of Mr. REED, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 496, a bill to provide for the establishment of an assistance program for health insurance consumers.

S. 537

At the request of Mr. LUGAR, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 537, a bill to amend the Internal Revenue Code of 1986 to adjust the exemption amounts used to calculate the individual alternative minimum tax for inflation since 1993.

S. 660

At the request of Mr. CRAIG, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 660, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of medical nutrition therapy services furnished by registered dietitians and nutrition professionals.

S. 676

At the request of Mr. CAMPBELL, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 676, a bill to locate and secure the return of Zachary Baumel, a citizen of the United States, and other Israeli soldiers missing in action.

S. 680

At the request of Mr. HATCH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 680, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes.

S. 712

At the request of Mr. LOTT, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 712, a bill to amend title 39, United States Code, to allow postal patrons to contribute to funding for highway-rail grade crossing safety through the voluntary purchase of certain specially issued United States postage stamps.

S. 717

At the request of Ms. MIKULSKI, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 717, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 763

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from Montana [Mr. BURNS], and the Senator from Georgia [Mr. CLELAND] were added as cosponsors of S. 763, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, and for other purposes.

S. 781

At the request of Mrs. FEINSTEIN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 781, a bill to amend section 2511 of title 18, United States Code, to revise the consent exception to the prohibition on the interception of oral, wire, or electronic communications that is applicable to telephone communications.

S. 783

At the request of Mrs. FEINSTEIN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 783, a bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

S. 792

At the request of Mr. MOYNIHAN, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Hawaii [Mr. AKAKA], and the Senator from New York [Mr. SCHUMER] were added as cosponsors of S. 792, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

S. 850

At the request of Mrs. BOXER, the name of the Senator from Arkansas [Mrs. LINCOLN] was added as a cosponsor of S. 850, a bill to make schools safer by waiving the local matching requirement under the Community Policing program for the placement of law enforcement officers in local schools.

S. 868

At the request of Mr. GRAHAM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 868, a bill to make forestry insurance plans available to owners and operators of private forest land, to encourage the use of prescribed burning and fuel treatment methods on private forest land, and for other purposes.

S. 892

At the request of Mr. HATCH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 892, a bill to amend the Internal Revenue Code of 1986 to permanently extend the subpart F exemption for active financing income.

S. 918

At the request of Mr. KERRY, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 918, a bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

S. 965

At the request of Mr. JEFFORDS, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 965, a bill to restore a United States voluntary contribution to the United Nations Population Fund.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. DODD, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of Senate Concurrent Resolution 22, a concurrent resolution expressing the sense of the Congress with respect to promoting coverage of individuals under long-term care insurance.

SENATE RESOLUTION 98—DESIGNATING THE WEEK BEGINNING OCTOBER 17, 1999, AND THE WEEK BEGINNING OCTOBER 15, 2000, AS ''NATIONAL CHARACTER COUNTS WEEK''

Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Mr. LIEBERMAN, Mr. FRIST, Mr. DORGAN, Ms. MIKULSKI, Mr. COVERDELL, Mr. CLELAND, Mr. BENNETT, Mr. ROCKEFELLER, Mr. BROWNBACK, Mr. ENZI, Mrs. MURRAY, Mr. SARBANES, Mr. BURNS, Mr. KOHL, Mr. BINGAMAN, Mr. DEWINE, Ms. COLLINS, Mrs. FEINSTEIN, Mr. BOND, Mr. INHOFE, Mr. SMITH of Oregon, Mr. REID, Mr. WELLSTONE, Mr. CHAFEE, Mr. GREGG, Mr. AKAKA, Mr. BAUCUS, Mr. KENNEDY, Mrs. HUTCHISON, Mr. THURMOND, Mr. HUTCHINSON, Mr. BREAUX, Mr. CONRAD, Mr. JOHNSON, Mr. BYRD, Mr. WARNER, Mr. MURKOWSKI, Mr. BUNNING, Mr. HAGEL, Mr. ALLARD, Mr. VOINOVICH, Mr. GORTON, Mr. STEVENS, Mr. NICKLES, Mr. LOTT, Mr. SPECTER, Mr. ROBERTS, Mr. MACK, Mr. CRAIG, Mr. BIDEN, Ms. SNOWE, Mr. GRAMS, Mr. FITZGERALD, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary

S. RES. 98

Whereas young people will be the stewards of our communities, the United States, and the world in critical times, and the present and future well-being of our society requires an involved, caring citizenry with good character;

Whereas concerns about the character training of children have taken on a new sense of urgency as violence by and against youth threatens the physical and psychological well-being of people of the United States;

Whereas more than ever, children need strong and constructive guidance from their families and their communities, including schools, youth organizations, religious institutions, and civic groups;

Whereas the character of a nation is only as strong as the character of its individual citizens;

Whereas the public good is advanced when young people are taught the importance of good character, and that character counts in personal relationships, in school, and in the workplace;

Whereas scholars and educators agree that people do not automatically develop good character and, therefore, conscientious efforts must be made by institutions and individuals that influence youth to help young people develop the essential traits and characteristics that comprise good character;

Whereas although character development is, first and foremost, an obligation of families, the efforts of faith communities, schools, and youth, civic, and human service organizations also play a very important role in supporting family efforts by fostering and promoting good character;

Whereas the Senate encourages students, teachers, parents, youth, and community leaders to recognize the valuable role our youth play in the present and future of the United States and to recognize that character is an important part of that future;

Whereas in July 1992, the Aspen Declaration was written by an eminent group of educators, youth leaders, and ethics scholars for the purpose of articulating a coherent framework for character education appropriate to a diverse and pluralistic society;

Whereas the Aspen Declaration states, ''Effective character education is based on core ethical values which form the foundation of democratic society.'';

Whereas the core ethical values identified by the Aspen Declaration constitute the 6 core elements of character;

Whereas the 6 core elements of character are trustworthiness, respect, responsibility, fairness, caring, and citizenship;

Whereas the 6 core elements of character transcend cultural, religious, and socioeconomic differences;

Whereas the Aspen Declaration states, ''The character and conduct of our youth reflect the character and conduct of society; therefore, every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character.'';

Whereas the Senate encourages individuals and organizations, especially those who have an interest in the education and training of our youth, to adopt the 6 core elements of character as intrinsic to the well-being of individuals, communities, and society as a whole; and

Whereas the Senate encourages communities, especially schools and youth organizations, to integrate the 6 core elements of character into programs serving students and children: Now, therefore, be it

Resolved, That the Senate—

(1) proclaims the week beginning October 17, 1999, and the week beginning October 15, 2000, as ''National Character Counts Week''; and

(2) requests that the President issue a proclamation calling upon the people of the United States and interested groups to—

(A) embrace the 6 core elements of character identified by the Aspen Declaration, which are trustworthiness, respect, responsibility, fairness, caring, and citizenship; and

(B) observe the week with appropriate ceremonies and activities.

Mr. DOMENICI. Mr. President, I am pleased today to submit for the sixth consecutive year a resolution on behalf of myself and 53 other Senators. My principal cosponsor is Senator DODD. In years past, when Senator Nunn was here, this resolution, which I am introducing, was known as the Domenici–Nunn resolution regarding National Character Counts Week. Senator DODD is taking the place of Senator Nunn; and 52 other Senators besides the two of us have joined in this. If any others wish to join, we will be pleased to have you. This resolution says the week of October 17 through 24 of this year, and October 15 through 22 of next year, will be known across the country as National Character Counts Week.

In 1992, a distinguished group of American educators, youth leaders, ethicists, religious people of all faiths, labor union leaders, and business executives met in Aspen, CO. They developed a way to instill character values in our schoolchildren. The conference marked the birth of what is beginning to be known across America as ''The Six Pillars of Character'' concept. The values comprising the Six Pillars are everyday concepts that Americans across this land wish their children would have and hope America will keep. They are simply: trustworthiness, respect, responsibility, fairness, caring, and citizenship. They transcend political and social barriers and are central to the ideals on which this Nation was built. As a matter of fact, I think they are central and basic to any nation that survives for any long period of history. As Plato once said, ''A country without character is a country that's doomed. And the only way a country can have character,'' he said, ''is if the individual citizens in the country have character.''

I could speak for all of my allotted time on the 200,000 New Mexico schoolchildren in public, private and parochial schools learning about good character. About 90 percent of the grade school children, and a significant portion of the others, are now participating in character education programs that simply and profoundly bring them into contact with each of these Pillars of Character one month at a time.

So if you walk the halls of some grade school in Albuquerque, you might see a sign outside that says, ''This Is Responsibility Month.'' And all the young people will be discussing the concept of responsibility in their classrooms, and they will put up posters saying, ''Responsibility Counts.'' At the end of that month they may have an assembly at which responsibility will be discussed by all the kids, and awards will be given to those who have been most responsible.

The next month it might be ''respect.'' The month after that it might be ''caring.''

This is working wherever it is being tried. A good example can be seen in the changes that occurred at Garfield Middle School in Albuquerque. The 570 students at Garfield first received their first lessons on the Six Pillars in October 1994. During the first 20 days of that school year, there were 91 recorded incidents of physical violence. One year later, during the same period, there were 26 such incidents. This remarkable difference is evidence that students do respond to Character Counts.

In New Mexico, the Character Counts movement has spread from the classroom to the boardroom. Recently, a group of business professionals resolved to explore ways to implement the Six Pillars in all their business relationships in an effort to spread these values throughout the community. Through this effort, parents have an opportunity to participate in Character Counts along side their kids, thereby reinforcing lessons learned in school. Promoting the Six Pillars at work also improves productivity and morale on the job, and it pays incalculable dividends in job and customer satisfaction.

Every year I like to highlight a particularly exceptional example of character displayed in my State of New Mexico. For over a dozen years, Bob Martin, an Albuquerque helicopter pilot, dreamed of being the first person to circumnavigate the globe in a balloon. He made many personal, professional, and financial sacrifices to plan the endeavor. Bob worked tirelessly to involve as many New Mexicans he could in his adventure, and from scientists to schoolchildren, the entire State shared his enthusiasm for the project. Finally, after years of preparation, Bob and his fellow crew members of Team RE/MAX were scheduled for lift-off this past January. However, it soon became apparent that weather conditions and equipment problems would force one of the three-member flight crew to stay behind. As founder of the mission, Bob felt it was his duty to stay behind despite his years of preparation and commitment to the project. His heartbreaking decision was an unparalleled exemplification of each of the Six Pillars: Trustworthiness, Respect, Responsibility, Fairness, Citizenship, and Caring.

Eventually, the launch was canceled because of worsening weather conditions, and two other balloon pilots, Bertrand Piccard of France and Brian Jones, of England, became the first team to successfully complete the trip. Although many of the hundreds of schoolchildren across New Mexico following Bob Martin's quest were disappointed he didn't have the chance to lift-off, they were given a outstanding demonstration of character in action through the deeds of Bob Martin.

The lead institution in America that sponsors it is a nonprofit institution called the Josephson Institute. It is a small foundation that promotes ethics. In that regard, they are the promoters of the Six Pillars of Character. Wherever I go, whenever I go to New Mexico, I pick a school and we talk about their Character Counts program.

It is phenomenal, the way teachers love to be part of this. Some of them said to me, 3 and 4 years ago: Why did it take so long to empower me to talk about responsibility to the children I teach in the fourth or third or fifth grade? I was absolutely astounded to find the hunger among good teachers to share with their children what it meant to be fair, to be respectful, to have citizenship.

I will ask consent that an editorial in the Albuquerque Journal, our largest newspaper, entitled, ''Students Learn Real Lesson in Citizenship'' be printed in the RECORD. It says that as part of the Six Pillars in this school, one of the good teachers took the entire classroom to a swearing-in ceremony where 71 New Mexicans became American citizens, and the little children got to watch them swear their oath, and meet them, and then they went back to their class and discussed it. They were thrilled to talk about people from other countries who love America and want to become citizens. If the program did not promote that, it would never have happened. And it is happening in all different ways across our land.

Senator DODD is working hard at this, as well as his fellow Senator from Connecticut, Senator LIEBERMAN. The State of Tennessee, under the leadership of Senator FRIST, is moving ahead dramatically. I ask all Senators to read what I have placed in the RECORD and to consider joining.

I am going to bring together with my friend, Senator DODD, and others, a number of Governors from both parties—perhaps as many as 15—with a number of Senators from both parties. We are going to quickly decide how we can promote the six pillars of character across their States and across our land.

Much is said about the children and the problem that happened in the shooting in my neighboring State of Colorado. We all know some things have to change. None of us have an absolute solution to this problem. But essentially, I submit, if we could have character education built on these six pillars in all of our grade schools and junior high schools, month by month, year by year, as they mature—and nobody objects. Those who are practicing the Jewish religion think these pillars are great. If as a Christian—a Baptist or Protestant or Roman Catholic—you hear about these six pillars, you say, ''Amen.'' We cannot teach religion. But what is wrong with responsibility and respect and caring and trustworthiness? Trustworthiness just means we do not lie. Isn't that nice to tell young people that our character is defined by whether we tell the truth? Our country ultimately suffers when we do not tell the truth. That is the kind of thing that is being promoted.

I note the presence of Senator DODD. Senator, I have already mentioned that not only are you my principal cosponsor, but we are going to call this national conference soon. You and I will ask Governors and Senators to attend. I ask now the Journal editorial, which I alluded to, be printed in the RECORD.

There being not objection, the article was ordered to be printed in the RECORD, as follows:

[From the Albuquerque Journal, April 28, 1999]

STUDENTS LEARN REAL LESSON IN CITIZENSHIP

Citizenship.—As one of six desired ''Character Counts'' attributes, it's a word posted in the hallways of virtually every Albuquerque public school, sometimes featured as ''word of the month'' on reader board signs outside.

Students at Cleveland Middle School, however, have come to know the full meaning of that word. Offered a valuable opportunity, they learned about the naturalization process in history classes, took the American citizenship test and, to top it off, witnessed the naturalization of 71 of America's newest citizens in a ceremony Cleveland students helped organize as hosts.

''We decided that if we're going to teach children about citizenship, we should make it as real as possible,'' humanities teacher Susan Leonard said. Cleveland no doubt succeeded, because this is as real as it gets. Students watched 71 people from 22 countries take the oath of American citizenship—by choice.

Most Americans take their citizenship for granted, just as many take for granted the rights Americans enjoy—the right to a fair trial, to practice one's own religion, to speak one's mind. By taking these rights for granted, too often Americans also opt out of the responsibilities that are the flip side of those rights—one's duty to vote, to serve on a jury, to defend our nation and Constitution; in short, to be a good citizen.

Learning about the naturalization process provided a valuable lesson in America's continuing history as a nation of immigrants.

Eighth-grader Tom Adams said his favorite part of the Cleveland project was meeting the citizens-to-be. ''They're from all different countries,'' he said, ''and I get to meet them. And I think that's kind of cool.''

Seventy-one believers in the American system are now Adams' fellow Americans. Kind of cool, indeed.

Mr. DODD. Mr. President, let me commend my colleague from New Mexico. I have enjoyed a lot of relationships in this Chamber over the years on numerous issues, but none as much as I have with my colleague from New Mexico on Character Counts. I am pleased to be joining my colleague in submitting this Senate Resolution designating the weeks of October 17, 1999 and October 15, 2000 as National Character Counts Week.

Character Counts is a program that I encourage for every one of our colleagues. There are programs now in all 50 States. Some States have more than others. There are 10,000 children in my home State of Connecticut who have been the beneficiary of our Character Counts effort, the six pillars of good character.

We have had a lot of attention paid over the last couple of weeks to the tragedy in Littleton, CO. Americans are left searching for answers to many questions. How could these teenagers have committed such brutality? How can society help prevent such violent, deadly behavior from happening again? There are a variety of suggestions people are making—the tendency is to revert to form. You have one group that says the answer is gun control, another group says it is the video games and the Internet, and another group says it is the schools or the parents. You could probably find some merit in all of those areas.

I believe that one answer is to encourage schools to build character in their students. I am not going to stand here and claim that this is the solution. But it is certainly part of the solution.

This is an issue that goes beyond the prevention of violence. Theodore Roosevelt once said, ''To educate a person's mind and not his character is to educate a menace.'' In some ways, there is a lot of validity in that statement. Possessing a good mind without good character can create more problems than one can imagine.

Education is a central part of children's lives, and schools are the key to reaching the majority of America's children. Today's children have so many obstacles to overcome, including violence and drug use. As a society, we must find ways to help these children become responsible citizens, to distinguish between right and wrong. To do this, we must build on traditional education by nurturing student character.

Schools can teach and reinforce the importance of qualities like trustworthiness, responsibility, caring for others, and citizenship. By combining character education with solid instruction in reading, math, and science, our schools can produce young people who are not only strong in intellect, but also strong in character.

This is not to suggest that parents do not play a key role as well. Parents should be deeply involved in their children's character development. They should help plan school character development programs, and reinforce the programs' lessons in the home.

What we have done in our schools, and in the schools of New Mexico and other states, is take one of these six pillars a month, and weave it into the seamless fabric of the day, from the math class to the history class to the band and athletic field to the extracurricular activity. They will take the character of respect: What is respect? What is lack of respect among teachers, students, and administrators? It is incredible to see the difference this has made in these young people, the administrators, and the faculty of these schools. It has been a tremendous success.

This is a remarkable program. It goes back a number of years, when we put a small amount of money into the program to be used by the States and localities to promote the idea of character education.

I have never known a dollar that has been better spent or has done more good. Talk about seed money and making a difference. We all know that these children should be getting this kind of education at home. That is where it should happen. But, tragically, today for a variety of reasons, children are entering school without these basic lessons that a generation ago were learned at the knees of their parents.

Many of my colleagues in the Senate come to the floor each year and join me in supporting character education in our schools. For the past six years, I have been working to support character education. In 1994, the amendment Senator DOMENICI and I offered to the Elementary and Secondary Education bill was adopted by the full Senate. The amendment provided funding for schools to start character education curriculums.

Since then, I have had the opportunity to visit schools in my home state of Connecticut and I have seen these funds at work. Teachers, parents and the students themselves are enthusiastic about these programs and have reported better attendance, higher academic performance, and improved behavior among students. My colleagues can confirm that these positive results are evident throughout the Nation.

Again, I compliment my colleague and friend from New Mexico for his leadership on character education. I invite my colleagues from both sides of the aisle to join us in supporting National Character Counts Week and recognizing character education as a critical part of creating more responsible children and a safer society in which to live.

Mr. FRIST. Mr. President, it gives me great pleasure to rise, as I have in years past, in support of what has become an annual resolution to designate the third week of October—this year—the week of October 17th—as National Character Counts Week.

The importance of character to the future of our nation cannot be overemphasized. As the noted educator, George S. Benson, once observed, ''Great ideals and principles do not live from generation to generation because they are right, nor even because they have been carefully legislated. Ideals and principles continue from generation to generation only when they are built into the hearts of children as they grow up.''

There was a time when great ideals and principles were ''built into the hearts of children'' as a matter of course—in every school house, and classroom, all across our great land; a time when we believed that to educate a man in mind and not in morals, as Teddy Roosevelt put it, was to educate a menace of society.

Sadly, this is no longer the case.

Not only do many schools no longer teach children the difference between good and evil, right and wrong, they convey the philosophy that there is no difference; that it is all a matter of choice, and that choice—not truth—or justice—or responsibility, is the ultimate object of democracy.

That is the greatest threat to democracy any nation can face—but especially ours. For America is a nation founded on principle, forged by courage, and strengthened by every succeeding generation that has been unwilling to let those principles or that courage be diminished.

Yet, in many ways, moral leadership is more important now than it has ever been before. The 21st century will hold many challenges that will require the most of us. And the greatest of those challenges will be moral not economic: cloning, genetics, bioengineering; human rights vs. economic prosperity? right to life or right to die?

They are challenges that will require principle, demand character.

Who will be the leaders of tomorrow, and will they be up to the task? In many ways, the answer is up to us.

Which is why I have worked to promote character development in elementary and secondary education, and urged our Nation's colleges and universities to affirm character development as a primary goal of higher education.

It is also why I am also proud to support the Character Counts movement, and why I have done so every year since I've been in the United States Senate.

In 1995, in the very first quarter of my first term, I became a member of the bipartisan Character Counts Working Group—a coalition of Senators organized to affirm and support the millions of Americans who still believe that character counts, that it should be not just touted but taught, in homes and churches, certainly, but also in schools across America.

It is why I have annually co-sponsored this Senate resolution to designate the third week of October as National Character Counts Week. And it is why I am proud to say that, in Tennessee, Character Counts! is flourishing.

Mr. President, Character Counts! teaches children respect, responsibility, trust, caring and citizenship. It teaches them the value of virtue, the importance of character. It renews not only the promises of our past, but our faith in the future.

In Knoxville, Tennessee alone, 38 schools so far have received Character Counts! training. One of them, Norwood Elementary, asked students to write essays about the importance of character.

Another, Farragut Primary School, held an assembly for parents and kids that highlighted ways to be good citizens.

In Johnson City, a little boy and his friends at Cherokee Elementary School built a ramp at the home of a boy with a disability so he could get in and out safely in his wheelchair.

In Hamblin County, I met a fourth grader—a little girl named Heidi Shackleford—who was the first student to make her school's Character Counts! ''Wall of Fame.''

What did she do to earn such an honor? She found a $100 bill in her school, but rather than stick it in her pocket, she turned it in to her teacher because she learned—through Character Counts education—why it is important to do the right thing.

In Sullivan County—where the Character Counts! program began in Tennessee—students at the Indian Springs

Elementary School make monthly visits to a grandmother they adopted at a Kingsport nursing home.

They have also experienced 25 percent reduction in juvenile crime since the Character Counts! program began—an improvement they attribute directly to the impact the program has had on the region.

These are just a few examples of how Tennessee children are learning the value of virtue, the importance of character, and how their communities have benefitted as a result.

It has been my honor to support all of these efforts—to help Tennessee communities kick-off new programs, and to encourage and support those already in place.

But it is not enough to promote this program in Tennessee, or New Mexico, or in any one of the other states that have taken up the challenge.

We must promote the development of character in every state, in every school, in every city in America. For if education is the most important gift we can give to the future, then character education is doubly so.

The job of instilling character in the hearts of America's children has always been an important one. But as the tragic violence in Littleton and other cities recently have shown us, it has never been more important than it is today.

We are justifiably proud of the liberty we enjoy as Americans. But as the wise British statesman, Edmund Burke, once observed, What is liberty without virtue? It is the greatest of all possible evils, for it is folly, vice and madness without tuition or restraint.

We must take every opportunity to teach our children the difference between right and wrong, to sort out with them, what to value, and what to reject from among the vast array of choices made possible by our freedom.

We must all, young and old, rich and poor, Democrat and Republican, work together to sow the seeds of character into the hearts of every young American so that together we can give our children and our country one of the greatest gifts any democratic nation can bestow—the assurance that character does count.

AMENDMENTS SUBMITTED

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

SANTORUM (AND BUNNING) AMENDMENT NO. 307

Mr. SANTORUM (for himself and Mr. BUNNING) proposed an amendment to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; as follows:

At the appropriate place, insert the following:

(e) USE OF FUND RESERVES TO PAY FICO OBLIGATIONS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended by inserting after subparagraph (C) the following:

''(D) USE OF DEPOSIT INSURANCE FUNDS TO PAY CERTAIN FINANCING CORPORATION OBLIGATIONS.—

''(i) IN GENERAL.—Beginning on January 1, 2000, the Board of Directors shall use the funds of the Bank Insurance Fund and the Savings Association Insurance Fund in excess of 1.35 percent of estimated insured deposits or such level established by the Board of Directors pursuant to Section 7(b)(2)(A)(iv)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(iv)(II) to pay the bond interest obligations of the Financing Corporation.

''(ii) LIMITATION.—If the funds available under clause (i) are insufficient to meet the Financing Corporation's annual interest obligations, the Board of Directors shall use such amounts available under clause (i) and shall impose a special assessment, consistent with 12 U.S.C. 1441(f)(2) and Section 2703(c)(2)(A) of the Deposit Insurance Funds Act of 1996, on insured depository institutions in such amount and for such period as is necessary to generate funds sufficient to permit the Financing Corporation to meet all interest obligations due.

GRAMM AMENDMENT NO. 308

Mr. GRAMM proposed an amendment to the bill, S. 900, supra; as follows:

On page 98, strike lines 5 through 9, and insert the following:

SEC. 304. FINANCIAL INFORMATION PRIVACY PROTECTION.

(a) FINANCIAL INFORMATION ANTI-FRAUD.—The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

''TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

''SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This title may be cited as the 'Financial Information Anti-Fraud Act of 1999'.

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

''TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

''Sec. 1001. Short title; table of contents.
''Sec. 1002. Definitions.
''Sec. 1003. Privacy protection for customer information of financial institutions.
''Sec. 1004. Administrative enforcement.
''Sec. 1005. Civil liability.
''Sec. 1006. Criminal penalty.
''Sec. 1007. Relation to State laws.
''Sec. 1008. Agency guidance.

''SEC. 1002. DEFINITIONS.

''For purposes of this title, the following definitions shall apply:

''(1) CUSTOMER.—The term 'customer' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

''(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term 'customer information of a financial institution' means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

''(3) DOCUMENT.—The term 'document' means any information in any form.

''(4) FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'financial institution' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

''(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term 'financial institution' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

''(C) FURTHER DEFINITION BY REGULATION.—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term 'financial institution', in accordance with subparagraph (A), for purposes of this title.

''SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.

''(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

''(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

''(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

''(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

''(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

''(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial

institution in connection with the performance of the official duties of the agency.

''(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

''(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

''(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

''(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

''(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

''SEC. 1004. ADMINISTRATIVE ENFORCEMENT.

''(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection (b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

''(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

''(1) IN GENERAL.—Compliance with this title shall be enforced under—

''(A) section 8 of the Federal Deposit Insurance Act, in the case of—

''(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

''(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

''(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

''(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

''(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

''(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

''(c) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

''(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

''(B) may bring an action on behalf of the residents of the State to recover damages of not more than $1,000 for each violation; and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(2) RIGHTS OF FEDERAL REGULATORS.—

''(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

''(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

''(i) to intervene in an action under paragraph (1);

''(ii) upon so intervening, to be heard on all matters arising therein;

''(iii) to remove the action to the appropriate United States district court; and

''(iv) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be construed as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

''SEC. 1005. CIVIL LIABILITY.

''Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

''(1) ACTUAL DAMAGES.—The greater of—

''(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

''(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any nonmonetary consideration, as a result of the action which constitutes such failure.

''(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

''(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

''SEC. 1006. CRIMINAL PENALTY.

''(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

''(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

''SEC. 1007. RELATION TO STATE LAWS.

''(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

''(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

''SEC. 1008. AGENCY GUIDANCE.

''In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003.''.

(b) REPORT TO CONGRESS ON FINANCIAL PRIVACY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by subsection (a) in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(c) REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.—With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

(d) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under section 45 of the Federal Deposit Insurance Act (as added by section 202 of this Act), which mechanism shall—

(1) establish a group within each Federal banking agency to receive such complaints; and

(2) develop procedures for—

(A) investigating such complaints;

(B) informing consumers of rights they may have in connection with such complaints; and

(C) addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses, to the extent appropriate.

JOHNSON (AND OTHERS) AMENDMENT NO. 309

Mr. JOHNSON (for himself, Mr. THOMAS, Mr. KERREY, Mr. DASCHLE, Mr. DORGAN, Mr. KOHL, and Mrs. LINCOLN) proposed an amendment to the bill, S. 900, supra; as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on March 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on March 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

BENNETT AMENDMENT NO. 310

Mr. GRAMM (for Mr. BENNETT) proposed an amendment to the bill, S. 900, supra; as follows:

At the appropriate place in the bill, insert the following:

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c–1) is amended to read as follows:

''Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.''

BENNETT AMENDMENT NO. 311

(Ordered to lie on the table.)

Mr. BENNETT submitted an amendment intended to be proposed by him to the bill, S. 900, supra; as follows:

On page 11, line 11, after ''represent'' insert '', as determined by the insurance authority of the State of domicile of the insurance company,''.

EXPLANATION

S. 900 requires that for an investment by an insurance company to be treated as ''financial in nature'' it must be ''made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments.'' This amendment makes clear that the determination whether an investment is ''made in the ordinary course of business of such insurance company in accordance with State law governing such investments'' will be made by the insurance authority of the state of domicile of the insurance company.

State insurance authorities are most experienced and best qualified to determine whether insurance company investments are made in the ordinary course of business in accordance with relevant state law governing such investments. This amendment also will implement the principle of functional regulation established generally in S. 900 with respect to the conduct of business by insurance companies.

DORGAN AMENDMENTS NOS. 312–313

Mr. DORGAN proposed two amendments to the bill, S. 900, supra; as follows:

AMENDMENT NO. 312

At the appropriate place, insert the following:

SEC. ____. LIMITATION ON DERIVATIVES ACTIVITIES.

(a) INSURED DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

''SEC. 45. DERIVATIVE INSTRUMENTS.

''(a) DERIVATIVES ACTIVITIES.—

''(1) GENERAL PROHIBITION.—Except as provided in paragraph (2), neither an insured depository institution, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that institution or affiliate.

''(2) EXCEPTIONS.—

''(A) HEDGING TRANSACTIONS.—An insured depository institution may purchase, sell, or engage in hedging transactions to the extent that such activities are approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(B) SEPARATELY CAPITALIZED AFFILIATE.—A separately capitalized affiliate of an insured depository institution that is not itself an insured depository institution may purchase, sell, or engage in a transaction involving a derivative financial instrument if such affiliate complies with all rules, regulations, or orders of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(C) DE MINIMIS INTERESTS.—An insured depository institution may purchase, sell, or engage in transactions involving de minimis interests in derivative financial instruments for the account of that institution to the extent that such activity is defined and approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(D) EXISTING INTERESTS.—During the 3-month period beginning on the date of enactment of this section, nothing in this section shall be construed—

''(i) as affecting an interest of an insured depository institution in any derivative financial instrument that existed on the date of enactment of this section; or

''(ii) as restricting the ability of the institution to acquire reasonably related interests in other derivative financial instruments for the purpose of resolving or terminating an interest of the institution in any derivative financial instrument that existed on the date of enactment of this section.

''(3) ISSUANCE OF RULES, REGULATIONS, AND ORDERS.—The appropriate Federal banking agency shall issue appropriate rules, regulations, and orders governing the exceptions provided for in paragraph (2), including—

''(A) appropriate public notice requirements;

''(B) a requirement that any affiliate described in paragraph (2)(B) shall clearly and conspicuously notify the public that none of the assets of the affiliate, nor the risk of loss associated with the transaction involving a derivative financial instrument, are insured under Federal law or otherwise guaranteed by the Federal Government or the parent company of the affiliate; and

''(C) any other requirements that the appropriate Federal banking agency considers to be appropriate.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 11(e)(8)); and

''(B) any other instrument that an appropriate Federal banking agency determines, by regulation or order, to be a derivative financial instrument for purposes of this section; and

''(2) the term 'hedging transaction' means any transaction involving a derivative financial instrument if—

''(A) such transaction is entered into in the normal course of the institution's business primarily—

''(i) to reduce risk of price change or currency fluctuations with respect to property that is held or to be held by the institution; or

''(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to loans or other investments made or to be made, or obligations incurred or to be incurred, by the institution; and

''(B) before the close of the day on which such transaction was entered into (or such earlier time as the appropriate Federal banking agency may prescribe by regulation), the institution clearly identifies such transaction as a hedging transaction.''.

(b) INSURED CREDIT UNIONS.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section:

''SEC. 215. DERIVATIVE INSTRUMENTS.

''(a) DERIVATIVE ACTIVITIES.—Except as provided in subsection (b), neither an insured credit union, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument.

''(b) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to insured credit unions and affiliates thereof and to the Board in the same manner that such section applies to insured depository institutions and affiliates thereof (as those terms are defined in section 3 of that Act) and shall be enforceable by the Board with respect to insured credit unions and affiliates under this Act.

''(c) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this section, the term 'derivative financial instrument' means—

''(1) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(2) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this section.''.

(c) BANK HOLDING COMPANIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsection:

''(h) DERIVATIVES ACTIVITIES.—

''(1) IN GENERAL.—A subsidiary of a bank holding company may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that subsidiary if that subsidiary—

''(A) is not an insured depository institution or a subsidiary of an insured depository institution; and

''(B) is separately capitalized from any affiliated insured depository institution.

''(2) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to bank holding companies and the Board in the same manner that section applies to an insured depository institution (as such term is defined in section 3 of that Act) and shall be enforceable by the Board with respect to bank holding companies under this Act.

''(3) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this subsection, the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(B) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this subsection.''.

AMENDMENT NO. 313

At the end of title III, insert the following:

SEC. 312. TREATMENT OF LARGE HEDGE FUNDS UNDER INVESTMENT COMPANY ACT OF 1940.

Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), in the first sentence, by inserting '', which has total assets of less than $1,000,000,000, and'' after ''hundred persons''; and

(2) in paragraph (7), in the first sentence, by inserting ''which has total assets of less than $1,000,000,000,'' after ''qualified purchasers,''.

SCHUMER AMENDMENT NO. 314

Mr. SCHUMER proposed an amendment to the bill, S. 900, supra; as follows:

At the appropriate place, insert the following:

TITLE VII—ATM FEE REFORM

SEC. 701. SHORT TITLE.

This title may be cited as the ''ATM Fee Reform Act of 1999''.

SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

SHELBY (AND OTHERS) AMENDMENT NO. 315

Mr. SHELBY (for himself, Mr. DASCHLE, Mr. GRAMS, Mr. REED, Mr. BENNETT, Mr. HAGEL, and Ms. LANDRIEU) proposed an amendment to the bill, S. 900, supra; as follows:

Redesignate sections 123, 124, and 125 as sections 125, 126, and 127 respectively, strike section 122, and insert the following:

SEC. 122. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.

Chapter one of title LXII of the revised statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A (12 U.S.C. 25a) as section 5136B; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

''(a) ACTIVITIES PERMISSIBLE.—

''(1) IN GENERAL.—A subsidiary of a national bank may—

''(A) engage in any activity that is permissible for the parent national bank;

''(B) engage in any activity authorized under section 25 or 25A of the Federal Reserve Act, the Bank Service Company Act, or any other Federal statute that expressly by its terms authorizes national banks to own or control subsidiaries (other than this section); and

''(C) engage in any activity permissible for a bank holding company under any provision of section 4(k) of the Bank Holding Company Act of 1956 other than—

''(i) paragraph (4)(B) of such section (relating to insurance activities) insofar as such paragraph permits a bank holding company to engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or to engage as principal in providing or issuing annuities; and

''(ii) paragraph (4)(I) of such section (relating to insurance company investments).

''(2) LIMITATIONS.—A subsidiary of a national bank—

''(A) may not, pursuant to subparagraph (C) of paragraph (1)—

''(i) underwrite insurance other than credit-related insurance;

''(ii) engage in real estate investment or development activities (except to the extent that a Federal statute expressly authorizes a national bank to engage directly in such an activity); and

''(B) may not engage in any activity not permissible under paragraph (1).

''(b) REQUIREMENTS APPLICABLE TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) IN GENERAL.—A financial subsidiary of a national bank may engage in activities pursuant to subsection (a)(1)(C) only if—

''(A) the national bank meets the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C));

''(B) each insured depository institution affiliate of the national bank meet the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C)); and

''(C) the national bank has received the approval of the Comptroller of the Currency by regulation or order.

''(2) CORRECTIVE PROCEDURES.—

''(A) IN GENERAL.—The Comptroller of the Currency shall, by regulations prescribe procedures to enforce paragraph (1).

''(B) STRINGENCY.—The regulation prescribed under subparagraph (A) shall be no less stringent than the corresponding restrictions and requirements of section 4(m) of the Bank Holding Company Act of 1956.

''(c) DEFINITIONS.—For purpose of this section, the following definitions shall apply;

''(1) AFFILIATE.—The term 'affiliate' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

''(2) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of an insured bank; and

''(B) is engaged as principal in any financial activity that is not permissible under subparagraph (A) or (B) of subsection (a)(1) of this section.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of an insured depository institution that has been examined, the achievement of—

''(i) a composite rating of 1 or 2 under the Uniform Financial Instutitions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the insured depository institution; and

''(ii) at least a rating of 2 for management, if that rating is given; or

''(B) in the case of an insured depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.''.

SEC. 123. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities a the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 45. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

''(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

''(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) LIMITING A BANK'S CREDIT EXPOSURE TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the revised statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) and section 23B(d)(1)—

''(A) the financial subsidiary of the bank—

''(i) shall be deemed to be an affiliate of the bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed a subsidiary of the bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction,

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a bank) shall not be deemed to be a transaction between a subsidiary of a bank and an affiliate of the bank for purposes of section 23A or section 23B of this Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' shall not include a bank, or a subsidiary of a bank that is engaged exclusively in activities permissible for a national bank to engage in directly or authorized for a subsidiary of a national bank under any federal statute other than section 5136A of the Revised Statutes of the United States.''.

SEC. 124. FUNCTIONAL REGULATION.

(a) PURPOSE.—The purpose of this section is to ensure that—

(1) securities activities conducted in a subsidiary of a bank are functionally regulated by the Securities and Exchange Commission to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company; and

(2) insurance agency and brokerage activities conducted in a subsidiary of a bank are functionally regulated by a State insurance authority to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company.

(b) FUNCTIONAL REGULATION OF FINANCIAL SUBSIDIARIES.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by inserting after section 45 (as added by section 123 of this subtitle) the following new section:

"SEC. 46. FUNCTIONAL REGULATION OF SECURITIES SUBSIDIARIES AND INSURANCE AGENCY SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS.

''(a) BROKER OR DEALER SUBSIDIARY.—A broker or dealer that is a subsidiary of an insured depository institution shall be subject to regulation under the Securities Exchange Act of 1934 in the same manner and to the same extent as a broker or dealer that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(b) INSURANCE AGENCY SUBSIDIARY.—Subject to Section 104 of the Act, an insurance agency or brokerage that is a subsidiary of an insured depository institution shall be subject to regulation by a State insurance authority in the same manner and to the same extent as an insurance agency or brokerage that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(c) DEFINITIONS.—For purposes of this section, the terms 'broker' and 'dealer' have the same meanings as in section 3 of the Securities Exchange Act of 1934.''.

BRYAN AMENDMENT NO. 316

Mr. BRYAN proposed an amendment to the bill, S. 900, supra; as follows:

On page 150, after line 21, add the following:

TITLE VII—FINANCIAL INFORMATION PRIVACY

SEC. 701. SHORT TITLE.

This title may be cited as the ''Financial Information Privacy Act of 1999''.

SEC. 702. DEFINITIONS.

In this title—

(1) the term ''covered person'' means a person that is subject to the jurisdiction of any of the Federal financial regulatory authorities; and

(2) the term ''Federal financial regulatory authorities'' means—

(A) each of the Federal banking agencies, as that term is defined in section 3(z) of the Federal Deposit Insurance Act; and

(B) the Securities and Exchange Commission.

SEC. 703. PRIVACY OF CONFIDENTIAL CUSTOMER INFORMATION.

(a) RULEMAKING.—The Federal financial regulatory authorities shall jointly issue final rules to protect the privacy of confidential customer information relating to the customers of covered persons, not later than 270 days after the date of enactment of this Act (and shall issue a notice of proposed rulemaking not later than 150 days after the date of enactment of this Act), which rules shall—

(1) define the term ''confidential customer information'' to be personally identifiable data that includes transactions, balances, maturity dates, payouts, and payout dates, of—

(A) deposit and trust accounts;

(B) certificates of deposit;

(C) securities holdings; and

(D) insurance policies;

(2) require that a covered person may not disclose or share any confidential customer information to or with any affiliate or agent of that covered person if the customer to whom the information relates has provided written notice, as described in paragraphs (4) and (5), to the covered person prohibiting such disclosure or sharing—

(A) with respect to an individual that became a customer on or after the effective date of such rules, at the time at which the business relationship between the customer and the covered person is initiated and at least annually thereafter; and

(B) with respect to an individual that was a customer before the effective date of such rules, at such time thereafter that provides a reasonable and informed opportunity to the customer to prohibit such disclosure or sharing and at least annually thereafter;

(3) require that a covered person may not disclose or share any confidential customer information to or with any person that is not an affiliate or agent of that covered person unless the covered person has first—

(A) given written notice to the customer to whom the information relates, as described in paragraphs (4) and (5); and

(B) obtained the informed written or electronic consent of that customer for such disclosures or sharing;

(4) require that the covered person provide notices and consent acknowledgments to customers, as required by this section, in separate and easily identifiable and distinguishable form;

(5) require that the covered person provide notice as required by this section to the customer to whom the information relates that describes what specific types of information would be disclosed or shared, and under what general circumstances, to what specific types of businesses or persons, and for what specific types of purposes such information could be disclosed or shared;

(6) require that the customer to whom the information relates be provided with access to the confidential customer information that could be disclosed or shared so that the information may be reviewed for accuracy and corrected or supplemented;

(7) require that, before a covered person may use any confidential customer information provided by a third party that engages, directly or indirectly, in activities that are financial in nature, as determined by the Federal financial regulatory authorities, the covered person shall take reasonable steps to assure that procedures that are substantially similar to those described in paragraphs (2) through (6) have been followed by the provider of the information (or an affiliate or agent of that provider); and

(8) establish a means of examination for compliance and enforcement of such rules and resolving consumer complaints.

(b) LIMITATION.—The rules prescribed pursuant to subsection (a) may not prohibit the release of confidential customer information—

(1) that is essential to processing a specific financial transaction that the customer to whom the information relates has authorized;

(2) to a governmental, regulatory, or self-regulatory authority having jurisdiction over the covered financial entity for examination, compliance, or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency, as defined in section 603 of the Fair Credit Reporting Act for inclusion in a consumer report that may be released to a third party only for a purpose permissible under section 604 of that Act; or

(5) that is not personally identifiable.

(c) CONSTRUCTION.—Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.

LEVIN (AND SCHUMER) AMENDMENT NO. 317

Mr. LEVIN (for himself and Mr. SCHUMER) proposed an amendment to the bill, S. 900, supra; as follows:

On page 124, line 25, before ''Section'' insert the following:

''(1) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(2)''.

GRAMM (AND SARBANES) AMENDMENT NO. 318

Mr. GRAMM (for himself and Mr. SARBANES) proposed an amendment to the bill, S. 900, supra; as follows:

On page 18, strike line 22 and all that follows through page 19, line 2 and insert the following:

''(2) the attributed aggregate consolidated assets of the company held by the bank holding company pursuant to this subsection, and not otherwise permitted to be held by a bank holding company, are equal to not more than 5 percent of the total consolidated assets of the bank holding company, except that the Board may increase that percentage by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act; and

''(3) the bank holding company does not permit—

''(A) any company, the shares of which it owns or controls pursuant to this subsection, to offer or market any product or service of an affiliated insured depository institution; or

''(B) any affiliated insured depository institution to offer or market any product or service of any company, the shares of which are owned or controlled by such bank holding company pursuant to this subsection.''.

On page 11, line 11, after ''represent'' insert '', as determined by the insurance authority of the State of domicile of the insurance company,''.

At the appropriate place insert:

SEC. —. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.

Section 5 of the International Banking Act of 1978, as amended (12 U.S.C. §3103), is mended by striking subsection (a)(7) and substituting the following:

''(7) Additional authority for interstate branches and agencies of foreign banks; upgrades of certain foreign bank agencies and branches.

''Notwithstanding paragraphs (1) and (2), a foreign bank may,

''(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank's home State if

(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under Section 25A of the Federal Reserve Act (12 U.S.C. §611 et seq.); or

''(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a brnch of the type referred to in subsection (a)(7)(A)(ii), located in a State outside the foreign bank's home state, into a Federal or State branch if the establishment and operation of such branch is permitted by such State; and

''(i) such agency or branch was in operation in such State on the day before September 29, 1994, or

''(ii) such agency or branch has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under 12 U.S.C. §1831u(a)(5).''

At the appropriate place, insert the following:

SEC. ___. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

"Subtitle C—Microenterprise Technical Assistance and Capacity Building Program

"SEC. 171. SHORT TITLE.

''This subtitle may be cited as the 'Program for Investment in Microentrepreneurs Act of 1999', also referred to as the 'PRIME Act'.

"SEC. 172. DEFINITIONS.

''For purposes of this subtitle—

''(1) the term 'Administrator' has the same meaning as in section 103;

''(2) the term 'capacity building services' means services provided to an organization that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

''(3) the term 'collaborative' means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

''(4) the term 'disadvantaged entrepreneur' means a microentrepreneur that is—

''(A) a low-income person;

''(B) a very low-income person; or

''(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

''(5) the term 'Fund' has the same meaning as in section 103;

''(6) the term 'Indian tribe' has the same meaning as in section 103;

''(7) the term 'intermediary' means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

''(8) the term 'low-income person' has the same meaning as in section 103;

''(9) the term 'microentrepreneur' means the owner or developer of a microenterprise;

''(10) the term 'microenterprise' means a sole proprietorship, partnership, or corporation that—

''(A) has fewer than 5 employees; and

''(B) generally lacks access to conventional loans, equity, or other banking services;

''(11) the term 'microenterprise development organization or program' means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

''(12) the term 'training and technical assistance' means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

''(13) the term 'very low-income person' means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by that section).

"SEC. 173. ESTABLISHMENT OF PROGRAM.

''The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

"SEC. 174. USES OF ASSISTANCE.

''A qualified organization shall use grants made under this subtitle—

''(1) to provide training and technical assistance to disadvantaged entrepreneurs;

''(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

''(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

''(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

''SEC. 175. QUALIFIED ORGANIZATIONS.

''For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

''(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

''(2) an intermediary;

''(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

''(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

''SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.

''(a) ALLOCATION OF ASSISTANCE.—

''(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

''(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

''(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

''(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

''(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

''(c) SUBGRANTS AUTHORIZED.—

''(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

''(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

''(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

''SEC. 177. MATCHING REQUIREMENTS.

''(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

''(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

''(c) EXCEPTION.—

''(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

''(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

''SEC. 178. APPLICATIONS FOR ASSISTANCE.

''An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

''SEC. 179. RECORDKEEPING.

''The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

''SEC. 180. AUTHORIZATION.

''In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

''(1) $15,000,000 for fiscal year 2000;

''(2) $15,000,000 for fiscal year 2001;

''(3) $15,000,000 for fiscal year 2002; and

''(4) $15,000,000 for fiscal year 2003.

''SEC. 181. IMPLEMENTATION.

''The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle.''.

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking ''$5,550,000'' and inserting ''$6,100,000''; and

(2) in the first sentence, by inserting before the period '', including costs and expenses associated with carrying out subtitle C''.

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (G)—

(i) by striking ''9'' and inserting ''11'';

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

''(iv) 2 individuals who have expertise in microenterprises and microenterprise development;''; and

(2) in paragraph (4), in the first sentence, by inserting before the period ''and subtitle C''.

At the appropriate place, insert the following:

SEC. ___. DISCLOSURES TO CONSUMERS UNDER THE TRUTH IN LENDING ACT.

(a) DISCLOSURE OF LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a charge is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, shall be stated prominently in a conspicuous location on the billing statement, together with the amount of the charge to be imposed if payment is made after such date.''.

(b) DISCLOSURES RELATED TO ''TEASER RATES''.—Section 127(c) (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) (as so redesignated by section 4 of this Act) the following:

''(6) ADDITIONAL NOTICE CONCERNING 'TEASER RATES'.—

''(A) IN GENERAL.—An application or solicitation for a credit card for which a disclosure is required under this subsection shall contain the disclosure contained in subparagraph (B) or (C), as appropriate, if the application or solicitation offers, for an introductory period of less than 1 year, an annual percentage rate of interest that—

''(i) is less than the annual percentage rate of interest that will apply after the end of the introductory period; or

''(ii) in the case of an annual percentage rate that varies in accordance with an index, is less than the current annual percentage rate under the index that will apply after the end of such period.

''(B) FIXED ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will be a fixed rate, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will apply after [*insert applicable date*] and will be [*insert applicable percentage rate*].'.

''(C) VARIABLE ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will vary in accordance with an index, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index, and will apply after [*insert applicable date*]. If the index that will apply after such date were applied to your account today, the annual percentage rate would be [*insert applicable percentage rate*].'.

''(D) CONDITIONS FOR INTRODUCTORY RATES.—If the annual percentage rate of interest that will apply during the introductory period described in subparagraph (A) is revocable or otherwise conditioned upon any action by the obligor, including any failure by the obligor to pay the minimum payment amount or finance charge or to make any payment by the stated monthly payment due date, the application or solicitation shall include disclosure of—

''(i) the conditions that the obligor must meet to retain the annual percentage rate of interest during the introductory period; and

''(ii) the annual percentage rate of interest that will apply as a result of the failure of the obligor to meet such conditions.

''(E) FORM OF DISCLOSURE.—The disclosures required under this paragraph shall be made in a clear and conspicuous manner, in a prominent fashion.''.

On page 10, at line 4, following ''by'', insert ''(I)'';

On page 10, at line 5, following ''thereof'', insert the following: ''or (II) an affiliate of an insurance company described in paragraph (I)(ii) below that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act of 1940, or an affiliate of such investment adviser,''

At the appropriate place in the bill, insert a new section as follows:

"SEC. . CRA SUNSHINE REQUIREMENTS.

''(a) DISCLOSURE AND REPORTING.—The Federal Deposit Insurance Act (12 U.S.C. §1811 et seq.) is amended by adding at the end thereof the following new section:

"''SEC. . CRA SUNSHINE REQUIREMENTS.

'''(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any agreement entered into by an insured depository institution or affiliate with a nongovernmental entity or person made pursuant to or in connection with the Community Reinvestment Act involving funds or other resources of such insured depository institution or affiliate shall be in its entirety fully disclosed, and the full text thereof made available to the appropriate federal banking agency with supervisory responsibility over the insured depository institution and to the public and shall obligate each party to comply with the provisions of this section.

'''(b) ANNUAL REPORT OF ACTIVITY.—Each party to the agreement shall report, as applicable, to the appropriate federal banking agency with supervisory responsibility over the insured depository institution, no less frequently than once each year, such information as the federal banking agency may be rule require relating to the following action taken by the party pursuant to an agreement described in subsection (a) during the previous 12-month period—

'''(1) payments, fees or loans made to any party to the agreement or received from any party to the agreement and the terms and conditions of the same; and

'''(2) aggregate data on loans, investments and services provided by each party in its community or communities pursuant to the agreement; and

'''(3) such other pertinent matters as determined by rule by the appropriate federal banking agency with supervisory responsibility over the insured depository institution.

'''(4) The Federal banking agency shall ensure that the regulations implementing this section do not impose an undue burden on the parties and that proprietary and confidential information is protected.

'''(c) EXISTING AGREEMENTS.—The requirements of subsection (b)(1), (2), and (3) shall be deemed to be fulfilled with respect to any agreement made prior to May 5, 1999.

'''(d) SECONDARY AGREEMENTS.—Any agreement made on or after May 5, 1999 pursuant to an agreement described in subsection (a) also is subject to the requirements of subsections (a) and (b).

'''(e) DEFINITIONS.—

'''(1) AGEEMENT.—As used in this section, the term ''agreement'' refers to any written contract, written agreement, or other written understanding with a value in excess of $10,000 annually, or a group of substantively related contracts with an aggregate value of $10,000 annually, made pursuant to or in connection with the Community Reinvestment Act of 1977, at least one party to which is an insured depository institution or affiliate thereof, or entity owned or controlled by an insured depository institution or affiliate, whether organized on a profit or not-for-profit basis. The term 1''agreement'' shall not include any specific contract or commitment for a loan or extension of credit to individuals, businesses, farms, or other entities, where the purpose of the loan or extension of credit does not include any re-lending or the borrowed funds to the other parties.

'''(2) APPROPRIATE FEDERAL BANKING AGENCY AND INSURED DEPOSITORY INSTITUTION.—As used in this section, the terms ''appropriate federal banking agency'' and ''insured depository institution'' have the same meanings as defined in section 3 of this Act.

'''(d) VIOLATIONS.—Any violation of the provisions of this section shall be considered a violation of this Act. If the party to the agreement that is not an insured depository institution or affiliate fails to comply with this section, the agreement shall not be enforceable after being given notice and a reasonable period of time to perform or comply.

'''(e) LIMITATION.—Nothing in this section is intended to provide any authority upon any appropriate federal banking agency to enforce the provisions of the agreements that are subject to the requirements of subsection (a).

'''(f) REGULATIONS.—Each appropriate federal banking agency shall prescribe regulations requiring procedures reasonably designed to assure and monitor compliance with the requirements of this section.'.''

At the appropriate place, insert the following:

SEC. ___. FEDERAL RESERVE AUDITS.

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

"SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.

''(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

''(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

''(1) be a certified public accountant who is independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

''(1) a certification that—

''(A) the Federal reserve bank has obtained the audit required under subsection (a);

''(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

''(C) the audit fully complies with subsection (a).

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

''(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

"SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.

''(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the

Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

''(b) AUDIT OF BOARD.—

''(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

''(2) PRICED SERVICES AUDIT.—

''(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

''(i) audit the calculation of the private sector adjustment factor established by the Board pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

''(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

''(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

''(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

''(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

''(1) be a certified public accountant and be independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material affect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audits engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

''(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.''.

(b) FEDERAL RESERVE REQUIREMENTS.—

(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(ii) by inserting after paragraph (6) the following:

''(7) transportation of paper checks in the clearing process;''.

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

''(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

''(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

''(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

''(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

''(iii) The Board shall—

''(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

''(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

''(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

''(I) a summary of any significant issues raised by public comments received by the Board under this subparagraph and the relative merits of such issues; and

''(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.''.

On page 150, after line 21, add the following:

''(5) CONVERSION TO NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings assiciation chartered and in operation prior to the date of enactment of the Financial Services Modernization Act of 1999, with branches in one or more States, may convert, at its option, with the approval of the Comptroller of the Currency, into one

or more National banks, each of whom may ecompass one or more of the branches of the Federal savings association in one or more States; but only if the resulting national bank or banks will meet any and all financial, management, and capital requirements applicable to national banks.''.

At the appropriate place, insert the following:

SEC. 2. COMMUNITY DEVELOPMENT INSTITUTIONS TO BE ELIGIBLE TO BORROW AS A NONMEMBER FROM THE FEDERAL HOME LOAN BANK SYSTEM.

SECTION 10b.—Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a) by striking the second sentence and inserting the following two sentences: ''Such mortgagees must be (i) chartered institutions having succession and (ii) subject to the inspection and supervision of some governmental agency or a community development financial institution (other than an insured depository institution or a subsidiary thereof) that, at the time of the advance is made, is certified under the Community Development Banking and Financial Institutions Act of 1994. The principal activity of such mortgagees in the mortgage field must consist of lending their own funds and any advances may be subject to the same collateralization requirements as applied to other nonmember borrowers.

(2) in the last sentence of subsection (a) by replacing the word ''such'' with ''the same'' and by replacing the phrase ''shall be determined by the board'' with the phrade ''are comparable extensions of credit to members''; and

(3) in subsection (b) by inserting in the first sentence between the words ''agency'' and ''for'' the following phrase: ''or a certified development financial institution''.

At the appropriate place, insert the following:

SEC. ___. STUDY AND REPORT ON ADVERTISING PRACTICES OF ONLINE BROKERAGE SERVICES.

(a) STUDY.—The Securities and Exchange Commission (hereafter in this section referred to as the ''Commission''), in consultation with the National Association of Securities Dealers and other interested parties, shall conduct a study of—

(1) the nature and content of advertising by online brokerage services in all media, including television, on the Internet, radio, and in print;

(2) if such advertising influences investors and potential investors to make investment decisions, and if such advertising improperly influences those investors and potential investors to make inappropriate investment decisions;

(3) whether such advertising properly discloses the risks associated with trading and investing in the capital markets; and

(4) whether—

(A) there are appropriate regulatory mechanisms in place to prevent any improper or deceptive advertising; and

(B) the Commission has or needs additional resources or authority to actively participate in such regulation.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under subsection (a), together with any recommendations for changes that it considers necessary to protect investors and potential investors from improper or deceptive advertising.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that on Wednesday, May 12, 1999, the Committee on Energy and Natural Resources will hold an oversight hearing on Damage to the National Security from Chinese Espionage at DOE Nuclear Weapons Laboratories. The hearing will be held at 9:30 a.m. in room 216 of the Hart Senate Office Building in Washington, D.C. A portion of the hearing may be closed for national security reasons.

Those who wish further information may write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources. The purpose of this hearing is to receive testimony on S. 140, a bill to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System, and for other purposes; S. 734, the National Discovery Trails Act of 1999; S. 762, a bill to direct the Secretary of the Interior to conduct a feasibility study on the inclusion of the Miami Circle in Biscayne National Park; S. 938, a bill to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park, and for other purposes; S. 939, a bill to correct spelling errors in the statutory designations of Hawaiian National Parks; S. 946, a bill to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; and S. 955, a bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase.

The hearing will take place on Tuesday, May 25, 1999 at 2:15 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole or Shawn Taylor of the committee staff at (202) 224–6969.

AUTHORITY OF COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRAMM. 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 Thursday, May 6, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to consider the results of the December 1998 plebiscite on Puerto Rico.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 6, 1999 at 2:00 pm to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Government Affairs Committee be permitted to meet on Thursday, May 6, 1999 at 9:30 a.m. for a hearing on Federalism and Crime Control.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on ''ESEA: Safe Schools'' during the session of the Senate on Thursday, May 6, 1999, at 10:00 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON OCEANS AND FISHERIES

Mr. GRAMM. Mr. President, I ask unanimous consent that the Oceans and Fisheries Subcommittee, of the Senate Committee on Commerce, Science, and Transportation be allowed to meet on Thursday, May 6, 1999, at 2:30 p.m. on the Coastal Zone Management Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS AND COMPETITION

Mr. GRAMM. Mr. President, I ask unanimous consent that the subcommittee on Antitrust, Business Rights and Competition of the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, May 6, 1999, at 2:00 p.m., in room 226 of the Senate Dirksen Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CAROL STRICKLAND: 1999 KANSAS TEACHER OF THE YEAR

• Mr. BROWNBACK. Mr. President, I rise today to recognize an outstanding educator from Kansas. Carol Strickland was selected as the Kansas Teacher of the Year for 1999. It is hard to overestimate the importance of caring and dedicated teachers such as Carol. Teachers invest their time, talent and knowledge into our nation's students, thereby shaping the minds of our future leaders.

It gives me great pleasure to acknowledge Carol's extraordinary work in education. I congratulate Carol and wish her continued success.•

IN RECOGNITION OF LITTLE CAESARS ENTERPRISES

• Mr. LEVIN. Mr. President, I rise today to recognize the 40th birthday of Little Caesars Enterprises, an extraordinary company headquartered in my home state of Michigan and my hometown of Detroit.

It is not possible to talk about Little Caesars without recognizing the efforts of the founders of the company, Mike and Marian Ilitch. Mike and Marian are not only fine examples of entrepreneurship. They exemplify the American Dream itself. These two first-generation Americans, both of Macedonian descent, opened their first Little Caesars restaurant in Garden City, Michigan on May 8, 1959. After only three years, they sold their first Little Caesars franchise. The company became an international enterprise in 1969, with the opening of its first restaurant in Canada. By 1987, Little Caesars restaurants could be found in all 50 states. Today, Little Caesars' markets include the U.S., Canada, the Czech Republic, Slovakia, South Korea, Honduras, Dominican Republic, Turkey, the Philippines, Ecuador, Aruba and Egypt.

The Ilitch family and the employees of Little Caesars have demonstrated a deep commitment to the City of Detroit. Several years ago, many people characterized the decision to move Little Caesars' headquarters to downtown Detroit was ''an act of faith.'' Today, other companies are following in Little Caesars footsteps and the City of Detroit's business climate is truly on the rebound. Throughout the years, Little Caesars has sponsored youth sports, especially hockey, and given generously to charitable causes. One of the most notable charitable endeavors supported by Little Caesars is the Little Caesars Love Kitchen Foundation, a mobile pizza restaurant which has fed more than 1.2 million people since it was created in 1985. The Love Kitchen Foundation has been recognized by Presidents Clinton, Bush and Reagan for its service to those in need.

Many people credit the success of Little Caesars to its ''buy one, get one free'' concept. Others say its the creative, witty advertising. But anyone who knows Mike and Marian Ilitch knows that Little Caesars is truly a labor of love, and that they are at the heart of their company's success. And if the Ilitches are the heart and soul of Little Caesars, the hundreds of thousands of men and women who have worked for the company or who have owned a Little Caesars franchise have been its backbone. Those employees have helped to make Little Caesars the dynamic, successful enterprise it is today.

Mr. President, I know my colleagues join me in offering congratulations and best wishes for continuing success to Mike and Marian Ilitch, their family, and the entire Little Caesars organization as they celebrate the company's 40th birthday.•

IN RECOGNITION OF PENNSYLVANIA'S TOP TWO YOUTH VOLUNTEERS

• Mr. SANTORUM. Mr. President, I rise today to recognize Pennsylvania's top two youth volunteers for the 1999 Prudential Spirit of Community Awards program, a nationwide program that honors young people for outstanding acts of volunteerism. Jessica Miley, a junior at McDowell High School in Erie and Dustin Good, a seventh-grade student at Pottstown Intermediate School were named State Honorees, an honor conferred on only one high school student and one middle-level student in each state, the District of Columbia and Puerto Rico.

Jessica is being honored for her extraordinary efforts to save the lives of at-risk youth. Certified by the Erie County Department of Health as a Prevention Educator to teach students in local high schools and middle schools about preventing HIV and AIDS, she designs her own programs around topics such as abstinence, sexual risks, peer pressure, self-esteem and the dangers of drugs and alcohol. Jessica spends 12 to 15 hours a week on her efforts during the school year and 40 hours a week during the summer.

Dustin is being recognized for his role in ''Project Reach-Out,'' a group comprised of students who want to make a difference in their community. As part of this effort, Dustin spent many hours promoting the group's activities to his student body, recruiting volunteers, attending planning meetings and working on special events. Among these events was a prom for residents of a local nursing home, as well as an ''adoption'' of a needy family in the community. Through fundraising efforts, the group provided the family with food, clothes and toys.

It is vital that we, as individual communities, encourage and support the kind of selfless contributions that these young people have demonstrated. People of all ages need to think more about how, as individual citizens, we can work together at the local level to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Jessica and Dustin are inspiring examples to all of us and are among our brightest hopes for a better tomorrow.

The Prudential Spirit of Community Awards program was created in 1995 by The Prudential Insurance Company of America, in partnership with the National Association of Secondary School Principals, to impress upon all youth volunteers that their contributions are critical and to inspire other young people to follow their example. In only four years, the program has become the nation's largest youth recognition effort based solely on community service, with more than 50,000 youth participating.

I commend Jessica Miley and Dustin Good for the leadership they have demonstrated in seeking to make their communities better places to live. I would also like to salute the following eight young people in Pennsylvania who were named Distinguished Finalists in the program; Eric Ford, Havertown; Drew Harris, Dresher; Tiffanie Hawkins, Newtown; Anne Heller, New Holland; Kari Knight, Sugarloaf; Tabitha Kulish, Lancaster; Jennifer Michelstein, Kingston; and Lisa Podgurski, Washington.

These youth have exhibited a level of commitment and accomplishment that is truly extraordinary, and they deserve our sincere admiration and respect. Mr. President, I ask my colleagues to join me in commending these fine young people who have demonstrated that young Americans can, and do, play important roles in their communities and that America's community spirit continues to hold tremendous promise for the future.•

BOB WOOD—THINKER AND DOER FOR URBAN AMERICA

• Mr. KENNEDY. Mr. President, one of America's greatest leaders for our cities and metropolitan areas over the past half century has been Robert C. Wood.

All of us who know Bob Wood have enormous respect for his ability, his leadership, and his brilliant service to the country. He was an outstanding Under Secretary and Secretary of Housing and Urban Development for President Lyndon Johnson in the 1960's, and he pioneered the development of many of the nation's most important programs to enhance the vitality of our cities and improve the quality of life in metropolitan areas across the country.

In Massachusetts, we have special respect and affection for Bob Wood because of all that he has done for our

state, especially for his service as a past chairman of the Massachusetts Bay Transportation Authority and as a past Superintendent of the Boston Public Schools, and also for his brilliant academic leadership both at M.I.T. and the University of Massachusetts.

In an excellent column by Martin F. Nolan in yesterday's Boston Globe, Bob Wood reflected on his remarkable career of service to Massachusetts and the nation. I believe the column will be of interest to all of us in Congress who know and admire Bob, and I ask that it be printed in the RECORD.

The article follows.

[From the Boston Globe, May 5, 1999]

A THINKER AND A DOER ON AMERICA'S CITIES

(By Martin F. Nolan)

When he first put his ideas into practice, America was asking, ''Can cities be saved?'' That question today would sound preposterous during reflections on a 50-year career in public service from an eyrie high above Boston Harbor, where piers once rotted and urban dreams died.

''Cities were written off too soon,'' says Bob Wood. ''Their commonality with suburbs is increasing, and people are realizing that a strategy against sprawl is not a direct assault on local governments.''

Battling sprawl is nothing new for Wood. When President Lyndon Johnson created task forces on housing and urban policy in 1964, ''Charlie Haar and I flew down every Saturday morning at 7:30. He headed the president's task force on environment, and I was chairman of the task force on urban problems, so we became very good friends during those weekends. He became assistant secretary of metropolitan development and I became the first undersecretary of housing and urban development.'' Wood later became HUD secretary.

In the Great Society's efforts to save American cities, Cambridge played a major role. Haar taught at Harvard Law School, and Wood was the first chairman of the political science department at MIT.

''Sprawl was recognized in the '60s legislation,'' he recalls. ''The idea of metropolitan development was to go hand in hand with urban renewal and what we were doing with the Model Cities program. It was explicit, but given Vietnam and the budget, we couldn't fund it and do well. We only did pieces of it.''

''Vietnam took so much energy, time, money, and political capital,'' Wood remembers. Next week, when Lady Bird Johnson will be hostess at a Texas reunion of LBJ's Cabinet, Wood will not be eager to greet former Defense Secretary Robert S. McNamara ''and the rest of 'the best and the brightest.' '' Wood sees similarities between Vietnam then and Yugoslavia today: ''It's underclared, slowly escalating, with an assumption of falling dominoes.''

Wood does not praise President Clinton or Vice President Gore for tackling sprawl, crediting economic forces with highlighting the problem: ''The Clinton administration had no real interest in tough decisions on urban issues or any other. Clinton took his polls from Dick Morris. But the country grew faster than predicted, and the cost of suburban development in housing, schools, and land became increasingly high. In the '80s, the recession had killed building development. In the '90s, with prosperity, people are building mansions in the suburbs. Overwhelmingly, political power is in the suburbs.''

In 1958, long before he moved from Lincoln to the Boston waterfront, Wood popularized ''Suburbia'' with a book by that title in which he wrote that ''transportation is the central reality of the metropolitan community.'' After his tensure at HUD he got a chance to put his ideas into action locally.

''When I can back from working for LBJ and got declared a war criminal by students at MIT, Governor Frank Sargent thought it would be a good idea for me to be chairman of the MBTA. It seemed a natural,'' he says.

One of his proudest achievements is ''the basic transformation of Somerville. Because of the Red Line extension, we got Davis Square as we know it. That's why Tufts is blossoming and why Somerville is where grad students from Harvard and elsewhere settle. That's what transit can do. It happened in Quincy, too.''

Wood has also been Boston school superintendent and president of the University of Massachusetts. A graduate of Princeton with degrees from Harvard, he was also director of Joint Center for Urban Studies at Harvard and MIT.

In 1949, this veteran of the 76th Army Infantry Division in World War II became associate director of Florida's Legislative Reference Bureau. He got to know and like politicians, which is why Robert Coldwell Wood, at 75, is unsurpassed as a thinker and a doer.●

THE LITTLETON TRAGEDY

● Mr. DEWINE. Mr. President, all Americans are struggling with the meaning of the brutal murders in Littleton, CO, and the question of what we should do about school violence generally. As we tackle these issues, we need to take advantage of the best thinking and writing about them.

The Columbus Dispatch had a very good editorial on April 22, which points out in a very clear way what the specific challenges are—and most especially the need for adults to provide understanding and discipline to young people. The best way to stop violence is to promote the alternative—an effective culture of life and respect.

I ask that this editorial be printed in the RECORD.

The editorial follows:

[From the Columbus Dispatch, Apr. 22, 1999]

SCHOOL KILLINGS ADULTS MUST SEE THEMSELVES AS SOLUTION

A gunman looked under a desk in the library and said ''Peek-a-boo,'' then fired.— . . . Anyone who cried or moaned was shot again. One girl begged for her life, but a gunshot ended her cries. . . . The shooter turned his attention to a black student, saying, ''I hate niggers.''—AP report out of Littleton, Colo.

Black trench coats. Hitler's birthday. Gothic Web sites. Guns and homemade bombs. Hatred.

Can any sense be made of the pieces emerging from the bloody halls of Columbine High School? Can the overwhelming why be answered?

The issues seem so broad and numerous that a bewildered nation expresses its inability to comprehend it, one of the deadliest school massacres in U.S. history.

Counselors propound; experts proclaim. The news media shifts focus from gun control to dress codes, violent movies to police in schools, materialism to racism.

Before a coherent thought forms, the lens shifts again.

Police who searched Harris' home said they found bomb-making material. Students said the group was fascinated with World War II and the Nazis and noted that Tuesday was Adolf Hitler's birthday.

But the real question is not why. Deep down, though we may not articulate it very well, we really do know why.

We may not know the exact circumstances that led juniors Eric Harris and Dylan Klebold to gun down their classmates, but we do know that the past three years have produced a series of school killings: Two dead in Pearl, Miss., three in West Paducah, Ky., five in Jonesboro, Ark., two in Springfield, Ore. And from this, we know that it will happen again. We know why.

We have produced a generation of children given too much freedom, too little direction; too much money, too little love.

The segment of society least capable of handling empowerment has been empowered within the rule of law but beyond common sense.

A litigious population demands that schools maintain discipline and instill values but sues teachers and administrators who dare tread upon a student's rights, be it searching a locker or insisting on proper attire.

Teenagers demand and are granted their own ''space,'' Bedrooms become inviolable domains where the wild frontier of the Net can be browsed at will and every type of perversion checked out. If the child's character is far enough cracked, bombs can be made or guns can be stashed.

The so-called Trench Coat Mafia had boasted of its gun collection. Its members wore black everyday. They even wore black trench coats in class. When did parents and school officials descend to such levels of indifference? And ''nobody thought'' these kids were capable of killing in cold blood.

''They were laughing after they shot. It was like they were having the time of their life.''

The question is not why but, ''What do we do?''

Like recovering alcoholics, we first have to admit that we—all of us—have a problem. Not just our neighbors, not just Paducah and now Littleton, not just big cities or rural towns.

The good folks who have to live in crime-ridden neighborhoods used to rally around the cry, ''Take back our streets!'' Now, it's time to take back our children. Even the most dysfunctional families have aunts, uncles and cousins who can help.

Churches, mosques, synagogues, libraries and numerous civic- and social-service networks offer havens that too few people see as important enough to spend their time and money on. Much easier to give the kids some money and drop them and their cell phones off at the mall.

''Finally I started figuring out these guys shot to kill for no reason. . . . When he looked at me, the guy's eyes were just dead.''

We are killing our children by insisting that they don't have to be children if they don't want to. We talk values to them but fail, on the whole, to live those values. We lead by example, often unaware that our example is pathetically shallow and certainly poor competition for the pervasive voice of the youth culture where simply buying khakis holds the promise of sex.

Littleton is an affluent suburb. This is an affluent nation. We have time and money to

spend on our children. Individually, we must ask how our money and time is being spent. Collectively, we must decide to spend it more wisely and to share it with the larger neighborhood, the grand nation of the United States of America and its most valuable asset, the youngsters who will someday be the neighborhood.

Most of all, we must teach our children that freedom and independence are earned and that the rites of passage amount to more than clipping on a pager.

Neglect and indifference are forms of child abuse. Before we are shocked again by the next school shooting, we should devote more than a moment of thought to how much we overlook deviance and alienation; how so many of us are so little involved in providing direction.

Parents and all adults must provide understanding and compassion, discipline and clarity in a world of neglect, obfuscation and self-absorption.●

TRIBUTE TO FATHER HENNESSEY

● Mr. HARKIN. Mr. President, I would like to pay tribute and say goodbye to a long time friend, Father Ron Hennessey, whose recent passing is a great loss not only to his colleagues, his family, and his friends but to everyone who knew him. I'm saying goodbye to Father Ron, but we will never say goodbye to his heart, his spirit, or his soul.

Father Ron was a native of Iowa and graduated from St. Patrick's High School in Ryan, Iowa. After graduating, he was drafted into the U.S. Army and served as a mechanic and later a Motor Sergeant in Korea. While in Korea, he was awarded three Bronze Stars for valor during his military service. Under the Eisenhower Christmas Program, he returned to the United States and was released from active service on December 9, 1953. He entered Maryknoll Junior Seminary in Pennsylvania and five years later graduated from Maryknoll College in Illinois in June of 1958. Father Hennessey was ordained at Maryknoll Seminary in New York on June 13, 1964.

Father Ron devoted his life to international peace and justice, Mr. President, dedicating almost 35 years of his life as a Maryknoll priest in Central America. Much of this time was spent in Guatemala and El Salvador. Soon after being ordained, he was assigned to the Diocese of Quetzaltenango, Guatemala. Several years later, he became the Pastor in San Mateo Ixtatan, Guatemala. It is during this time that Father Hennessey became very involved in the human rights struggle of the local Mayan Indians. He placed himself in great danger by smuggling letters out of Guatemala detailing the atrocities committed against the Mayan Indians in his rural parish. Those atrocities, Father Ron wrote, were being committed by the Guatemalan military under the orders of President Rios Montt. I remember one letter in particular in which Father Ron listed 20 instances in his parish alone in which military forces committed gross acts of violence.

Sadly, the United States Government at the time, supported this oppressive regime. In fact, our own State Department downplayed the human rights violations being committed in Guatemala, and in my view making us complicit in those heinous crimes.

By shining the spotlight on these atrocities, Father Ron's life was in constant danger. But that did not stop him. He stayed in Guatemala until 1986 despite having three opportunities to leave.

From Guatemala he went to El Salvador to re-establish a Maryknoll presence there after a five year absence. There he served in a parish on the outskirts of San Salvador that had had no priest since the Church was bombed in 1980.

In 1989, when the Salvadoran military murdered six Jesuit priests, their housekeeper and her daughter, Father Hennessey and his fellow Maryknollers chose to remain in the country even as scores of North American missionaries and aid workers decided to leave because the situation had become too dangerous for those who stood up for human rights and the rule of law. But Father Hennessey continued his work, standing side by side with his parishioners.

Father Hennessey once again took up residence again in Guatemala in 1992 until earlier this year when he was assigned to the Maryknoll mission in Los Angeles.

And so, Mr. President, Father Hennessey will be greatly missed by all of us. And while he may have physically departed, his spirit will never desert us.

Which is the second reason I rise today, Mr. President—to affirm an ancient native American saying: To live in the hearts of those you love, is not to die.

Father Ron, your spirit does live on through who knew you, whose lives you touched, and through them the countless thousands whose lives were enriched because of you. You will be remembered by us, each in a different way.

Finally, Mr. President, I can think of no better way to remember my friend Father Ron than with the words of Archbishop Oscar Romero: I have no ambition of power, and so with complete freedom I tell the powerful what is good and what is bad, and I tell any political group what is good and what is bad. That is my duty.●

ARSON AWARENESS WEEK

● Mr. ROTH. Mr. President, this is Arson Awareness Week in our nation. As Chairman of the Congressional Fire Service Caucus. I want to remind all Americans of the blight of arson that kills over 700 innocent victims each year and destroys millions of dollars of property. Additionally, firefighters who have been summoned to extinguish the blaze die needlessly.

Arson has many faces. The misguided youth that sets fires for excitement; criminals that use fire in an attempt to cover another crime; persons using fire as a weapon to intimidate; the property owner attempting to solve financial problems by defrauding an insurance company; or the terrorist who uses fire to attack our democracy.

No matter what the motive, arson in our society cannot be tolerated. Every level of our law enforcement community fights the war against arson. Local and state fire marshals are often assisted by the Bureau of Alcohol, Tobacco and Firearms in conducting investigations to bring the arsonist to justice.

The United States Fire Administration in FEMA and the Center for Fire Research at the National Institute of Standards and Technology in the Commerce Department are important federal partners in furthering research to learn how arson fires are started and how set fires can be detected. Our National Fire Academy provides training in arson investigation for many state and local law enforcement personnel.

But we should not assume that government alone can solve the arson problem. Private enterprise, especially the insurance industry has taken a much higher profile in attacking the arson problem by investigating claims and cooperating with law enforcement personnel. This trend must continue to take the profit out of arson. The insurance industry has also contributed to teaching the public about arson by sponsoring education programs such as Arson Awareness Week. The Fire Administration helps supports Arson Awareness Week by working with the International Association of Arson Investigators. This is the 50th Anniversary of the IAAI. Over seven thousand members worldwide working together to control arson are making a difference.

I send my congratulations to the IAAI during Arson Awareness Week. I am particularly proud of the Delaware Chapter of the IAAI. Some of best that Delaware has to offer from the fire service, law enforcement, the insurance industry and the private sector work hard to protect and educate us about arson. As we go about our busy week, let us not forget that we must all work to snuff out the arsonist match.●

TRIBUTE TO A LEGENDARY PUBLIC OFFICIAL

● Mr. TORRICELLI. Mr. President, I rise today to recognize Mayor Gerald A. Calabrese of Cliffside Park, New Jersey as he is honored for a lifetime of

distinguished service to the citizens of his community, county, and state by the Temple Israel Community Center, celebrating its 75th anniversary.

Gerry began his career in public service by enlisting in the Navy and serving his country during World War II. After returning to the United States, Gerry turned his focus to education and entered St. John's University where he was chosen as an All-American for basketball. Upon graduation, he continued playing basketball in the National Basketball Association for the Syracuse Nationals.

Gerry retired from his sports career and was quick to enter into public service as he was elected to the Cliffside Park Borough Council in 1955. In 1959, Gerry was elected to his first term as the mayor of Cliffside Park, a post he has retained for the past forty years. During his tenure, Gerry has been always ready and willing to meet with his constituents and listen to their concerns. He has raised the bar in constituent services, as he has always been ready and willing to help those in need. Continuing in this vein, Gerry served on the Bergen County Board of Freeholders from 1975 to 1985, as Bergen County Democratic Chairman from 1991 to 1998, the New Jersey Delegation to the National Democratic Convention in 1988 and 1992, on the New Jersey Board of Public Utilities from 1960 to 1987, and on the 1992 New Jersey Congressional Re-Districting Committee.

Gerry Calabrese is respected by all in and around his community and his activities extend beyond his public service career. He is a life member of the PBA Local 96, N.J. State Association of Chiefs of Police, Cliffside Park Little League, Polish American Democratic Club. Hackensack Unico and Cliffside Park B'nai B'rith named him ''Man of the Year.''

Mayor Calabrese is a legendary public servant in New Jersey and is most deserving of this distinguished honor. I am proud to recognize Gerry and his many years of distinguished service.●

CHRIST THE KING CATHOLIC SCHOOL

● Mr. BROWNBACK. Mr. President, I rise today to commend the fifth grade class at Christ the King Catholic School in Wichita, Kansas. On May 6, 1999, these students will attend the Drug Resistance Education (D.A.R.E.) Program's graduation ceremony.

These students, under the guidance of Officer John Crane and their teacher Ms. Sylvia Eckberg, completed the D.A.R.E. program's 17 week course. At a time when our students are bombarded daily with temptations and harmful messages, it is refreshing to know that there are many students willing to serve as role models for others by leading drug free lives.

Unfortunately, there are many young people in our country addicted to illegal drugs. Programs such as the Safe and Drug Free School program and D.A.R.E. help to encourage students to stay off drugs. However, this is not enough. In order to win the battle over illegal drug use, it will take courageous students, such as this fifth grade class, to make the commitment to live drug free lives despite pressure from other individuals.

Therefore, I am proud to recognize the students of Ms. Eckberg's class at Christ the King Catholic School for their commitment to living drug free and serving as role models for young people in Kansas and throughout the nation.●

TRIBUTE TO PLAINFIELD, CT ON ITS 300TH ANNIVERSARY

● Mr. DODD. Mr. President, nestled in what is known as the ''Quiet Corner'' of northeastern Connecticut along the banks of the Quinebaug River lies the town of Plainfield. This year marks Plainfield's 300th anniversary and as its residents celebrate their history, it is important to reflect upon the invaluable contributions of those, past and present, who have made Plainfield a unique Connecticut town.

The first citizens of Plainfield were, much like the original colonists of New England, ingenious and resourceful. Settling in a land that was full of unknowns, these men and women were intent on providing a better life for themselves and future generations. The Plainfield of today is a testament to their strength and perseverence.

In May of 1699, some thirty families petitioned Governor Jonathan Winthrop to incorporate the disputed Quinebaug Plantation, which included land on both sides of the Quinebaug River, into the town of Plainfield. Eventually, in 1703, colonists living on the western banks of the river separated to settle what is now the town of Canterbury.

The construction of roads during the 1700's from Providence to Norwich which ran through Plainfield made the town an important trading post of surplus crops. Antiquated by today's standards, the simple roads that connected Plainfield with other New England towns earned it the reputation as a vital crossroads throughout the region.

With Plainfield Junction serving as a stop on the Norwich to Worcester railroad, Plainfield's residents were exposed to travelers from abroad and bore witness to the impending technological boom of the next century. By the end of the 18th century, the town could credit its first village center and meetinghouse, shops, and taverns to the increased number of families choosing to make Plainfield their home.

The advent of the textile industry during the 19th century brought about significant changes for this town, forever changing the face of Plainfield and redefining the lives of its residents. With activity centered on the Moosup River, the cotton and woolen mills transformed Plainfield from a predominantly farming society to an industrial hub.

The introduction of industry into the community altered and enhanced the ethnic character of Plainfield. French-Canadians seeking temporary refuge and employment in Plainfield's mills ultimately made the bustling town their home, successfully contributing to the town's growth as shopkeepers and professionals. French-Canadians helped to define Plainfield's identity and their heritage is still very much alive in its townspeople today.

Despite its many transformations over the last 300 years, Plainfield has always remained a town that is distinctly New England in its character. Many of the mills are now gone, yet, much of Plainfield's historical landscape still survives. In 1994, Plainfield, together with 24 other northeastern Connecticut towns, was designated as the Quinebaug and Shetucket Rivers Valley National Heritage Corridor. This is an exceptional achievement that recognizes Plainfield's success in encouraging new economic development while preserving its rich history.

As we move toward the new millennium, the residents of Plainfield return to their past not only for the lessons that it holds but also to celebrate the people and events that have made them who they are today. Much is made of our history as a country, yet many of us overlook the important examples set by those in our own backyards. We all should seek within our own communities to embrace the past and recognize the significance of local heritage in shaping the modern character of our own families and towns. On behalf of myself, and the entire State of Connecticut, I offer Plainfield a very hearty happy birthday and my best wishes for another successful 100 years.●

HONORING FORMER SENATOR R. VANCE HARTKE

● Mr. TORRICELLI. Mr. President, I am pleased to submit for the Record a statement in honor of one of our former colleagues, Senator R. Vance Hartke, (D-Indiana), who served in this body from 1959 to 1976. The statement is written by a good friend of mine, former Congressman Bob Mrazek, who worked for Senator Hartke from 1969 to 1971. Congressman Mrazek was thoughtful enough to submit this in honor of the Senator's 80th birthday, which takes place later this month. We wish him the best.

I ask that the statement be printed in the RECORD.

The statement follows.

TRIBUTE TO FORMER SENATOR R. VANCE HARTKE

(By Hon. Bob Mrazek)

It was my privilege to serve on the staff of former U.S. Senator R. Vance Hartke (D-Indiana), from 1969 to 1971. These were tumultuous times for the United States in the bitter aftermath of the assassinations of Senator Robert F. Kennedy and Dr. Martin Luther King, Jr. As the Vietnam War continued to cause deep divisions in the nation's social and political fabric, I was proud to witness Senator Hartke's courageous opposition to that war, which he began at great personal cost in 1965.

Throughout his 18 years of service as a U.S. Senator, Vance Hartke demonstrated absolute fearlessness and political courage in taking principled stands on the most important issues facing the nation, often at the risk of prematurely ending his career. His prodigious legislative achievements undoubtedly distinguish Vance Hartke as one of the greatest Senators of the 20th century.

From his contributions to creating the Head Start program and Medicare to the Guaranteed Student Loan Program and the International Executive Service Corps, Senator Hartke was a leader who made America and the world a better, more humane place.

I am honored to call this legendary legislator my friend. In what I believe is a long overdue tribute, I would like to present the highlights of a career that continues to have a positive impact on our country and the entire world.

Senator Hartke is credited by the definitive book on the Great Society, Guns or Butter, with being one of six Senators who passed Medicare, the crown jewel of the Great Society. He is often called the ''Father of Medicare.'' The Jeffersonville Evening News wrote that he was, ''instrumental in gaining passage of more legislation to benefit the elderly than any other senator.''

Vance Hartke created his own Peace Corps, the International Executive Service Corps still going strong after 30 years, with activities all over the world. The U.S. ''business peace corps'' has been emulated in 23 developed countries in the world, with 35,000 business leaders participating, with each replicated version also having outreach to every developing country in the world.

His successful passage of the Kidney Dialysis Amendment saved 500,000 lives and continues to save lives today, earning him the following observation by Richard Margolis: ''We can measure our greatness in compassion, too.'' Perhaps this quote best represents Hartke's legacy.

During his 18 years in the U.S. Senate, Hartke spearheaded the passage of every major educational bill, among them, the Guaranteed Student Loan Act and the Adult Education Act, which are still going strong today. He has a perfect voting record as rated by the National Education Association.

As a matter of personal conscience, he broke with President Lyndon Johnson in 1965 to oppose the war in Vietnam at a time when fewer than 300 Americans had been killed.

Senator Hartke was a Civil Rights champion—even in the face of death threats to his family in Indiana from the Ku Klux Klan.

Ralph Nader said of Hartke, ''He was the most consistently effective advocate of the consumer in the Senate.''

Ed Lewis, the well-known Indiana lawyer who died in 1996, called him ''a visionary, an environmentalist before people knew how to spell the word.'' The national environmental community honored him with a ''Special Tribute'' at the 1997 Clinton-Gore Environmental Inaugural Ball.

Senator Hartke was a candidate for President of the United States in 1972.

In summation, this prodigious record of achievement represents not only a tremendous contribution to the people he represented for 18 years in Indiana, but to every citizen of this nation who has benefitted from the legacy he created for us.●

S. RES. 68

Whereas millions of women and girls living under Taliban rule in Afghanistan are denied their basic human rights;

Whereas according to the Department of State and international human rights organizations, the Taliban continues to commit widespread and well-documented human rights abuses, in gross violation of internationally accepted norms;

Whereas, according to the United States Department of State Country Report on Human Rights Practices (hereafter ''1998 State Department Human Rights Report''), violence against women in Afghanistan occurs frequently, including beatings, rapes, forced marriages, disappearances, kidnapings, and killings;

Whereas women and girls under Taliban rule are generally barred from working, going to school, leaving their homes without an immediate male family member as chaperone, and visiting doctors, hospitals or clinics;

Whereas according to the 1998 State Department Human Rights Report, gender restrictions by the Taliban continue to interfere with the delivery of humanitarian assistance to women and girls in Afghanistan;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are forced to don a head-to-toe garment known as a burqa, which has only a mesh screen for vision, and many women found in public not wearing a burqa, or wearing a burqa that does not properly cover the ankles, are beaten by Taliban militiamen;

Whereas according to the 1998 State Department Human Rights Report, some poor women under Taliban rule cannot afford the cost of a burqa and thus are forced to remain at home or risk beatings if they go outside the home without one;

Whereas according to the 1998 State Department Human Rights Report, the lack of a burqa has resulted in the inability of some women under Taliban rule to get necessary medical care because they cannot leave home;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule reportedly have been beaten if their shoe heels click when they walk;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women in homes must not be visible from the street, and houses with female occupants must have their windows painted over;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are not allowed to drive, and taxi drivers reportedly have been beaten if they take unescorted women as passengers;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule are forbidden to enter mosques or other places of worship; and

Whereas women and girls of all ages under Taliban rule have suffered needlessly and even died from curable illness because they have been turned away from health care facilities because of their gender: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should instruct the United States Representative to the United Nations to use all appropriate means to prevent any Taliban-led government in Afghanistan from obtaining the seat in the United Nations General Assembly reserved for Afghanistan so long as gross violations of internationally recognized human rights against women and girls persist; and

(2) the United States should refuse to recognize any government in Afghanistan which is not taking actions to achieve the following goals in Afghanistan:

(A) The effective participation of women in all civil, economic, and social life.

(B) The right of women to work.

(C) The right of women and girls to an education without discrimination and the reopening of schools to women and girls at all levels of education.

(D) The freedom of movement of women and girls.

(E) Equal access of women and girls to health facilities.

(F) Equal access of women and girls to humanitarian aid.

ORDER FOR STAR PRINT

Mr. ENZI. Mr. President, I ask unanimous consent there be a star print of S. 74, with the changes that are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACKNOWLEDGMENT OF ARLENE SIDELL

Mr. MCCAIN. Before we begin to consider items on today's agenda for our Executive Session, I would like to take a moment to acknowledge and extend my heartfelt thanks to Arlene Sidell. Arlene, sitting before us, is the Director of the Commerce Committee Public Information Office, and our official clerk for committee executive sessions. This will be the last time we will see Arlene at one of our mark-ups, as she will soon be retiring from an exemplary career in public service.

Arlene began her tenure with the Commerce Committee 36 years ago, in March of 1963. She has served the Senate and our Committee with distinction ever since, and will certainly be missed. Again, Arlene, please know how grateful I am for your dedication, commitment and tireless efforts on behalf of the Members, both past and present, of this Committee.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ENZI. Mr. President, I ask unanimous consent the Senate immediately proceed to executive session to consider en bloc all nominations reported by the Armed Services Committee

today and the following nominations on the Executive Calendar: No. 60, 61, 62, 63, 65, 66, 67, and the Coast Guard nominations on the Secretary's desk.

I further ask unanimous consent the nominations be confirmed, the motion to consider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Harry D. Gatanas, 0000

IN THE MARINE CORPS

The following named officers for appointment in the United States Marine Corps to the grade indicated under title 10, U.S.C., section 624:

William D. Catto, 0000
Tony L. Corwin, 0000
Robert C. Dickerson, Jr, 0000
Jon A. Gallinetti, 0000
Timothy F. Ghormley, 0000
Samuel T. Helland, 0000
Leif H. Henderickson, 0000
Richard A. Huck, 0000
Richard S. Kramlich, 0000
Timothy R. Larsen, 0000
Bradley M. Lott, 0000
Jerry C. McAbee, 0000
Thomas L. Moore, Jr. 0000
Richard F. Natonski, 0000
Johnny R. Thomas, 0000

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Arthur J. Naparstek, of Ohio, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2003.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Ruth Y. Tamura, of Hawaii, to be a Member of the National Museum Services Board for a term expiring December 6, 2001.

NATIONAL SCIENCE FOUNDATION

Chang-Lin Tien, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2004.

Joseph Bordogna, of Pennsylvania, to be Deputy Director of the National Science Foundation.

IN THE COAST GUARD

The following named officer for appointment as Commander, Atlantic Area, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 50:

To be vice admiral

Rear Adm. John E. Shkor, 0000

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Captain Evelyn J. Fields, NOAA for appointment to the grade of Rear Admiral (0–8), while serving in a position of importance and responsibility as Director, Office of NOAA Corp Operations, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

Captain Nicholas A. Prahl, NOAA for appointment to the grade of Rear Admiral (0–7), while serving in a position of importance and responsibility as Director, Atlantic and Pacific Marine Centers, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

IN THE COAST GUARD

Coast Guard nomination of James W. Bartlett, which was received by the Senate and appeared in the Congressional Record of March 8, 1999

Coast Guard nominations beginning William L. Chaney, and ending William E. Shea, which nominations were received by the Senate and appeared in the Congressional Record of March 8, 1999

Coast Guard nominations beginning Ashley B. Aclin, and ending Michael J. Zeruto, which nominations were received by the Senate and appeared in the Congressional Record of April 15, 1999.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

Mr. ENZI. Mr. President, I thank everyone for their indulgence. I note it is now after 9 o'clock, so the pages will not have to have class tomorrow.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, upon the recommendation of the majority leader, pursuant to Public Law 105–292, appoints Michael K. Young, of Washington, DC, to the United States Commission on International Religious Freedom, vice William Armstrong.

ORDERS FOR MONDAY, MAY 10, 1999

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, May 10. I further ask consent that on Monday, immediately following the prayer, the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, and the Senate begin a period of morning business until 2 p.m., with the time equally divided between the majority leader or his designee and the minority leader or his designee, with Senator COLLINS allotted 15 minutes of the majority leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TUESDAY, MAY 11, 1999

Mr. ENZI. I ask unanimous consent that the Senate begin consideration of S. 254, the juvenile justice bill, at 9:30 a.m. on Tuesday, May 11, 1999.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ENZI. For the information of all Senators, the Senate will convene on Monday, May 10, at 12 noon with a period of morning business until 2 p.m. Therefore, there will be no rollcall votes during Monday's session of the Senate.

ADJOURNMENT UNTIL MONDAY, MAY 10, 1999

Mr. ENZI. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:12 p.m., adjourned until Monday, May 10, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 6, 1999:

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

To be rear admiral

REAR ADM. (LH)DAVID S. BELZ, 0000.
REAR ADM. (LH)JAMES S. CARMICHAEL, 0000.
REAR ADM. (LH)ROY J. CASTO, 0000.
REAR ADM. (LH)JAMES A. KINGHORN, JR., 0000.
REAR ADM. (LH)ERROLL M. BROWN, 0000.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ROGER A. BRADY, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. GARY H. MURRAY, 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE VICE CHIEF OF STAFF, UNITED STATES ARMY, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 3034:

To be general

LT. GEN. JOHN M. KEANE, 0000.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RAYMOND P. AYRES, JR., 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. EARL B. HAILSTON, 0000.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1999:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

ARTHUR J. NAPARSTEK, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2003.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

RUTH Y. TAMURA, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2001.

NATIONAL SCIENCE FOUNDATION

CHANG-LIN TIEN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004.

JOSEPH BORDOGNA, OF PENNSYLVANIA, TO BE DEPUTY DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS COMMANDER, ATLANTIC AREA, UNITED STATES COAST GUARD, AND TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 50:

To be vice admiral

REAR ADM. JOHN E. SHKOR, 0000.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CAPTAIN EVELYN J. FIELDS, NOAA FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–8), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, OFFICE OF NOAA CORP OPERATIONS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

CAPTAIN NICHOLAS A. PRAHL, NOAA FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–7), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, ATLANTIC AND PACIFIC MARINE CENTERS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. HARRY D. GATANAS, 0000.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

WILLIAM D. CATTO, 0000
TONY L. CORWIN, 0000
ROBERT C. DICKERSON, JR., 0000
JON A. GALLINETTI, 0000
TIMOTHY F. GHORMLEY, 0000
SAMUEL T. HELLAND, 0000
LEIF H. HENDRICKSON, 0000
RICHARD A. HUCK, 0000
RICHARD S. KRAMLICH, 0000
TIMOTHY R. LARSEN, 0000
BRADLEY M. LOTT, 0000
JERRY C. MCABEE, 0000
THOMAS L. MOORE, JR., 0000
RICHARD F. NATONSKI, 0000
JOHNNY R. THOMAS, 0000

IN THE COAST GUARD

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT AS A PERMANENT REGULAR OFFICER IN THE UNITED STATES COAST GUARD IN THE GRADE INDICATED UNDER TITLE 14, U.S. CODE, SECTION 211:

To be lieutenant

JAMES W. BARTLETT, 0000

COAST GUARD NOMINATIONS BEGINNING WILLIAM L. CHANEY, AND ENDING WILLIAM E. SHEA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 8, 1999.

COAST GUARD NOMINATIONS BEGINNING ASHLEY B. ACLIN, AND ENDING MICHAEL J.ZERUTO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 15, 1999.

EXTENSIONS OF REMARKS

HONORING HARRY S TRUMAN'S BIRTHDAY, MAY 8TH

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to honor the memory of Harry S Truman, the thirty-third president of the United States of America and to celebrate his birthday, which is May 8th. I am proud to represent the fifth Congressional district of Missouri, where Harry Truman spent most of his life. He grew up in Independence, ran a haberdashery in Kansas City, and in his later life helped with the family farm in Grandview.

Harry Truman's first year as President, which he called a ''year of decisions,'' dealt with the end of World War II, the beginning of the Cold War, and the founding of the United Nations. As part of this critical time, Truman spearheaded the Truman Doctrine and the Marshall Plan to resist communist threats and revive the ailing economies of Europe. In addition, Harry Truman was a major player in the creation of NATO—an organization that guaranteed peace in a reunited Europe and remains crucial to our efforts to support democracies throughout the world.

These tough decisions were not immediately appreciated by all Americans. In 1948, Truman's defeat in his reelection campaign was widely assumed, in fact a prominent newspaper printed before the final ballots were counted featured the headline, ''Dewey Defeats Truman.'' Truman's ''whistle stop campaign'' brought his campaign to the people, and his willingness to confront issues and find solutions to the questions facing the country at that difficult time provided him the margin of victory for a second term as the Chief Executive of the United States. Harry Truman is a daily inspiration to me, and as I look at his picture hanging in my office, I draw strength from his courage and determination to take responsibility for the tough choices he had to make and to do the right thing for this country. I hope that our leaders today will also be inspired by Harry Truman and refuse to continue to be like the historic 1948 ''Do Nothing Congress.'' Let us shoulder our responsibility and rise to the challenges before us at this difficult time in our nation's and our world's history.

In my office is a replica of the motto that Truman kept on his desk in the Oval Office: ''The Buck Stops Here.'' Truman referred to this saying often, noting that ''when the decision is up before you . . . the decision has to be made,'' in an address before the National War College in December 1952. The motto inspires me and reminds me that I cannot shirk my responsibility as a Member of Congress. I must make the difficult decisions and cast my votes to do the right thing for this country, our allies, and my constituents. Truman carried his favorite prayer in his wallet, and this prayer is one that we, as Members of Congress, could also find comfort in today, Mr. Speaker.

Help me to be, to think, to act what is right, because it is right; make me truthful, honest and honorable in all things; make me intellectually honest for the sake of right and honor and without thought of reward to me. Give me the ability to be charitable, forgiving and patient with my fellowmen—help me to understand their motives and their shortcomings, even as Thou understandest mine!

Happy birthday, President Truman! Thank you for your service to our nation and the world.

RECOGNITION OF EVA McCLELLAN, GREEN THUMB 1999 PRIME TIME AWARD WINNER

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to recognize Eva McClellan, senior citizen from Providence, Rhode Island who was recently selected as a Green Thumb 1999 Prime Time Award Winner.

I am a firm believer that we are all responsible for working hard to accomplish our dreams, and Ms. McClellan is an excellent example of a someone who had done precisely that. As a youth, her goal was to become a telephone operator, but she was later discouraged from pursuing that ambition because of a physical disability caused by childhood polio.

Ms. McClellan persisted in her dream, however, taking advantage of training opportunities and computer classes and striving to improve her skills. Now 67 years old, Ms. McClellan works as an Accessible Communications Assistant for AT&T in Providence, Rhode Island, a position in which she supports the deaf community by relaying conversations between deaf and hearing customers. Her employers have called her ''a valued employee,'' and she herself says that her work is ''so rewarding'' and that she likes ''helping others.'' She has led, and continues to lead, an outstanding life, and serves as a role model to us all.

Part of Ms. McClellan's continuing education has been through initiatives of Green Thumb, Inc. This organization has earned its excellent reputation as an innovative national non-profit institution leading the field of older worker training and employment. Serving mature and other disadvantaged individuals in urban and rural areas, Green Thumb has been an important and valuable resource to communities around the country since opening its doors in 1965. Last year, through Green Thumb and its programs, more than 28,000 senior Americans living on limited incomes contributed an estimated 16 million hours of community service. I salute this organization for its role in improving the quality of life of tens of thousands of our senior citizens, as well as the untold numbers of people who have benefitted from the wisdom and experience of these older workers.

Please join with me in the recognition and appreciation of Eva McClellan and other senior citizens like her. We owe much to these individuals, and to organizations like Green Thumb, Inc., for their significant and continuing contributions to our communities and nation as a whole.

HONORING MADELEINE APPEL

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. BENTSEN. Mr. Speaker, I rise to honor Madeleine Appel, who is this year's recipient of the Houston Chapter of The American Jewish Committee's Helene Susman Woman of Prominence Award. Helene Susman was a widowed mother of two who became the first woman from Texas admitted to the bar of the Supreme Court of the United States. When she died in 1978, she left a legacy of a commitment to Judaism, a belief in the importance of contributing to the community, and the need for individuals to act responsibly and with integrity at all times.

Madeleine Appel has demonstrated her commitment to her profession, community, and family in such a manner as to distinguish herself as a role model for other women to follow.

Madeleine Appel presently serves as Administration Manager in the Comptroller's Office for the City of Houston. Her work experience with the City of Houston has included a number of positions: Administrator/Senior Council Aide, Mayor Pro-Tem Office; Houston City Council from 1996–1997; Senior Council Aide, Houston City Council Member Eleanor Tinsley 1980–1995; and Administrator, Election Central, ICSA. She has also worked for Rice University.

She began her career as a journalist working as an Assistant Women's Editor and Reporter at The Corpus Christi Caller and Times. Additionally, she worked as the Women's Editor and Assistant Editor for The Insider's Newsletter and as a reporter for The Houston Chronicle where she won the ''Headliners Award.'' She received her B.A. from Smith College in political science and graduated Magna Cum Laude.

Madeleine Appel's community involvement includes Scenic America, League of Women Voters of Texas, Houston Achievement Place,

Jewish Family Service, League of Women Voters of Houston, Houston Congregation for Reform Judaism, Houston Architecture Foundation, American Jewish Committee, City of Houston Affirmative Action Committee, and Leadership Houston Class XII.

Madeleine Appel has been married for 36 years to Dr. Richard F. Appel and she is the proud mother of two sons and two daughters-in-law.

Mr. Speaker, I congratulate Madeleine Appel for her service to her community and to Houston. She is the best of public servants and an inspiration to others who want to engage in public service.

CONGRATULATING VIDA EL VALLE

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to introduce an article by the Fresno Bee entitled ''McClatchy's bilingual weekly honored again.'' This article speaks of the achievements and past honors of Vida en el Valle, the Central Valley's primary bilingual newspaper.

Vida en el Valle, the bilingual weekly owned by The Fresno Bee's parent company, McClatchy Co., was named the nation's outstanding newspaper in its category for the fourth time in seven years during the 11th annual Hispanic Print Awards sponsored by the National Association of Hispanic Publications.

Vida en el Valle also received six other first-place awards for editorial excellence, four second-place awards and four honorable mentions. The newspaper was judged the Outstanding Bilingual Weekly for the third consecutive year by the nation's largest Latino newspaper organization. Vida en el Valle is the only newspaper that has won the award for three consecutive years.

John Esparza, Vida editor and publisher, said the newspaper won its latest honors at the association's weekend convention. Vida competes among larger bilingual newspapers in the association.

Only the daily newspaper El Nuevo, published by the Miami Herald, and the Los Angeles weekly publication Vida Nueva won more first-place awards than Vida, Esparza said. The category for larger publications is based on annual budget.

Vida also took first-place honors for: ''Outstanding color photo,'' by former photographer Tommy Monreal, who left the newspaper to work on a master's degree, ''Outstanding color photo essay,'' by Monreal, ''Outstanding political and economics reporting,'' by reporter Maria Machuca, about the citizenship process, ''Outstanding entertainment column,'' by Andrew Landeros about comedian Carlos Mencia, ''Outstanding entertainment section '' and ''Outstanding sports section.'' ''This is the most first-place awards we've ever won,'' Esparza said. ''We want quality news coverage for our readers and for the Latino community. This shows we are on the right path.''

Mr. Speaker, Vida en el Valle has served a vital role in the Central Valley. I urge my colleagues to join me in congratulating Vida en el Valle, and wishing them many years of continued success.

PRAYING FOR THE SAFETY AND FUTURE OF OUR CHILDREN

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. LAMPSON Mr. Speaker, I rise this morning on the 48th National Day of Prayer to ask all of you and the American people to join me in praying for the safety of our children.

Today's youth are growing up in a world very different from the one I knew years ago. We live in an age where most families require two incomes to make ends meet, and nearly half of all marriages end in divorce. Our children simply do not have as much supervision or guidance as we did. Add to that, the dangers of drugs and the prevalence of gangs and violence in our schools—as any parent knows, it is not an easy time to raise a family or to be a student.

My father died when I was a young boy, leaving my mother to fend for me and my brothers and sister. She couldn't have done it alone. In those days, neighbors looked out for each other and watched out for each other's kids. Our family received support from the entire community. In fact, our friends and neighbors considered us an extension of their own families. That's an important reason why my siblings and I were able to achieve our goals and live the American Dream.

Now more than ever, our schools, churches, synagogues, mosques, and temples need to stand together with our families to set an example for our children. Our kids are the future and we must invest as much time and energy into their well-being as possible.

I ask that we all pray for not only our teachers, counselors, and students, but also our law enforcement officials who are charged with the responsibility of protecting our children. It takes all of us to ensure that our children can enjoy their childhood and grow up to be successful adults.

TRIBUTE TO REV. ROBERTO O. GONZÁLEZ, O.F.M.

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has dedicated his life to serving others, Rev. Roberto O. González, O.F.M., who was recently appointed by his Holiness Pope John Paul II to be the Archbishop of San Juan, PR.

Reverend González was born on June 2, 1950 in Elizabeth, NJ. He earned a Bachelor of Arts in English from Siena College, Loudonville, NY, in 1972, a Master of Arts in Theology from Washington Theological Coalition, Silver Spring, MD, in 1977, and Masters and Doctoral degrees in Sociology from Fordham University, Bronx, NY, in 1980 and 1984, respectively.

Mr. Speaker, Reverend González was received into Franciscan Order in 1972, ordained to the Priesthood on May 8, 1977, appointed to the Episcopacy by Pope John Paul II on July 19, 1988, ordained Auxiliary Bishop of Boston on October 3, 1988, appointed coadjutor Bishop of Corpus Christi on May 16, 1995, and succeeded to the See of Corpus Christi on April 1, 1997.

Reverend González has been an outstanding leader and a great role model, not only to the religious organizations he served so well but also to the Hispanic community.

Mr. Speaker, I have known Reverend González personally for many years, and I am very familiar with his experience, character, and personality. In short, Reverend González lives to help other people. He has been diligent in providing spiritual guidance and support to the members of our community.

The many religious organizations to which he belonged, like the books and articles he has written speak volumes about him.

As it is written in Hebrews 6:10, ''for God is not unjust; he will not forget your work and the love you have shown him as you have helped his people and continue to help them,'' the community recognizes him, Pope John Paul II, too, recognizes him and honors him with this appointment.

Mr. Speaker, I ask my colleagues to join me in paying tribute to and in congratulating Rev. Roberto O. González, O.F.M. for his new appointment to be the Archbishop of San Juan, Puerto Rico.

HONORING MARK L. WALKER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. KILDEE. Mr. Speaker, I stand before you today to recognize the accomplishments of a man who has made a strong commitment to protect and defend human dignity. On May 8, the members of Oman Temple 72, of the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine, will gather at their 45th Annual Potentate's Ball, where they will honor their Illustrious Potentate, Mark L. Walker.

Mark Walker was born in Dora, Alabama, in 1960. His family moved to Flint, Michigan, in 1975, where Mark graduated from Beecher High School. He then attended Lansing Community College, where he completed the Correction Officer's Training Program, and later received degrees from C.S. Mott Community College, and the University of Michigan—Flint, both times graduating with honors. Not content with stopping there, Mark is currently seeking a Masters of Public Administration, also from the University of Michigan.

It was during this time that Mark became involved with Ancient Egyptian Arabic Order Nobles of the Mystic Shrine. He rose to the level of 32-degree Mason, and has held positions of distinction within the group. He is recognized as a Past Master, Past Most Wise and Perfect Master, and Captain of the Guard, prior to his tenure at Illustrious Potentate. Whether as a

member of the Shrine, or on his own, Mark shows a tremendous amount of dedication to being a positive force in the community. He has been an organizer of a Summer Food/Children Reading program, has been president of the flint Park Lake Neighborhood Association, and the Great Flint Educational Consortium.

Mr. Speaker, the contributions that Mark Walker has given the Flint area in the areas of community service and education are tremendous, and I am indeed fortunate for the impact he has made within my district, especially amongst our children. I ask my colleagues in the 106th Congress to join me in congratulating him for his dedication and perseverance.

CONGRATULATING RUSS BERRIE ON BEING NAMED HONORARY CITIZEN OF THE YEAR

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate Russ Berrie on being named Honorary Citizen of the Year by the Oakland (New Jersey) Republican Club. Mr. Berrie's millions of dollars of contributions to a wide variety of worthy causes makes him one of the most active and prominent philanthropists in our state. In fact, Fortune magazine has called him one of the 40 most generous people in the nation. But Mr. Berrie is appreciated for more than just his monetary contributions. This Citizen of the Year award reflects his sincere concern about the well being of the community and his true commitment to helping others. He has supported causes as varied as religion, medicine, education and the arts.

Mr. Berrie is chairman and chief executive officer of Russ Berrie and Company Inc., an internationally successful business empire specializing in novelty items and ''lifestyle gifts.'' Mr. Berrie founded the company in 1963 while working as a manufacturer's representative. Today, it is the premier company in its field worldwide, with offices and distribution centers in Cranbury, New Jersey; Petaluma, Calif.; Canada and England. The firm also has offices in Hong Kong, China, Korea and Taiwan. It has 1,600 employees around the globe.

In addition to running a successful business, Mr. Berrie devotes his talents and energy to a number of charitable causes. Most recently, his many contributions have included a $5 million donation to the Englewood Hospital and Medical Center Foundation and $13.5 million for the College of Physicians and Surgeons at Columbia University.

In addition, he has supported the Russell and Angelica Berrie Early Childhood Wing at the Jewish Community Center on the Palisades, the Russ Berrie Building for the Center for Strategic Studies at the College of Judea and Samaria in Israel, and the Angelica and Russell Berrie Center for Performing and Visual Arts at Ramapo College. I am particularly proud to have worked with Mr. Berrie on the Center for Performing and Visual Arts project, which was partly funded by a $500,000 grant I obtained from the U.S. Department of Housing and Urban Development. He and Mrs. Berrie have been staunch supporters of Ramapo College.

Mr. Berrie has also established the Russell Berrie Foundation, which sponsors the ''Making a Difference Award'' to recognize unsung New Jersey heroes who have made contributions to their communities or performed heroic acts.

Chairman of the Center for Inter-religious Understanding, Mr. Berrie also serves on the boards of New York University's Leonard Stern School of Business, United Retail Group, the Jewish Community Center and the John Harms Center for the Arts. He has received almost two dozen awards and honorary degrees from universities, cities, religious groups and organizations across the country.

Mr. Berrie and his wife, Angelica, live in Englewood. They have six children.

Mr. Berrie is an outstanding example of a philanthropist. His kindness and generosity have benefited thousands in fields from education to medicine to the arts. He has taken the saying ''share the wealth'' to heart, and seen to it that his success in business helps countless others as well. I ask my colleagues in the House of Representatives to congratulate Mr. Berrie on being named Honorary Citizen of the Year and in wishing him the best for the future.

A TRIBUTE TO REV. JAMES HABERKOST

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to Rev. James Haberkost, a dedicated pastor in my district who is celebrating his 40th anniversary of service to the Lutheran Church.

Pastor Haberkost is a 1959 graduate of Concordia Seminary in St. Louis, MO. That same year he was ordinated and installed as Pastor of Grace Lutheran Church in Streamwood, IL., where his served the congregation for 21 years. In August of 1980, Pastor Haberkost began work at St. John's Lutheran Church in La Grange, IL. While Pastor of Grace Congregation, Pastor Haberkost also found the time to serve as part-time Lutheran Chaplain at the Illinois State Training School for Boys at St. Charles. In addition to his duties as Pastor of St. John's Church, he has served on the Northern Illinois Board for Missions and the Town & Country Committee of the District, and led devotions twice a month on WTAQ in LaGrange, until the radio station was sold. Reverend Haberkost proceeds to serve as the senior Pastor of St. John's Lutheran Church. The church congregation and school both continue to rapidly increase in number and faith.

Mr. Speaker, I salute Rev. James Haberkost for his many years of commitment and dedication to the church, school, and community. I extend to him my best wishes for many more years of quality service in his noble vocation.

RECOGNITION OF ASHAWAY LINE AND TWINE MANUFACTURING COMPANY—175 YEARS OF SUCCESSFUL SMALL BUSINESS

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to recognize the Ashaway Line and Twine Manufacturing Company, a family-owned firm in Ashaway, Rhode Island, which celebrates 175 years of successful small business this June.

Six generations of the Crandall family have owned and operated this company since its inception in 1824 at its Laurel Street headquarters in Ashaway. Today, it is one of the oldest family-owned companies in the United States and exemplifies this country's proud tradition of manufacturing and innovation. Over the course of the last 175 years, the company has gone from a local fishing line supplier to a global seller of medical threads, tennis strings, and other specialized lines.

In recent times, we have all heard many disheartening stories of manufacturing plant closings in communities around the country. Some of these firms were unable to compete in the new global marketplace; luckily for the citizens of Ashaway and the Line and Twine's customers, the Crandall family has always been able to adapt to the changing times and remain open for business. Its products are now sold to sixty countries, and fifty percent of its business is currently done outside the United States. The company has discovered new and creative uses for its products, including special strings for NASA to sew up its space suits, and movie props for Hollywood. Because of this resourcefulness and innovative spirit, eighty-seven employees continue to work today at the Ashaway Line and Twine Manufacturing Company plant, operating the 3,000 machines that braid lines, and dyeing and packaging the strings.

The Crandall family and the Ashaway Line and Twin Manufacturing Company are planning an anniversary celebration for June of this year to recognize and thank their many customers and dedicated employees. I would like to take this opportunity to extend the same gratitude to the family and the firm for their loyalty to the community of Ashaway and the state of Rhode Island. Please join with me in the recognition of one of the oldest family-owned manufacturing firms in this country, and let us always remember the incalculable contribution such companies have made and continue to make to this great nation.

HONORING HEAR O'ISRAEL OF HOUSTON, TX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. BENTSEN. Mr. Speaker, I rise to recognize a valued organization within the Houston community, Hear O'Israel, which is sponsoring Listen to the Cries of the Children National

during the month of April 1999. Hear O'Israel works to make a difference in the lives of the disabled, battered and abused women, the elderly and young people across Houston. They work to give these men and women a stronger sense of self-worth and instill in them the need to treat others with compassion and respect. The following resolution approved by the Houston City Council demonstrates the high regard for Hear O'Israel in our community.

LISTEN TO THE CRIES OF THE CHILDREN NATIONAL

A non-profit, non denominational organization, Hear O'Israel International, Inc. developed its Listen to the Cries of the Children National campaign to strengthen the unity of families and enhance public awareness of the negative effects that alcohol and drug abuse, family violence, child abuse, and gang activity have on children and their families. The campaign's goal is ''for everyone to Hear and Listen to the cries; stop violence; have mercy, love, and compassion for our fellow man, and turn the hearts of the fathers to the children, and the hearts of the children to their fathers hence, linking the family together and creating the connection that should be present between every parent and child.''

The Listen to the Cries of the Children National campaign strives to focus public attention on the plight of children around the world who are abused, neglected, or physically challenged; and who does not have adequate food, shelter, clothing, and health care and all children, young and old, who are crying out for help. As part of its ongoing effort to help suffering children, I fear O'Israel International, Inc. has been going into schools and detention homes, campaigning with former gang members who were shot and, after becoming quadriplegic, are taking with them the evidence and consequences of their actions in order to help the children to become aware of the price they are paying. Hear O'Israel International, Inc. has also conducted community-oriented programs to help more children become aware of the negative consequences of gang involvement and drug and alcohol abuse.

The Mayor and the City Council of the City of Houston do hereby salute Hear O'Israel International, Inc. for its efforts to improve and enhance the quality of life for our children, and external best wishes for continued success.

Approved by the Mayor and City Council of the City of Houston this 8th day of April, 1999, A.D.

CONGRATULATING DEANNE MEYERS FOR OUTSTANDING ACHIEVEMENT

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate Deanne Meyers on receiving the Friends of Agricultural Extension's ''Award for Outstanding Achievement.''

The ''Award for Outstanding Achievement'' is designed to identify and bring broad recognition to educational programs devised by University of California Cooperative Extension (UCCE) Farm Advisors and Specialists that represent the most significant contributions to production, agriculture and the consuming public.

Ms. Meyers is a UC Davis-based Cooperative Extension Waste Management Specialist. She represents the University on an interagency work-group for confined animal feeding operations. Deanne presented her program on the subject,'' Environmental Stewardship Short Course for California Dairy Operators.'' She is recognized for her research which addresses key areas of environmental concern to dairy operators throughout California. Through her research, Ms. Meyers has focused on creating a balance between the current requirements of agricultural producers and possible future requirements by disseminating information to dairy producers regarding their obligations and liabilities for compliance with water quality regulations.

Five other finalists are also honored: Lonnie Hendricks, Merced County, ''Integrated Pest Management in Almonds;'' Steve Koike, Monterey County, ''Unique County-based Plant Pathology Lab;'' Neil McDougald, Madera County, ''Rangeland Water Quality Research and Education Program;'' Michael McKenry, Kearney Ag. Center, ''Orchard Replant Problems and their Management;'' and Ron Vargas, Madera County, ''Cotton Week Management.'' Every program submitted is vitally important to production agriculture and every participant received at least one ''first'' from individual members of the panel.

Mr. Speaker, I rise today to congratulate Deanne Meyers as Winner of the ''Award for Outstanding Achievement,'' and recognize each of the five finalists, Steve Koike, Neil McDougald, Michael McKenry, and Ron Vargas. I urge all of my colleagues to join me in wishing Ms. Meyers and each of the finalists best wishes for a bright future and continued success.

TRIBUTE TO BOBBY DARIN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Walden Robert Cassotto for all the joy that he gave to the world through his talent, music, and generosity. He will be honored on his birthday, May 14.

Known as Bobby Darin, Walden Robert Cassotto was born in Harlem on May 14, 1936. For most of his young life he lived at 629 East 135th Street in the Bronx. He attended PS 43 and Elijah D. Clark Junior and graduated from the Bronx High School of Science in January 1953, at the tender age of 16. Darin's first paying musical job was at a school dance at Bronx Science. For their performance, Bob and his band mates were reportedly paid ''twenty cents and a stick of gum each,'' a rather inauspicious start to what would turn out to be a brilliant career. Just a few years out of high school, Bobby Darin would find fame and fortune.

Mr. Speaker, between the ages of 8 and 12, Bobby suffered of rheumatic fever four times. In those days, there was no effective treatment for the disease. During one of his bouts with the illness, Bobby overheard the doctor tell his mother that he wouldn't live to see his 16th birthday. From then on, the young man became driven to succeed. He wanted desperately to leave his mark on the world.

Blessed with talent and determination, Bobby Darin would see his dream come to fruition. With his musical gifts, and his intuitive acting ability, and by the sheer force of his personality, Bobby Darin did indeed become a legend in his own time.

On December 2, 1959, Darin was the subject of Ralph Edwards' ''This is Your Life.'' One of the gifts bestowed upon Bobby that night was the establishment of The Bobby Darin Award at Bronx Science—a medal presented to outstanding music students at Bobby's old high school until it lapsed in 1965. Sadly, on December 20, 1973, at the age of 37, Bobby Darin passed away following heart surgery. He left a son, Dodd.

Mr. Speaker, for me, Bobby Darin was more than a great singer. He added great musical joy to my world with his style and grace, the lyrics of his songs, and his music. His first major hit came in 1958 with ''Splish Splash'' and ''Mack the Knife'' which exploded onto the charts, rocketing to number 1, and stayed there for months.

Bobby inspired me and so many other young people from the Bronx. He had a remarkable passion for life, tenacity to accomplish what he was set to do, great courage and sensitivity. I can remember how proud we were in the Bronx to know that he came from our own Borough.

Mr. Speaker, May 14, 1999 has been proclaimed ''Bobby Darin Day'' in the Bronx by Bronx Borough President, Fernando Ferrer and, at the Bronx Science Spring Concert, the school's alumni association will revive the Bobby Darin award as a scholarship for talented music students. What a fitting tribute.

Mr. Speaker, I ask my colleagues to join me in paying tribute to a great American artist and in wishing the Bobby Darin Award Committee continued success.

HONORING AZTECA BOXING TEAM

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. KILDEE. Mr. Speaker, I stand before you today to recognize the longtime success of a group that has provided a valuable community resource in helping to teach many youths discipline and character. On May 7, local officials, family, and friends will gather to celebrate the Azteca Boxing Team of Pontiac, MI, for 25 years of service.

Twenty-five years ago, Pontiac resident Ruben Flores, a former Golden Gloves champion, envisioned an opportunity to give Pontiac youth a chance to help young people off of the streets and into positive activities that promoted self-esteem and responsibility. He was joined in this endeavor by Juventino Prieto, and the Azteca Boxing Team was born. In 1977, Flores and Prieto were joined by Robert Paramo as a coach, and the three of them

began a quarter of a century of teaching youth not only about boxing, but about dedication, physical well being, and pride in one's self and one's abilities.

Since 1973, over 2,800 young people have benefited from the programs that the Azteca Boxing Team has had to offer, many of whom have ventured and excelled in the field of professional boxing. The large volunteer staff they maintain assist in the children's total development, including educational guidance, diverse cultural experiences, and community activism and awareness. The group, an official nonprofit organization, receives 98 percent of its funding from donations, including computers for their students, field trips, and more. The remaining 2 percent comes from a $2 membership fee, however they have pledged never to turn away a child due to lack of funds.

Mr. Speaker, the contributions that the Azteca Boxing Team has given the Pontiac community is tremendous. Many of these youngsters owe their very lives to the impact that the group has made. I ask my colleagues in the 106th Congress to join me in congratulating Ruben Flores, Juventino Prieto, and Robert Paramo for all their efforts.

CONGRATULATING SENATOR GERALD CARDINALE

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate state Senator Gerald Cardinale on receiving the prestigious Lincoln Award from the Woodcliff Lake Republican Club in recognition of his many years of service in the New Jersey Legislature and service to the community. This award is given to officials who epitomize the spirit of Abraham Lincoln and the ideals of the Republican Party. Senator Cardinale meets that test and clearly deserves this high honor in recognition of his hard work and dedication. Whether he is raising money for the Boy Scouts, attending to his dental practice or giving a speech on the Senate floor, he is one of New Jersey's finest public servants.

I have known Gerry Cardinale for many years and can tell you he is a gentleman of integrity and character. It has been a pleasure to work with him on projects of mutual concern in our home county of Bergen. He has been a source of sound advice and counsel. He has done much to make our community a good place to live, work, and raise a family.

Senator Cardinale has been a member of the state senate since 1981, following two years in the state assembly. He is currently deputy majority leader and, as chairman of the powerful and influential Senate Commerce Committee, presides over all legislation dealing with the business community, labor, insurance, industry and professions. Legislation he has sponsored to promote business and job development has included unemployment and automobile insurance reforms, lawsuit reform, tax relief for money market mutual funds, a 30-year rent control moratorium for new construction and government incentives for formation of corporate day care centers by the private sector.

Senator Cardinale has been involved in politics since he was elected to the Bergen County Republican Committee in 1962. He served as mayor of Demarest from 1974 to 1979 before being elected to the state assembly. He has been a delegate or alternate delegate to every Republican National Convention since 1980 except 1996 (when illness kept him from attending). He sought the Republican nomination for Governor in 1989.

Senator Cardinale is a true citizen legislator, operating his own dental practice in Fort Lee since 1959. He is a graduate of St. John's University and the New York University College of Dentistry. In addition to his political and professional careers, he has been active with many community organizations, including the Knights of Columbus, UNICO, the Sons of Italy, the Columbians and the Elks Club. A native of Brooklyn, he discovered the charms of New Jersey and moved to Fort Lee in 1960. He has lived in Demarest since 1964 and he and his wife, Carole, have raised five wonderful children in New Jersey—Marisa, Christine, Kara, Gary, and Nicole.

I ask my colleagues in the House of Representatives to join me in congratulating my good friend Gerald Cardinale on this occasion and wishing him success in the future. He is a truly dedicated public servant who cares deeply about those in his community and does all in his power to improve life in the State of New Jersey.

A TRIBUTE TO THOMAS J. DOYLE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to Mr. Thomas J. Doyle, a valuable principal in my district who is retiring. Thomas Doyle is retiring after 42 years of dedicated service to the Chicago Public Schools.

Mr. Doyle has been the principal at Byrne Elementary School since September of 1989. He has administered the Chicago Board of Education since 1957, where he started his career at the Graham Elementary School as a physical education teacher. In addition to Mr. Doyle's work with the Chicago Board of Education, he was also an instructor at other educational institutions. He worked summers from 1967 to 1970 at the Pirie School Teacher training Workshops as an instructor for Audio-Visual Techniques. Mr. Doyle worked part time as an instructor for various institutions, including Chicago State University and Daley City College. Mr. Doyle is committed to numerous professional affiliations and activities including serving as a member of the State of Illinois Reading Subgoals Committee, International Reading Association, the State Evaluation Team for the Illinois Office of Education, and the Chicago Area Reading Association (CARA).

Mr. Doyle's fairness, generosity, and positive attitude generate a strong respect from his staff and students. Mr. Doyle is attentive to the needs and concerns of the students and parents. As the leader of instructional activities, Mr. Doyle gives student recognition for academic achievement in the classroom. His positive reinforcement has boosted the morale of both the teachers and students of Byrne Elementary School.

Mr. Speaker, Thomas Doyle's forty-two years of commitment to our youth is certainly worthy of recognition. I know that the community joins me in thanking Mr. Doyle for his dedication to our children.

RECOGNITION OF DIANE PONTICELLI, MOTHER TO 1,022 CHILDREN

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to recognize Diane Ponticelli, an eighty-year-old resident of Johnston, Rhode Island who recently received—for the second time—the key to her hometown, in commemoration of her thirty-five years of service and dedication to more than 1,000 children for whom she cared over the years.

This selfless, big-hearted woman has been, and still is, a mother to these children, and the adults they have become, in every positive sense of the word. She considers each and every one of them to be her own child and has always treated them accordingly. In a recent article in the Providence Journal, Mrs. Ponticelli remarked that she loves children and wishes she "could take care of more." I stand in awe of this woman and her incredible gift of unconditional love and acceptance to these children, who undoubtedly struggled through difficult family situations until finding the security provided in the Ponticelli home.

At one point, Mrs. Ponticelli had nine children staying in her house in Johnston, many placed by the Rhode Island Department of Children, Youth, and Families. She took in entire families of children so that siblings would not be separated; she gave up her own bedroom for the children and slept on a couch near one of her physically-disabled charges; she cooked big Italian dinners and maintained three sheds, four freezers, and three refrigerators; all the while, she showered them love, practiced discipline, and provided them with a stable, caring home. Mrs. Ponticelli is now eighty years old, suffering from cancer, voiceless because of sickness, and small and frail, yet she remains a figure larger than life. Her capacity for love knows no bounds, and her children reflect that same sense of caring and devotion, visiting her often and caring for her in her illness.

We often decry cases in which our foster care system has run awry and allowed innocent children to fall through the cracks. Tragedies such as the recent shooting in Littleton, Colorado, force us to reexamine and reevaluate what we are teaching our children, at home and at school. As often as we lament these tragedies, however, we must celebrate the occasions in which the system and strong parenting work. We must recognize that when

the system does provide children with the stable home they so desperately need, it is people like Diane Ponticelli who make those successes a reality for the children. We cannot underestimate or understate the importance of instilling positive values in our children and teaching them to love and respect others.

Please join with me in the appreciation of Diane Ponticelli and other caring parents like her. We owe much to these individuals for their significant and continuing contributions to our communities and nation as a whole by raising children with love and dedication.

TRIBUTE TO REVEREND J. DELNOAH WILLIAMS AND THE SILVER PARK PLAZA

HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. FORD. Mr. Speaker, I rise today to pay tribute to Reverend J. Delnoah Williams, a highly respected community leader and Publisher of the Silver Star News, a weekly newspaper in the Ninth Congressional District. Since the newspaper's establishment in 1986, Reverend Williams has sought to make it more than just an outlet for the dissemination of news. The Silver Star News plays an integral role in improving our community. On its pages are important local and national issues. Reverend Williams and his professional staff always work to ensure that the activities of important local institutions like churches, small businesses, associations, sororities and nonprofits are given prominent attention. As the newspaper's masthead states, the Silver Star News is ''Building Bridges For A Brighter Future'' in Memphis.

In that tradition, Reverend Williams has undertaken a new venture. On May 15th, Reverend Williams will open the new Silver Park Plaza, a multi-service complex, for public and private events, including conferences, banquets, receptions, weddings, parties, meetings, seminars, recitals and concerts. The center will also serve as the newspaper's new home. What's significant about this new complex, Mr. Speaker, is that it not only represents a new beginning for the paper, it represents a new beginning for the Orange Mound community, the area of Memphis where the Silver Star News has had its offices since its founding. Through Reverend Williams vision and leadership, the Silver Star Park Plaza will serve as a catalyst for economic growth in the Ninth District.

The Silver Park Plaza venture is part of a larger national trend of capitalizing on the untapped social and economic assets in our under-served and rural areas. Michael Porter, a Professor of Business Administration at the Harvard Business School and founder and Chairman of the Initiative for a Competitive Inner City, believes that a new vision of economic development is needed to accelerate business growth in these areas. Sustainable economic progress, according to Professor Porter, must be based on drawing on our untapped competitive economic advantages which already exist in our central cities. Consider that more than 54 percent of the workforce growth over the next ten years will come from workers in central cities. Moreover, our central cities represent more than $85 billion in retail spending potential each year in the United States. The University of Memphis has documented this untapped economic potential in various sections of our city. Governments can help spur economic growth, but ultimately, it's the private, for-profit business enterprises that will transform our communities, create jobs and produce wealth. The Silver Park venture embodies that philosophy. Mr. Speaker, I urge all my colleagues to recognize Reverend Williams and the Silver Park Plaza. I know that similar, untold success stories exist in congressional districts throughout the nation. I urge my colleagues to take a close look at them in order to learn how we can best shape public policy in recognition of this new direction of economic growth in America.

TRIBUTE TO ROBERT M. BALL

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. POMEROY. Mr. Speaker, this session Congress once again finds itself debating ways to strengthen our most important domestic program: Social Security. Like many Members, I have long valued the wise counsel of one of Social Security's greatest defenders, Mr. Robert M. Ball. For six decades, Mr. Ball has worked on behalf of our nation's elderly and the Social Security program. I have found that his long-term perspective and familiarity with the program invariably transcend the whims of today's younger critics. Earlier this week, I read with great pleasure an article on Mr. Ball's achievements in the New York Times. The article which I include for the RECORD, eloquently describes his long-standing commitment to the Social Security program, and gives me hope that we will continue to benefit from his wisdom for years to come.

[From the New York Times, May 3, 1999]

A GREAT DEFENDER OF THE SOCIAL SECURITY BATTLES ON

(By Robin Toner)

The conventional wisdom these days is that any major change to Social Security is unlikely before next year's elections, but Robert M. Ball remains ever vigilant. In the unending debate over the nation's pension system, Mr. Ball stands as the great defender of traditional Social Security, the genius of its basic principles, the soundness of its basic approach.

''Though I feel good about our position,'' he said in a lull in the struggle on a lazy spring afternoon, ''people who think like I do better be very careful, and we better have good proposals and we better be alert. Or something may happen that we don't like.''

Mr. Ball comes by his passion honestly, having been at the Social Security wars for a very long time. He went to work for Social Security in 1939, ran the program as Commissioner from 1962 to 1973, and has since played a principal role on some of the important advisory commissions. He is a regular source of advice for leading Congressional Democrats, has sent a series of memorandums on the issue to the White House over the last few years and, yes, is a Social Security beneficiary himself.

Mr. Ball, who is 85, said he had no complaints about life on the other end of the Social Security check. ''They do a good job,'' he said, happily settled for the moment like any other cardigan-clad retiree in the living room of his ranch house in Alexandria, Va.

For many Democrats engaged in the issue, Mr. Ball is an irreplaceable link with 60 years of history. ''There's a reason why the program is what it is,'' said Representative Earl Pomeroy of North Dakota, a Democratic point man on Social Security in the House. ''And Bob Ball can explain it to you.''

For the last few years, Mr. Ball's consuming cause has been beating back the forces of privatization: the notion that at least part of Social Security should be replaced with individual accounts that workers could invest as they see fit.

He sees privatization as a ''slippery slope,'' a dangerous step away from the guaranteed benefits of Social Security. He contends that the system can be shored up for the next century by far less radical measures, like raising the maximum amount of earnings subject to Social Security taxes.

Mr. Ball acknowledges that his views are shaped by a very different world than that of the young privatizers. One of three children of a Methodist minister, he grew up in northern New Jersey and graduated from Wesleyan University with a master's degree in economics during the Depression. There were no jobs.

For help, he turned to his thesis adviser, who happened to have a friend involved in the new Social Security program. ''He said, 'Well, this program is just starting up. It's going to be a big program. It's an attractive program and an important social program, and it would be a good thing if you got in on it in the beginning.' ''

So Mr. Ball took the Civil Service exam during his honeymoon (he spent the rest of the time on a camping trip with his wife, Doris) and began work as a field representative in the Newark office of Social Security for $1,620 a year.

He spent his early years visiting employers, trying to straighten out wage records and, along the way, proselytizing for a program that seemed quite revolutionary at the time. On the wall of his office at home, he has a picture of that Newark field staff, earnest young foot soldiers of the New Deal.

There are other pictures on that wall: President Lyndon B. Johnson signing the law creating Medicare, which Mr. Ball helped put into effect. The Presidential commission, signed by John F. Kennedy, that named Mr. Ball head of Social Security. (Mr. Ball noted that it mentioned more than once that he served at the pleasure of the President.) A picture of the Balls with President Richard M. Nixon in 1973, when Mr. Ball was leaving office. The newspapers at the time said he was ''pushed out.'' Mr. Ball says: ''I was perfectly happy to go, but I couldn't have stayed if I wanted to. I lasted for the first term.''

Along the way, the Balls brought up two children: their son is a psychotherapist; their daughter, an art therapist.

Mr. Ball acknowledges that his retirement has been less than restful. He does a lot of reading, and not just on social insurance issues, he said a trifle defensively. Mostly novels and Romantic poetry.

But the care and tending of Social Security keeps pulling him back.

''There was a time when I felt a lot of pressure on the basis that there wasn't anybody

else really working on it very much,'' he said. ''Now there's a whole group. They'll carry on whether I die tomorrow and do as good or better job.''

That was the idea behind the National Academy of Social Insurance, a nonprofit organization that does research on social insurance and tries to ''enhance public understanding'' of the issues; Mr. Ball was one of its founders 11 years ago.

Still, it is not at all clear that Mr. Ball is ready to pass the torch and enter the land of retirement he helped create.

''My wife and I had dinner with him and Doris two nights ago,'' said Henry Aaron, an economist at the Brookings Institution. ''I don't know of any other 85-year-old who's wrestling with what he's going to do, new. But Bob is wrestling with that. I think he sees the health care issue emerging anew.''

IN HONOR OF THE VENTURA HIGH SCHOOL WIND ORCHESTRA

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GALLEGLY. Mr. Speaker, I rise to recognize the Ventura High School Wind Orchestra, which earned a near-perfect score at the National Adjudicators Invitational last month in Virginia Beach, Virginia.

This group of dedicated musicians walked away with Outstanding Concert Band Trophy, the Outstanding Percussion Trophy and the Outstanding Brass Trophy. Piccoloist Karen Magoon won the Outstanding Soloist Trophy, perhaps the most prestigious prize at the competition.

As a group, they earned a Performance Trophy Superior Rating, scoring 99 out of a possible 100 points.

During the contest, their rivals from schools across the United States gave the Ventura youngsters two standing ovations.

Mr. Speaker, as our nation works in concert to better our education system, it's important that we support our music programs as part of an overall educational experience. Recent studies indicate that a study of music helps children's comprehension of math. It also gives them a feeling of accomplishment and worth. At the very least, it brings beauty into our world.

Michael Takazono, the Ventura High School Wind Orchestra director, deserves much credit for teaching his young charges the fulfillment of playing good music well.

The members of the Ventura High School Wind Orchestra deserve our congratulations. They are:

Brian Anderson, Luke Bechtel, Andrew Bittner, Jeremy Black, Kori Brashears, Amy Chinn, Bryson Conley, James Davis, Josephine DeGuzman, Joshua DeGuzman, Tim Eckberg, Shelby Fannan, Johann Gagnon-Bartsch, Russell Gardner, Joe Gartman, Laura Hardesty, Natasha Hart, Isaac Hilburn, Kelsey Hollenback, Derek Hutchison, Malena Jones, Matt Liter, Chad Long, Karen Magoon, Veronica Matsuda, Brianna McIntosh, Sarah Merin, Jason Morgan, Nathaniel Morgan, Ariel Murillo, Joshua Norton, Aaron Novstrup, Rahsaan Ormsby, Nicole Paillette, Michael Parker, Dana Parry, Megan Price, Aaron Singer-Englar, Rebecca Sams, Roger Suen, Graham Talley, Emily Talwar and Viena Wagner.

Mr. Speaker, I know my colleagues will join me in applauding Mr. Takazono and the fine young musicians who comprise the Ventura High School Wind Orchestra.

IN APPRECIATION OF OUR NATION'S TEACHERS

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. SHOWS. Mr. Speaker, I am glad to have this opportunity to add my voice as we honor our Nation's teachers on National Teacher Appreciation Day. I do so with great pride, because I was a school teacher and basketball coach back home in Mississippi for many years.

Every day we entrust the lives of our children into the hands of our Nation's teachers. The best thing we can do to honor teachers on this special day is to take all the heartfelt words of praise and turn them into meaningful acts.

We owe it to our teachers and our children to build new schools and modernize existing ones. We must move them out of old and overcrowded schools that are in need of repair, into new schools with new technology in the classrooms, so America can provide an education that competes favorably with schools systems around the globe.

We live in a global environment. The ''arms race'' has become the ''economic race''. We must keep up with new technologies, because our economic security depends on it. We must prepare our children for the kinds of jobs that arise from new technology.

As a Representative from a largely rural area in Mississippi, I have taken it upon myself to try to provide Internet access to every school in my Congressional district. Few students in my 15 counties are linked to the Internet, so I am bringing together school superintendents and local telecommunications executives and workers to make this dream a reality.

I am proud to have been a schoolteacher. I love working with the kids of today, for they are the promise of great things to come. Celebrating National Teacher Appreciation Day affords us the chance to honor teachers who are the bedrock of our community.

But we should not end the celebration when the gavel does down after the speeches are finished. We should honor our teachers every time we see construction cranes rise over a new school building, or every time a schoolchild logs on to the Internet to explore the world beyond the school walls.

But most of all, we should honor our teachers in whom we entrust the health and well being of our children by being good parents, good neighbors and good role models.

TEACHER APPRECIATION

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. DUNN. Mr. Speaker, I rise today to recognize an outstanding teacher in my district of Washington State during Teacher Appreciation Week. This special teacher is Mark Oglesby, a government instructor at Tahoma High School in Maple Valley, Washington. Mark is a dynamic teacher who is consistently praised by both his peers and students for his dedication to helping government come alive for Tahoma High School students.

Each year, I have the pleasure of talking with Mark and his students when they visit Washington, D.C. for the We the People civic education program. The ''We the People'' program is a three-day national competition modeled on the hearings here in the United States Congress.

For the past several years, Mark has taught a class of students who, under his guidance, have won their state competition and then have come to Washington, D.C. to compete against other states at the national level. The extra time Mark takes with students shows in their consistent achievement.

Each spring I host a mock congress for high school students in my district to help them to gain hand-on experience of our government at work. These students elect a Speaker, run committees and hearings, write legislation, and lobby their fellow students to vote for their bills. Each year the students in Mark Oglesby's class stand out with their knowledge of how our democratic system of government works.

Mark also serves as the tennis and volleyball coach at Tahoma High, and as a Maple Valley City Councilman. He is clearly dedicated to teaching and willing to dedicate personal time to support the ideas in which he believes. Mr. Speaker, Mark Oglesby is one of our state's exemplary teachers. We are fortunate he is helping to train the leaders of our next generation.

TEACHER APPRECIATION

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GARY MILLER of California. Mr. Speaker, as Teacher Appreciation Week draws to a close, I want to especially commend those teachers, in my district and throughout the country, who make the extra effort to bring history, math, English, science, and other subjects, alive.

One example of that extra effort made by teachers throughout the country is Linda Stephenson, Bill Mulligan and Carols Lopez who have brought 42 students from Upland Junior High History Club in my district to learn about history and civics here in the Nation's Capital. They could have stayed back in California and taught from textbooks, but instead they made the effort to fly 3,000 miles with 42 junior high

students to make the subject matter come alive.

Those are the kinds of teachers you remember into adulthood. I commend those dedicated American teachers who make what they teach come alive for their students.

HONORING KENNETH L. MADDY

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. CONDIT. Mr. Speaker, I rise today to pay tribute to a good friend and honor a lifetime of dedicated public service.

Ken Maddy is a political legend in California's great Central Valley. A Republican in a largely Democratic district, Ken understood early what many of us have yet to learn about bipartisanship. Like the freeway which funds down the middle of the Valley bearing his name, Ken cuts through the political heart and soul of the Valley.

As we pause to honor him on the occasion of his retirement after 28 years, I am reminded of his very unique leadership style. Ken skillfully forged a niche of consensus in finding solutions that proves leadership transcends political parties.

To call Ken's style unique, is not to fully do it justice. Every once in a while someone comes along bringing a little something 'extra' to the table. Though it isn't tangible, it is nevertheless very real and it helps define leadership ability. Ken Maddy personifies that.

The Central Valley is a truly unique political arena. We pride ourselves on independent thought. We are proud of our ability to see beyond party labels and ideologies. Mr. Speaker, in large part, it is because of Ken's leadership that this thinking is prevalent today.

His dedication as a public servant is exemplary. Equally impressive is his list of accomplishments. Throughout his career, Ken authored more than 400 bills which were signed into law.

His vision and foresight put him on the front lines of legislative battles ranging from ethics for state legislators to crime; private property rights to reducing the scope of governmental regulations on agriculture; and balancing land use against legitimate environmental concerns.

Ken was also often on the cutting edge of health care issues such as Medi-Cal and Welfare Reform, free-standing cardiac catheterization labs, surgi-centers and most recently, the Healthy Families Act.

Because of his love and expertise of horse racing, Ken has virtually rewritten the horse racing law in California—writing more than 45 bills that were later adopted into law on the subject.

I know he is proudest of the very significant and lasting contributions he made in helping establish the California Center for Equine Health and Performance and the Equine Analytical Chemistry Laboratory at the University of California, Davis.

It is with great pride that I report to my colleagues that UC Davis officials named the building in his honor. Additionally, he was awarded the California State University Lifetime Achievement Award earlier this year.

One of the most telling signs of political maturity is acceptance and recognition by your peers. For three years, Ken served as Chairman of the Senate Republican Caucus before serving eight years as Republican Leader. He's a text-book case on "how to make things happen while serving in the minority party."

Ken was awarded the Lee Atwater Minority Leader of the Year Award in 1992 by the National Republican Legislators Association and is a six-time delegate to the Republican National Convention from 1976–1996, including two terms as an RNC whip in 1976 and 1984.

Mr. Speaker, it is with great pride that I ask my colleagues in the U.S. House of Representatives to rise and join me in honoring the lifetime achievement of a great man—my good friend, Ken Maddy.

CONGRATULATIONS TO GRAND RAPIDS, MICHIGAN GIRL SCOUT GOLD AWARD RECIPIENTS

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. EHLERS. Mr. Speaker, I rise today to honor 13 young women from my home city of Grand Rapids, Michigan for achieving the highest honor in United States Girl Scouting, the Girl Scout Gold Award. The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development.

Obtaining the Girl Scout Gold Award is no easy task and involves a total commitment. Over the last two years, these young women have dedicated themselves to obtaining this goal. In order to receive this award, recipients must earn four interest project patches: the Career Exploration Pin, the Senior Girl Scout Leadership Award, and the Senior Girl Scout Challenge, as well as designing and implementing a Girl Scout Gold Award project in cooperation with an adult Girl Scout volunteer. This is all in addition to their school work and extracurricular activities. Recipients must and should be very proud to join this elite group of Girl Scouts.

The young women who will receive the Girl Scout's highest honor are: Carissa Becker, Jessica Gorman, Melissa Grossman, Shannon Kobs, Laura LaPorte, Liz Nieboer, Jennifer O'Conner, Laura Olney, Tracy Peters, Erin Potter, Nicole Rittersdorf, Sarah Roberts, and Kristin Steelman.

Mr. Speaker, I am delighted to take this time to recognize the accomplishments of this distinguished group of young women. I applaud their dedication and desire to be among the best Girl Scouts. The lessons they have learned in obtaining this award and the teamwork they have experienced will be beneficial as they enter adulthood. I ask all of my colleagues to join me in congratulating each of these young ladies on this remarkable achievement. I wish each of them continued success in the future.

FOREST SERVICE FEES

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. DUNCAN. Mr. Speaker, I introduced legislation which will prohibit the Forest Service from charging a fee for special permits issued to churches.

Some churches, which were established many years ago, currently fall within the boundaries of National Forests. These churches are now charged, or taxes, by the Forest Service to continue to hold their services or schools on the property that they have traditionally occupied.

I do not believe that this is an appropriate practice. Thus, I have introduced this bill which would prohibit this practice by the Forest Service.

Most of these churches are small and located in rural area. Unfortunately, they operate on a very limited budget. I do not think that eliminating these fees will hurt the federal government, which currently spends billions of dollars a year.

While this will mean very little in terms of the overall federal budget, it will be very important to these small churches in rural America.

Mr. Speaker, this legislation is a very modest proposal which I believe just about everyone could endorse. I hope that my colleagues will join me in supporting this bill by cosponsoring it.

MENTAL HEALTH MONTH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GILMAN. Mr. Speaker, I rise today to call attention to the fact that May is Mental Health Month. I have long been a strong supporter of our mental health programs and I would like to extend thanks to the many thousands who work day after day in the mental health field.

Those who work in the mental health field provide many of our constituents with the opportunity to consult with mental health specialists and receive the care they so desperately need. With an estimated 15 percent (or 28 million of the 185 million U.S. adults aged 18 and over suffering from mental health disorders), the need for recognition of the instances of mental health is paramount. Moreover, because approximately 22 percent of the population will experience a mental disorder during the course of their lives, at an estimated cost of $129 billion per year, the services that those in the mental health field provide is essential. Many Americans, who otherwise would have suffered in silence, now have the opportunity to seek treatment and lead the happy and productive lives so many desire.

Mr. Speaker, it is my hope that our colleagues will join in paying tribute to Mental Health Month and to those who suffer with mental disorders and those who work in the

field. It is hoped that with the continued support of the Congress, forward progress can be made in mental health treatment.

ADLER PLANETARIUM CELEBRATES SPACE DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PORTER. Mr. Speaker, I am very pleased to recognize one of Chicago's premier institutions, the Adler Planetarium and Astronomy Museum and to celebrate Space Day 1999. Located on Chicago's beautiful lakefront, the Adler was founded in 1930 by Max Adler "to be the foremost institution for the interpretation of the exploration of the Universe to the broadest possible audience."

Nearly 70 years later, the Adler has fulfilled Max Adler's mission by becoming one of the world's premier planetaria and astronomy museums. One of the first exhibits at the Adler featured a collection of historical scientific artifacts and rare books from around the world. This collection has grown dramatically, gained world-wide recognition and continues to be a mainstay of the Museum's exhibits.

Today, the Adler continues to grow and remain on the cutting edge of technology. On January 8th, 1999, the Adler celebrated the completion of its new Sky Pavilion, the first phase of a comprehensive expansion project which will ultimately double the Adler's current exhibit space. The architecturally striking Sky Pavilion is a two-story, 60,000-square-foot addition on the east side of the Adler's existing 1930 landmark structure. This facility comprises four major exhibition galleries, including the world's first "StarRider" Theater, a 3–D interactive virtual reality experience which transports audiences to other planets, stars and distant galaxies.

To fulfill its mission to reach the broadest audience, the Adler has become a key line between the astronomy research community and the education community. As a lead science museum, the Adler develops innovative education programs and exhibits and provides teacher training and support, as well as a field site for student experiences. Astronomers also work extensively with schools, complementing elementary and secondary school curricula, and have received enthusiastic support from teachers, principals, school councils and parents.

Today, the Adler is celebrating Space Day '99 with a full slate of gallery programming. The local Chicago chapter of the Mars Society will sponsor an information booth on how we have viewed Mars in the past, how and why we are no traveling to Mars, and how we can transform Mars so it is suitable for humans. The Planetarium will also host video-conferencing sessions between astronomers and suburban Maine West High School students. Finally, Jim Plaxco of the Planetary Studies Foundation will give a lunchtime lecture on "The Intelligent Traveler's Guide to Mars." These events demonstrate the wide variety of activities and experiences the Adler has to offer.

Mr. Speaker, as we approach the 21st Century, it is clear that exploration of the cosmos is proceeding at a faster pace than ever before and the world is entering an exciting new ear of discovery. It is with an eye to the future that I invite all Members to join me in celebrating Space Day with the Adler Planetarium and Astronomy Museum.

IN HONOR OF BETTY FRANKLIN-HAMMONDS

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. BALDWIN. Mr. Speaker, I rise today to pay solemn tribute to a longtime civil rights advocate, Betty Franklin-Hammonds, of Madison, Wisconsin. Ms. Franklin-Hammonds has been known in the Madison community for her longtime advocacy on behalf of human equality and mutual understanding. She has ranked among the region's noted civil rights leaders, and has been widely recognized as effective, tenacious, low-key, and out front in nearly every civil rights campaign of the past 20 years. It is with great sadness that I note her passing on April 28, 1999.

Betty Franklin-Hammonds' commitment to organizations such as the NAACP and the Urban League was critical in ensuring equal rights for all of our citizens. Her unshakeable belief in equality of education for all was likely the force behind her strong leadership of the Madison Committee on the Achievement of Black Students, leadership which positively affected the educational possibilities for countless African American children in Madison. For nearly a decade, Betty Franklin-Hammonds served as the publisher of the Madison Times, today one of the most widely-read publications in Dane County. In her weekly column, Betty Franklin-Hammonds remained an outspoken advocate, sometimes voicing the concerns of thousands of others, other times advising, educating, or comforting.

Her unselfish contributions to the community brought numerous awards and recognition and she graciously accepted it all in stride, never slowing for even a minute from the enduring struggle for human equality and understanding. In the past few years, she has been recognized for her leadership at the helm of the Madison Urban League, and in 1993, Betty received the City of Madison's prestigious Reverend Dr. Martin Luther King, Jr. Humanitarian Award. Earlier this year, she received the City of Madison Martin Luther King Heritage Award, and this month was due to receive the YWCA's Women of Distinction Award.

In recognition of the lifelong leadership provided by Ms. Betty Franklin-Hammonds, I ask the Congress today to recognize the life of this great Civil Rights leader. She will be greatly missed by many, but her legacy lives on, as together we strive to achieve the goals of equality, education, and understanding that were so central to her life's work.

MOTHER'S DAY

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. POMEROY. Mr. Speaker, this weekend, on May 9, America will celebrate Mother's Day. This second Sunday in May was set aside for us to thank our mothers for raising us, for giving us a sense of security and independence, and for offering us their unconditional love. I would like to take this opportunity to pay tribute to all mothers, who know that there is perhaps no more important, more difficult, and ultimately more rewarding undertaking than raising a child.

I was very fortunate to have been raised by a loving mother in a stable and caring home. As we approach Mother's Day, however, I can't help but be reminded of the over 500,000 children in the foster care system in this country who await permanent homes. Although in recent years we have made great strides in improving the child welfare system, through legislation such as the Adoption and Safe Families Act, there is no substitute for loving parents and a permanent home. For thousands of children who are still waiting, adoption offers the hope to finally find a "forever family". I would like to remember the children who still wait to celebrate Mother's Day in a permanent home, as well as those families whom adoption has brought together.

Mr. Speaker, children are awaiting adoptive parents not only in this country, but in nations all over the world. For years, American families have reached across cultural and national boundaries to embrace children through international adoption. My own family was forever changed and enriched by the adoption of our two children from Korea. It is difficult for me to express how deeply grateful I am to have Kathryn and Scott in my life. This Mother's Day, it is my greatest hope that every family and every child still waiting will also have the opportunity to experience the joy of adoption.

FUNDING FOR THE AGRICULTURAL CREDIT INSURANCE FUND PROGRAM

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HAYES. Mr. Speaker, I rise today in support of our nation's farmers and therefore, in support of Mr. LATHAM's amendment. On March 24th, over a full month ago, we passed a supplemental appropriations bill which included $110 million to support $1.1 billion for loans that farmers and ranchers need to finance this season's work in the fields and pastures. These farmers needed that money a month ago; they are now nearing desperation.

In my district alone, the eighth district of North Carolina, there are several million dollars worth of loan applications that have been turned in to the local FSA offices. These farmers are struggling to get their finances in order because they are relying on what appears to

be an unreliable source—the Federal Government. This is more than a matter of delay in many cases, this is a matter of continuing to be a farmer, or finally giving up and throwing in the towel on the livelihood they know and love.

In addition to the farmers who are depending on these loans to put a crop in the field this year, I also have poultry and dairy farmers who are going to miss a season of revenue due to the loan situation. Many of my poultry farmers have been in the process of transitioning from raising turkeys to raising chickens and have lost their chicken house contractors because the builders have moved on to sites where they are sure to receive prompt payment. Again, that leaves those chicken farmers without chicken houses and therefore, without revenue. A full season of no revenue will affect these farmers for more than just one season.

To make matters worse, even when we do finally pass this legislation, we have caused a loss of faith from traditional lenders. Banks are now turning down farmers simply because they don't want to deal with farm applications. This is further limiting farmers because of Congress' inability to pass appropriations and provide a loan program that is reliable.

I will close by saying what we all already know, we have a critical situation right now in farm country. Congress has within its power the ability to alleviate some of the financial duress that agriculturists are feeling. Do the right thing today, pass this amendment and let's get to work on restoring faith in our system.

TRIBUTE TO TEACHERS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PAUL. Mr. Speaker, I rise to commemorate National Teacher Appreciation week by expressing my appreciation for the valuable work of America's teachers and to ask my colleagues to support two pieces of legislation I have introduced to get the government off the backs, and out of the pockets, of America's teachers. Yesterday I introduced legislation to prohibit the expenditure of federal funds for national teacher testing or certification. A national teacher test would force all teachers to be trained in accordance with federal standards, thus dramatically increasing the Department of Education's control over the teaching profession.

I have also introduced the Teacher Tax Cut Act (HR 937) which provides every teacher in America with a $1,000 tax credit. The Teacher Tax Cut Act thus increases teachers' salaries without raising federal expenditures. It lets America's teachers know that the American people and the Congress respect their work. Finally, and perhaps most importantly, by raising teacher take-home pay, the Teacher Tax Cut Act encourages high-quality people to enter, and remain in, the teaching profession.

Mr. Speaker, these two bills send a strong signal to America's teachers that we in Congress are determined to encourage good people to enter and remain in the teaching profession and that we want teachers to be treated as professionals, not as Education Department functionaries. I urge my colleagues to support my legislation to prohibit the use of federal funds for national teacher testing and to give America's teachers a $1,000 tax credit.

THE OPTIMIST CLUB OF SAINT MARIES HONORS LOCAL LAW ENFORCEMENT OFFICERS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HOYER. Mr. Speaker, I rise today to celebrate with the Saint Maries Optimist Club as they recognize the lives and labors of our local law enforcement community.

Mr. Speaker, It has been said: "Encouragers need to be encouraged!" I can think of no greater group today to applaud than our men and women who wear blue everyday to protect our communities and promote peace on a daily basis.

In July 1965, former Optimist International President, Carl Howen, recognizing the need to bridge the gap between police officers and the community, initiated the "Respect For Law" program and tonight, the Saint Maries Optimist Club continues to honor those who serve us in law enforcement.

Mr. Speaker, as you well know, it has been reported that every 40 seconds a child is reported missing. According to a study by the U.S. Justice Department, 359,000 are kidnapped every year. These statistics are staggering and although numbers can be misleading we must no longer tolerate adults abducting or abandoning our adolescents! This is just one of the countless stressors that our law enforcement officers and officials have to deal with on a daily basis. The "Respect For Law" educates parents and communities of the pitfalls that plague our society (i.e. drugs, theft, arson, violence, battery, rape and murder).

On a positive note, crime in St. Mary's County has decreased 15% since 1998, and much of the credit can be attributed to Lt. Doug Slacum of the Maryland State Police (Leonardtown barracks) and St. Mary's County Sheriff, Richard Voorhaar. I would like to recognize Mr. Tom Slaughter, "Respect for Law" chairman and Rich Fry, President of St. Maries Optimist Club and their colleagues whom annually applaud the service and sacrifice of St. Mary's finest! My friend, Ms. Mary Whetstine of Mechanicsville has played a pivotal role as the Lt. Governor for zone 5 and I am pleased by the efforts of our law enforcement team of the Sheriff's Department, State Police and our prosecutors. For the record, the six law enforcement agencies represented this evening are the Maryland State Police, Department of Natural Resources, Sheriff's Department, Department of Corrections, NAS Police Department and St. Mary's College Department of Public Safety.

At this moment, I would like to mention and pay tribute to Deputy Keith Fretwell of the St. Mary's Sheriff's Department who recently passed away in his prime of a brain tumor. I attended Deputy Fretwell's funeral and his commitment to St. Mary's County will be the benchmark for all recruits to follow in the future.

Mr. Speaker, I ask you and the remainder of my colleagues to reflect with admiration and appreciation of those who serve and have served in the respective districts of which we are so fortunate to represent in Congress.

INTRODUCTION OF THE SCHOOL QUALITY COUNTS ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, today I am introducing legislation to make the academic performance of all students the top priority of federal education programs.

This legislation would achieve that goal by taking four clear steps: strengthening accountability for student achievement; raising standards for teachers; rewarding successful schools and teachers; and providing better information to parents.

For far too long, the educational system in this country has operated under a policy of "acceptable losses." Too many children have simply been written off. They leave school—in many cases with a diploma—only to find out that they have not received the high-quality education that they need and to which every child in this country ought to be entitled. We must increase the opportunities for success.

We can do better. In fact, there are successful schools all over the country, in every type of community, that are living proof that all children have the ability to achieve beyond our wildest expectations, no matter what their economic or social background.

For example, according to data released recently by the Kentucky Association of School Councils, some of the schools achieving the highest scores on state exams in 1998 were high-poverty schools. In fact: five of the twenty elementary schools with the highest reading scores in the state were high-poverty schools; six of the twenty elementary schools with the highest mathematics scores in the state were high poverty; and thirteen of the twenty elementary schools with the highest writing scores in the state were high poverty schools. In all of these cases, high poverty schools outperformed much more affluent schools in order to reach the top twenty.

The success in Kentucky is not isolated. There are schools in every part of the country doing the same thing everyday. Our job, in this Congress, is to help all parents and educators in every community apply these lessons and achieve, for their children, the same success that these Kentucky schools and other successful schools are achieving.

The American public is leading the way on this issue. Our citizens are currently engaged in an inspiring, unprecedented effort to improve our public schools.

Parents and taxpayers understand that all children need a world-class education if they are going to succeed in the global economy, be productive members of our society, and participate actively as responsible citizens.

They have come to the conclusion that we, as a nation, have not asked enough of our children; that we have not set academic standards high enough; that we have not recognized the amazing things that our children can, in fact, achieve.

In California we are seeing great enthusiasm for education reform at the local level. Parents are demanding better schools, and they are willing to invest the time and money needed to get them.

At almost an unprecedented rate, education bond issues—that must be passed by a two-thirds vote—are passing in California because people have decided that they want to reinvest in the public schools.

We are seeing similar things here at the federal level in support for increased education funding.

This is a pivotal time in education policy. We have an unprecedented opportunity to work with parents, educators, and communities in their drive to fundamentally improve the quality of education for all children. The right way for Congress to help in this effort is to provide the necessary resources and set clear and rigorous standards for accountability.

Now is the right time for Congress to act. This year we will be taking up the reauthorization of the Elementary and Secondary Education Act, something we do once only every five or so years.

We come to this reauthorization at a point where the federal government has spent roughly $120 billion over the last three decades on funding for the largest federal education program—the official title of which is "Helping Disadvantaged Children Meet High Standards," but which is more widely known as "Title I"—with uneven results.

To be clear, there have been notable achievements. The achievement gap between low-income students and their more advantaged peers narrowed significantly from 1970 until the mid-1980's. Independent studies suggest the federal effort on Title I and other educational equity initiatives have played a key part in this success.

Closing the achievement gap was a central goal of the title I program when it was enacted in 1965 and its accomplishments in this regard have been under-rated.

But in recent years the nationwide trend in narrowing the achievement gap has stalled—and in a few cases, we have even lost ground.

And yet the federal government has continued to send almost $8 billion a year in Title I funds to states and schools with few questions asked and no real demand for higher student achievement.

As we look to reauthorize the Title I program under the Elementary and Secondary Education Act for another five years, and invest somewhere in the neighborhood of $50 billion or more in the program, we need to make a choice.

We can either learn from states like Kentucky, Texas, and North Carolina, and ask that all states, in return for billions in federal subsidies, set clear goals for student achievement and then hold them accountable for making progress toward those goals. Or we can continue writing checks and sending the message that we are happy with the status quo.

We are entitled to ask the same questions and expect the same commitment and accountability as a financial partner would in providing capital for a loan.

We don't want to micromanage your enterprise. States and localities have the primary responsibility for the day-to-day operation of schools.

But we can, and should, ask that:

(1) States lay out clear and measurable goals for the academic achievement of all students, including their goals for closing gaps in achievement between student subgroups, such as between economically disadvantaged students and their peers;

(2) Children have access to the resources they need to meet these goals, especially high-quality instruction. The single most important factor in student achievement is a qualified teacher. Teachers need better training and stronger support, particularly in the early years of their careers. Aides have a role to play, but they must support, not replace, the classroom teacher;

(3) Schools and teachers that show results should be financially rewarded for their success in improving student achievement. Particular attention must be paid to high-poverty schools in which students are showing academic gains; and,

(4) Parents should be given better and clearer information about how their child is doing in school. And parents and other taxpayers deserve public report cards on the quality of their neighborhood schools and how they rank with others in their state.

By taking these steps, my bill will recommit federal education programs to their core goal—ensuring that all students have the opportunity to achieve, regardless of racial, ethnic, or economic background.

Here is how the bill would work specifically:

I. REPORT CARDS—INFORMATION TO PARENTS AND THE PUBLIC

Individual Report Cards: The bill requires Title I schools to issue report cards to all parents of Title I kids on the academic progress of their individual children, as well as their school, the school district, and the state overall. The report cards would be tied to the standards and the assessments used to evaluate the Title I program, and as such would complement report card grades on classwork.

Statewide Report Cards: The bill also requires public dissemination of information on the performance of all Title I schools and districts. The reports must emphasize dissaggregation of data (e.g., by race, by economic status) to ensure better scrutiny on the progress of all at-risk groups.

II. TEACHER QUALITY

Parent Right-to-Know: The bill requires school to provide information to parents of all Title I kids with regard to the qualifications of their child's teacher(s). It would require active notification in those cases in which teachers are not fully qualified (including emergency-certified).

Qualifications of Title I Instructional Staff: The bill requires all Title I instructors to be qualified teachers (pass subject area tests or have an academic major and at least a B average in the subjects in which they are teaching). It would allow programs two years to ensure all Title I instructors are qualified.

The bill would allow schools to use funds under the Elementary and Secondary Education Act to create financial incentives to lure qualified teachers to teach in high-poverty schools and provide training to "emergency certified" teachers and teacher aides who are good candidates for full certification.

III. STRENGTHEN ACCOUNTABILITY

The bill would establish a more stringent definition of what constitutes "adequate yearly progress" for Title I programs. It would take into account the progress of each program in raising the performance of all students and set as a goal the closing of the gap between minorities and non-minorities and between more and less affluent students. It would require the federal Department of Education to re-review state plans under these new criteria and to solicit revisions from states whose systems do not conform.

IV. REWARDS FOR SUCCESSFUL SCHOOLS

The bill would require states to set aside funds to financially reward schools and teachers whose students make significant academic progress. High-poverty Title I schools, and the teachers within them, that make significant progress would get special consideration.

Over the coming weeks, I also plan to explore additional options to complement this legislation, particularly for providing financial incentives to teachers who choose to serve in high-need schools.

It is time for Congress to stop sitting on the sidelines watching schools and students underachieve. We have an obligation to students, their parents and their teachers to do better.

I look forward to working with my colleagues on this important legislation.

INTRODUCTION OF THE PAUL E. TSONGAS FELLOWSHIP ACT

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. MEEHAN. Mr. Speaker, I ask unanimous consent to insert the following in the RECORD.

Today, I have the privilege of reintroducing legislation that honors the legacy of Paul E. Tsongas, one of the outstanding leaders of our time from Massachusetts. I must commend a good friend of mine and former colleague, Joe P. Kennedy II, for sponsoring this legislation in the 105th Congress. In the 106th Congress, I commit myself to ensuring the passage of the Paul E. Tsongas Fellowship Act to serve as a lasting memorial to this great man.

Always a visionary, Paul Tsongas dedicated himself to strengthening our nation's economy through technological innovation and protecting the environment for future generations. As the inheritor of Tsongas' seat in the House of Representatives, I can think of no more fitting tribute to his legacy than to establish in his name doctoral fellowships for the study of the global energy and environmental challenges of the 21st century.

Many in Congress remember Paul Tsongas as an often solitary voice of caution, warning about saddling our children and our children's children with a mountain of debt. But his vision did not begin and end with budget deficits.

In announcing his candidacy for the Presidency in 1992, he outlined a much broader conception of intergenerational responsibility, saying ''Just as we reach back to our ancestors for our fundamental values, so we, as guardians of that legacy, must reach ahead to our children and their children * * * That sense of sacredness, must begin with a reverence for this earth. This land, this water, this air, this planet—this is our legacy to our young.''

Paul spent much of his career in public service making this vision of resource conservation a reality. He not only restored a rundown neighborhood park in our hometown of Lowell, Massachusetts, but he also established the first urban park in our city. He also led efforts to preserve the historic lands and water of Walden Woods and helped to create the Cape Cod Commission, which is dedicated to protecting our open space.

Paul's concern for the environment did not end in Massachusetts, however. He was a national leader in securing the enactment of the Alaska Lands Act of 1980, a law that essentially doubled the size of our National Park and Wildlife Refuge Systems.

Tsongas understood the value of investing in human resources, as well. He often articulated the need to foster scientific achievement and innovation, which he saw as critical to keeping our nation's economy strong.

Our nation needs a pool of scientists and engineers with the intellect of Einstein and the public spirit and vision of Paul Tsongas to surmount the environmental and energy challenges posed by the 21st century.

Towards that end, the Paul E. Tsongas Fellowship Act would allow aspiring physicists, chemists, mathematicians, and computer scientists to enhance their skills through graduate education so they may become the pioneers of tomorrow. Furthermore, I am convinced that the fellowships in Tsongas' name will elicit a strong sense of intergenerational responsibility among the recipients.

Mr. Speaker, Paul Tsongas serves as a great inspiration to individuals who will dedicate their lives to advancing technology and environmental protection. A wise investment in our country's future, the Paul E. Tsongas Fellowship Act honors the memory of one of the finest persons ever to serve this institution.

RECOGNIZING THE FIRST WEEK IN MAY AS NATIONAL ARSON AWARENESS WEEK

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. CASTLE. Mr. Speaker, I rise today in recognition of Arson Awareness Week and to encourage all Americans to join in the crusade against arson. Each year hundreds of lives are lost and billions of dollars of property are damaged by arsonists. In 1997 alone, arsonists killed an estimated 500 Americans and inflicted direct property damage totaling more than two billion dollars. One of every four fires—some 500,000 that occur in the United States each year—result from arson. Arson is the second leading cause of death by fire in the United States, topped only by smoking. Unfortunately, the pain and horror of most arson occurrences are felt in residential communities. Each year, more than 90 percent of all civilian deaths and suspicious structural fires typically occur in homes. Unfortunately, Mr. Speaker, an especially sobering fact of arson-related incidents is that firefighters lost their lives fighting these intentionally-set fires.

There are steps each of us can take to prevent arson. First, owners of facant buildings should secure them to prevent vandals from setting fires for excitement. Second, parents of young children who exhibit a propensity to play with fire can call their local fire departments for a referral to a trained juvenile fire starter intervention program that will assist the child. Third, business and institutional property managers can call their local fire marshall for advice on how to arson- proof their buildings. This is especially important for church leaders who have in recent years seen their places of worship come under attack by arsonists.

In my home State of Delaware our State Fire Marshall's office provides the resources to investigate fires, as well as maintaining an excellent Juvenile Fire Setter Intervention Program that helps hundreds of Delaware families each year deal with this very troubling problem. In 1997, the last for which full data is available, those 20 years of age and under accounted for 50 percent of all arson fires in the United States. Of that total, 39.9 percent were committed by youths under the age of 15.

Mr. Speaker, it is with a great sense of urgency that I encourage all Americans to be aware and concerned with the burdensome cost that arson inflicts on our society. As Delaware's Congressman and a Member of the Congressional Fire Service Caucus, I strongly urge everyone to contact their local fire officials to learn more about what they can do to extinguish the arsonists' match.

TRIBUTE TO THE KEENE SENTINEL, NEW HAMPSHIRE'S OLDEST NEWSPAPER

HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. BASS. Mr. Speaker, I rise today to pay tribute to The Keene Sentinel. 1999 marks the bicentennial of The Sentinel, the oldest newspaper in New Hampshire, and the fifth oldest paper in the nation to be published continuously under the same name.

Under the guiding hand of publisher John Prentiss, the first edition of the New Hampshire Sentinel was issued in Keene on March 23, 1799. After 89 years as a weekly paper, The Sentinel began daily publication in 1890, and became a seven-day publication with the launch of a Sunday edition in 1996.

With the exception of 30 years in the 1800s, The Sentinel has been owned and operated by only two families: John Prentiss and his descendants, and then the Ewing family, which acquired the newspaper in 1954. The paper has enjoyed local and independent ownership throughout its 200 years.

Mr. Speaker, The Keene Sentinel, based in Cheshire County, serves the many communities of the Monadnock Region in southwestern New Hampshire. During the last two centuries, The Sentinel has chronicled the cultural, economic and social history of the region.

When John Prentiss first began publishing the paper in 1799, he had just one assistant. As Keene and the towns in the surrounding area have grown, the newspaper has expanded to meet the needs of the community. Today, with a circulation of 15,000, The Sentinel employs more than 100 people.

The Keene Sentinel has become a force in the community, advocating for open government, land use planning, and environmentally sensitive economic development in the Monadnock Region.

Mr. Speaker, I celebrate the institutional history of The Sentinel as well as the service the paper has provided to the community during the past 200 years.

KENTUCKY NURSES WEEK

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mrs. NORTHUP. Mr. Speaker, I rise today to honor a group of Kentuckians who have truly been called to serve others. Each day, thousands of children and adults walk into countless clinics, hospitals and care facilities to receive care and nurses comfort to those who are most in need. This week, I am pleased to join Kentuckians across the Commonwealth to celebrate ''Kentucky Nurses Week.''

Beginning today and lasting until May 12th, we will celebrate and honor the work that nurses do for each one of us. I am certain that each member of this body has had an experience with a nurse they can remember. From the school nurses who helped us clean off that scraped knee to the trauma room nurse ready during times of enormous distress, we can all appreciate the work the nurses do for our communities. With the hard work and compassion of nurses, we are able to receive the quality health care we deserve and expect for ourselves and our loved ones.

So today and for the next week, we in Kentucky will take an extra moment to offer a kind word or a special thank you to our nurses. The days are long, the work not always glamorous, but each day we are profoundly effected by the work of nurses, and I for one say thank you.

INTRODUCTION OF LEGISLATION TO REFORM THE $1500 REHAB CAP

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. STARK. Mr. Speaker, the Balanced Budget Act of 1997 made some long-overdue savings in Medicare and has resulted in extending the life of the Part A Trust Fund from about 2001 to 2015. As budget policy, it has been a success.

There are some health policy problems, however.

In the BBA, we capped most outpatient rehabilitation services at $1500 per patient per year for physical and speech-language therapy, and for occupational therapy. This was good budget policy, in that it provided an immediate limit to a sector that was growing at totally unacceptable rates that seemed to have little to do with the true need for rehabilitation services. It is terrible health policy, however, because in fact there are individuals who desperately need more than $1500 in therapy.

I am introducing The Medicare Rehabilitation Benefit Equity Act today to provide exceptions from the $1500 cap for those who clearly need extra services. It will also require that we move to a diagnostic payment system that makes good health policy sense. Under my proposal, the $1500 dollar limitations on services will be replaced by a patient classification system effective January 1, 2002.

While the BBA policy needs to be modified, some limitations on rehabilitation services were clearly necessary. Between 1990 and 1996 Medicare expenditures for outpatient rehabilitation therapy rose 18 percent annually, totaling $962 million in 1996. During that time, outpatient rehabilitation spending shifted substantially away from hospitals and toward rehabilitation agencies and comprehensive outpatient rehabilitation facilities (CORFs). Payments to agencies and CORFs rose at an average annual rate of 23 percent and 35 percent, respectively.

Clearly, Congress had to act—and using a meat-ax approach—we did. It is time to revisit this issue and substitute some decent health policy for blunt budget policy. The Medicare Payment Advisory Commission recently examined the potential impact of the coverage limits and found that some patients were more likely to exceed the dollar limits than others. The Commission found that hip fracture patients had the highest median payments and stroke patients incurred the next highest payments. While Medicare spent, on average, about $700 per outpatient rehabilitation patient in 1996, half of all stroke patients exceeded the $1500 physical and speech therapy limit. In contrast, less than 20 percent of patients with back disorders exceeded the physical and speech therapy limit. In 1996 about one-third of patients treated in non-hospital settings (rehabilitation agencies and CORFs) incurred payments in exceed of $1500 for outpatient physical and speech therapy or $1500 for occupational therapy. Half of the patients affected by the limits exceeded them by $1,000 or more.

My legislation will minimize the inequity and disruption of the BBA limits without substantially affecting the program savings. It allows for a system of exceptions identical to those proposed in legislation by Senator GRASSLEY. It then requires the Department of Health and Human Services to develop and implement a new coverage and payment policy of outpatient physical and speech-language therapy services and outpatient occupational therapy services. Instead of uniform, but arbitrary, dollar limitations, the new policy would be based on classification of individuals by diagnostic category and severity of diagnosis, in both inpatient and outpatient settings.

The Medicare Rehabilitation Benefit Equity Act also requires that the revised coverage policy of setting durational limits on outpatient physical and speech language therapy and occupational therapy services by diagnostic category be implemented in a budget-neutral manner. This change in payment is related to overall utilization, it will not change the use of fee schedules or affect the payment rates for providers of these services. The payment methodology will be designed to be budget neutral in relation to the exceptions policy created by this legislation. Current law provisions to adjust the annual coverage limits on outpatient rehabilitation therapy services by the medical economic index (MEI), beginning in 2002, are retained.

The Medicare Rehabilitation Benefit Equity Act recognizes that the Department of Health and Human Services' Health Care Financing Administration currently lacks the data necessary to implement a coverage policy based on a patient classification system on January 1, 2000. It further recognizes that assuring services for Medicare beneficiaries in the year 2000 is HCFA's number one priority. For these reasons, a phased—and longer than desired—transition to a patient classification coverage policy is necessary.

I urge my fellow Members of Congress to join me in support of the Medicare Rehabilitation Benefit Equity Act of 1999. Together we can ensure that implementation of the BBA dollar limits on outpatient rehabilitation services will not disproportionately affect our most vulnerable Medicare beneficiaries.

TRIBUTE TO BILL ''BULL'' DAVIDSON

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. BERRY. Mr. Speaker, I was saddened to learn of the passing of Bill Davidson, affectionally known as ''Bull'' in Stuttgart, Arkansas on Saturday, May 2. Everyone who follows Arkansas State University football is familiar with this personable and talented man but I'd like to take this opportunity to enlighten my colleagues about this gentleman who will always be regarded as one of the greatest coaches ASU has ever had.

Bill was originally from Manila, AR but had lived for many years in Jonesboro, AR, home of Arkansas State University. His involvement with ASU began in 1953 when he was a center-linebacker on the football team and continued when named the offensive coordinator in 1963 for then head coach Bennie Ellender. In addition to being the offensive coordinator, Bill also served as the offensive line coach. He was one of the primary reasons ASU when undefeated in 1970 and were named National Champs for their division. When Coach Ellender left for Tulane University in 1971, Coach Davidson was placed at the helm. The first few years of Bill's tenure were somewhat lean, but the 1973 team finished 8–3 and portended future success. This success was realized in 1975 with an undefeated season and 16 players from that team signing pro contracts. It is considered by many ASU fans as the greatest ASU football team in the school's history. Unfortunately for ASU, in 1979 Bill gave up the head coaching reins primarily due to a severe problem back which had plagued him for some time. He then became an associate athletic director until his retirement in 1990. Bill was twice named Southland Conference Coach of the Year and was inducted into the Arkansas State University Hall of Honor in 1984.

I know there are college head coaches that have had more on field success than Coach Davidson, though his 51–31–1 record during his tenure is very respectable, however, I doubt any would surpass his ability to motivate and inspire his players. This was achieved in a number of ways and that is the mark of a great football coach, not just being proficient with X's and O's but discerning the team's personality and adapting their style of coaching to it.

It would also be difficult to find a coach who was more beloved by his players. Often ending a tough practice with all the players gathered around him, Bill would tell a joke or two and send everyone to the showers with a smile on their faces. His stories about other players he played with or coached were also in great demand and guaranteed to break-up any listener. It was this wit and humor that enabled Coach Davidson to be a very effective recruiter of top high school football players throughout the country.

The people of Northeast Arkansas and ASU in particular will miss ''Bull'' Davidson but his legacy will be the young men in whom he instilled many of life's valuable lessons: physical and mental toughness, perseverance, dedication, and perhaps the most important of all, not making excuses for any failure that might befall them.

Bill is survived by his wife Donna and his daughter Sharon to whom I send my most sincere condolences.

BANKUPTCY REFORM ACT OF 1999

SPEECH OF

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 833) to amend title II of the United States Code, and for further purposes:

Mr. KENNEDY. Mr. Chairman, H.R. 833 provides fair and reasonable bankruptcy reform to a system that is badly in need of repair. Chapter 7 of the Bankruptcy Code was established to help honest, debt burdened individuals gain a fresh start. In 1982, when economic times were tough, less than 400,000 individuals used this portion of the Code, which forgives all existing debts.

Oddly, in today's economy in which real per capita annual disposable income is growing, unemployment rates are low, and the market is strong, Chapter 7 fillings are at a record high with over 1.4 million people asking to be

discharged from about $50 billion in debt. Currently it is estimated that over 70% of bankruptcy filers use Chapter 7. Last year, 1.4 million personal bankruptcies were filed, an increase of 94.7 percent over 1990. By contrast business filings have remained steady over the last two decades. As my House colleague Congressman RICK BOUCHER aptly said, ''bankruptcy was never meant to be used as a financial planning tool, but it is becoming a first stop rather than a last resort'' to those who have the ability to pay a portion of their debts, but choose to ignore their responsibilities.

Clearly, the Congress has a responsibility to address this issue. Our nation simply cannot afford widespread abuse in our bankruptcy system. Consumers pay an estimated $500 dollars per year in additional ''hidden taxes'' by companies trying to make up for the cost of bankruptcy losses. For this reason, I have joined the fight in promoting federal legislation that actively seeks to reform the Code and target those who abuse the system at the expense of others.

The Bankruptcy Reform Act, which passed yesterday with overwhelming bipartisan support will force those who should file under Chapter 13, and pay a portion of their debt, to meet their responsibilities. It insists that a debtor demonstrate that full bankruptcy relief under Chapter 7 is warranted. Those who do not meet this needs-based test will be subject to a formula based on the debtor's income and obligations. The bill also ensures that debtors know all their financial options before they file bankruptcy. Often, debtors are the prey of entities that push debtors into bankruptcy without an explanation. This initiative will crack down on these practices. The bill also includes a House passed amendment that will require greater disclosure to debtors by credit card companies and other creditors about the types of fees and payments schedules that consumers may incur. By balancing the needs of creditors and debtors, this bill achieves meaningful bankruptcy reform.

NATIONAL TEACHER APPRECIATION WEEK

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. CAPUANO. Mr. Speaker, this week is National Teacher Appreciation Week, and I want to honor the teachers of the Eight Congressional District of Massachusetts. Almost 5,000 teachers in over 176 schools educate approximately 86,000 students in the 8th district alone.

Many of today's schools are in disrepair. They are bulging at the seams. Students do not have chairs to sit on, let alone textbooks from which to learn. Despite limited resources, teachers persistently surpass these obstacles and devise new ways to stimulate our children to achieve.

So many teachers go the extra mile to ensure that their students are learning. They provide a variety of additional services, from assisting a student after school hours with their homework to giving up their Saturday to coach basketball. Teachers are more than just educators. They serve as mentors, managers, counselors, confidants and friends. Although they are not always rewarded or even acknowledged for their daily selfless acts, teachers continue to give of themselves in order to instruct our children.

In Cambridge, Massachusetts, several teachers have exemplified outstanding dedication to their jobs: Joseph Sullivan, who was bestowed with the honor of being elected to the Massachusetts Teacher Association board; Michele Owaross, who just recently led a group of 10th and 11th graders on a trip to China to study the society and culture of another country; Lucinda Leveille who brought six students to Russia recently and was honored for her attempt to promote international awareness by the Russian Government; and Jamalh Prince, Chelsea's indoor track coach who was named ''Coach of the Year'' by *The Boston Globe.*

Likewise, in Chelsea, Massachusetts, Adele Lubarsky has been teaching at the Sokolowski school in Chelsea since 1972. In those 27 years, Ms. Lubarsky has certainly kept active. As a 3rd grade Spanish bilingual elementary school teacher, she has set high standards to guarantee that her students will achieve now and in the future. Ms. Lubarsky also serves as a ''mentor teacher'' whereby she models lessons for other teachers and assists newcomers. Due to her dedication, she was awarded the 1996 ''Outstanding Teacher of the Year'' award from Chelsea's school system.

Mr. Speaker, there are far too many teachers to mention everyone by name, however I'd like to take a moment to thank all the teachers in Belmont, Boston, Somerville, Cambridge, Chelsea, and Watertown for tirelessly giving of themselves to educate our future leaders.

Tomorrow, I will visit the Dr. Martin Luther King, Jr. school and the King Open school in Cambridge, and then I will attend a ground breaking at the Boston Latin school. Since becoming a Member, I have visited schools all over my district. However I am always amazed at the warm greeting I receive from students, and from teachers. For them, it does not matter who the visitor is, but rather that someone cares and recognizes the hard work they do.

Mr. Speaker, while we discuss education priorities this year, I hope each Member of Congress will reflect upon the valuable commodity each and every teacher in his or her district represents, and work to include rewards for teachers as a part of the education agenda. I know I will.

A COURAGEOUS DRUG FIGHTER AND HIS MEN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GILMAN. Mr. Speaker, today's Miami Herald recounts the battle by the Colombia National Police (CNP) in a real war on drugs in that troubled nation. In attacking a major cocaine complex in Colombia, the anti-drug police (DANTI) under the leadership of General Jose Serrano and Colonel Leonardo Gallego took hostile fire, yet they managed to destroy a complex capable of producing tons and tons of deadly drugs, and seized a ton of cocaine and large quantities of precursor chemicals. The lab complex was capable of producing 8 tons of cocaine per month.

The DANTI used aged Huey helicopters without the proper Forward Looking Infra Red (FLIR) equipment that could have foretold the trouble that they would face on the ground from the right wing paramilitary run cocaine complex. Despite the lack of adequate helicopters and what the police really need in defensive equipment, they still prevailed. We are indeed fortunate to have allies like this in our common battle against illicit drugs in our hemisphere.

Just last Friday, along with my colleagues in the House, Representatives BURTON, MICA and DELAURO and Senator DODD, I traveled to the Sikorsky plant in Connecticut to attend the ceremony giving General Serrano what he and his anti-drug police need to fight a real war on drugs. The log book for six of the world renown and effective Sikorsky Blackhawk utility helicopters were turned over to General Serrano and Colonel Gallego, the head of DANTI. These Blackhawk choppers will give these brave, courageous men what they need and should have had years ago.

One can only wonder what results we might have seen from the CNP if we had provided these Blackhawks sooner rather than later. I ask that the Miami Herald account of yesterday's operations in Colombia be inserted at this point in the RECORD, and I ask my colleagues to note what good and courageous men do in a real war on drugs.

[From the Miami Herald, May 5, 1999]

COLOMBIAN POLICE FIGHT OFF GUNFIRE TO DESTROY COKE LABS

(By Tim Johnson)

BOGOTA, COLOMBIA—Fighting off gunfire from paramilitary forces, an anti-narcotics strike force on Wednesday raided what police described as one of the most sophisticated cocaine-processing complexes in Colombia's history.

Police said they destroyed three cocaine-processing laboratories capable of producing eight tons of cocaine a month.

''This is impressive. in my professional life, I have seen a lot of laboratories. But this is beyond imagination,'' said National Police Chief Rosso Jose Serrano, soaked in sweat after leading 300 officers on the jungle raid.

Serrano said the laboratories, discovered in a wooded area in the Magdalena River Valley near the town of Puerto Boyaca, were protected by rightist paramilitary forces.

Paramilitary forces have long been rumored to be involved in Colombia's huge drug trade, but their direct link to such a major processing site provides starting evidence of how deeply they are enmeshed.

The discovery further complicates Colombia's dismal security situation and underscores the difficulties of fighting the cocaine trade. The 15,000-member Revolutionary Armed Forces of Colombia—bitter enemies of the paramilitary forces—also derive hundreds of millions of dollars a year from protecting coca crops and laboratories, mostly in the eastern plains.

Backed by 10 artillery-equipped helicopters, 300 members of an anti-narcotics

force swooped down on the complex around dawn, police said.

''In the precise moment we arrived, they were in the middle of processing cocaine. We couldn't tell how many people were there, but there was an exchange of gunfire,'' police Col. Ramon Pelaez said.

Workers fled the scene as helicopters landed a little less than a mile from the laboratories, Serrano said. No arrests were made.

The laboratories, some up to four stories high, were covered by thick forest, Serrano said. Sleeping facilities indicated at least 200 people were employed at the site.

Serrano said the stench of ether—used to process the drug—hung over the complex.

Police said they found 150 tons of chemicals, a ton of pure cocaine, generators capable of providing power to a town of 5,000 people, gas ovens to process the cocaine and documents that provided valuable clues.

''We made an estimate that the structure is worth $5 million,'' Serrano said. ''It impressed me because I've seen a lot. But these were very well camouflaged. You passed over in a helicopter and you couldn't see them.''

Serrano said the site included a sophisticated quality-control facility.

He said the laboratories, each one protected by control towers, were spread over more than seven square miles.

Serrano said he believed the laboratories were run by paramilitaries with remnants of the dismantled Cali and Medellin cartels, which at their height were the largest criminal organizations in the world. Colombia produces about 80 percent of the world's cocaine.

The site appeared to rival two other huge complexes destroyed by police in the past.

In March 1984, authorities were stunned by a massive jungle complex known as Tranquilandia, with a network of 19 laboratories. Police found 13.8 tons of cocaine at the facility, worth more than $1 billion in street sales. They later calculated that the complex could produce 300 tons of refined cocaine a year.

In early 1997, authorities found more than eight tons of cocaine at a processing facility in eastern Meta state that became known as Villa Coca.

That complex was also virtually an entire village, with 22 crude buildings, an all-weather airstrip, a control lower and 455 tons of chemicals used in refining cocaine.

In other news, the head of the National anti-Narcotics Office, Ruben Olarte Reyes, was forced from office by President Andres Pastrana amid charges that his brother had laundered money for drug traffickers.

An angry Olarte contended that he was being railroaded out of office and that his brother had rented a house without knowing that its owner was sought by authorities as a suspected drug dealer.

BOSTON'S TEACHING HOSPITALS

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. MOAKLEY. Mr. Speaker, I submit to the CONGRESSIONAL RECORD an article from today's New York Times which details the financial difficulties facing Boston's teaching hospitals. Many of the Boston teaching hospitals, which are located in my district, are experiencing serious Medicare cuts as a result of the Balanced Budget Act as well as from continuous cuts from managed care payments. These cuts threaten the important mission that our teaching hospitals provide—training physicians, caring for the sickest patients and providing care for the indigent.

I would ask my colleagues to read this important article and to take these points in mind as we debate the future of the Medicare program.

[From the New York Times, May 6, 1999]

TEACHING HOSPITALS SAY MEDICARE CUTS HAVE THEM BLEEDING RED INK

(By Carey Goldberg)

BOSTON—Normally, the great teaching hospitals of this medical Mecca carry an air of white-coated, best-in-the-world arrogance, the kind that comes of collecting Nobels, of snaring more federal money for medical research than hospitals anywhere else, of attracting patients from the four corners of the earth.

But not lately. Lately, their chief executives carry an air of pleading and alarm. They tend to cross the edges of their palms in an X—with one line symbolizing rising costs and the other dropping payments, especially Medicare payments—and say they simply cannot go on losing money this way and remain the academic cream of American medicine.

Dr. Mitchell T. Rabkin, chief executive emeritus of Beth Israel Hospital: ''''Everyone's in deep yogurt.''

Jeffrey Otten, president of Brigham and Women's Hospital: ''Most of the hospitals are losing money at a rate between a half-million and a million dollars a week,'' though their beds are mostly full.

Dr. Samuel O. Thier, president of the group which owns Massachusetts General Hospital: ''We've got a problem, and you've got to nip it in the bud, or else you're going to kill off some of the premier institutions in the country.''

The teaching hospitals here and elsewhere have never been fully immune from the turbulent change sweeping American health care —from the expansion of managed care to spiraling drug prices to the fierce fights for survival and shotgun marriages between hospitals with empty beds and flabby management.

But they are contending that suddenly, in recent weeks, a federal cutback in Medicare spending has begun putting such a financial squeeze on them that it threatens their ability to fulfill their special missions; to handle the sickest patients, to act as incubators for new cures, to treat poor people and to train budding doctors.

The budget hemorrhaging has hit at scattered teaching hospitals across the country, from San Francisco to Philadelphia. New York's clusters of teaching hospitals are among the biggest and hardest hit, the Greater New York Hospital Association says. It predicts that Medicare cuts will cost the state's hospitals $5 billion through 2002 and force the closure of money-losing departments and whole hospitals.

Here in Boston, with its unusual concentration of academic medicine and its teaching hospitals affiliated with the medical schools of Harvard, Tufts and Boston universities, the cuts are already taking a toll in hundreds of eliminated jobs and pockets of miserable morale.

Five of Boston's top eight private employers are teaching hospitals, Mayor Thomas M. Menino notes. And if five-year Medicare cuts totaling an estimated $1.7 billion for Massachusetts hospitals continue, Menino says, ''We'll have to lay off thousands of people, and that's a big hit on the city of Boston.''

Often, analysts say, hospital cutbacks, closings and mergers make good economic sense, and some dislocation and pain are only to be expected. Some critics say the hospitals are partly to fault, that for all their glittery research and credentials, they have not always been efficiently managed.

''A lot of teaching hospitals have engaged in what might be called self-sanctification—'We're the greatest hospitals in the world and no one can do it better or for less'—and that may or not be true,'' said Alan Sager, a health-care finance expert at the Boston University School of Public Health.

But hospital chiefs argue that they have virtually no fat left to cut, and are warning that their financial problems could mean that the smartest edge of American medicine would get dumbed down.

With that message, they have been lobbying Congress in recent weeks to reconsider the cuts that they say have turned their financial straits from tough to intolerable.

''Five years from now, the American people will wake up and find their clinical research is second rate because the big teaching hospitals are reeling financially,'' warned Dr. David G. Nathan, president of the Dana-Farber Cancer Institute here.

In a half-dozen interviews around the Boston medical-industrial complex known as the Longwood Medical Center and Academic Area and elsewhere, hospital executives who normally compete and squabble all espoused one central idea: Teaching hospitals are special, and that specialness costs money.

Take the example of treating heart-disease patients, said Dr. Michael F. Collins, president and chief executive officer of Caritas Christi Health Care System, a seven-hospital group affiliated with Tufts.

In 1988, Collins said, it was still experimental for doctors to open blocked arteries by passing tiny balloons through them; now, they have a whole bouquet of expensive new options for those patients, including spring-like devices called stents that cost $900 to $1,850 each; tiny rotobladers that can cost up to $1,500, and costly drugs to supplement the reaming that cost nearly $1,400 a patient.

''A lot of our scientists are doing research on which are the best catheters and which are the best stents,'' Collins said. ''And because they're giving the papers on the drug, they're using the drug the day it's approved to be used. Right now it's costing us about $50,000 a month and we're not getting a nickel for it, because our case rates are fixed.''

Hospital chiefs and doctors also argue that a teaching hospital and its affiliated university are a delicate ecosystem whose production of critical research is at risk.

''The grand institutions in Boston that are venerated are characterized by a wildflower approach to invention and the generation of new knowledge,'' said Dr. James Reinertsen, the chief executive of Caregroup, which owns Beth Israel Deaconess Medical Center. ''We don't run our institutions like agribusiness, a massively efficient operation where we direct research and harvest it. It's unplanned to a great extent, and that chaotic fermenting environment is part of what makes the academic health centers what they are.''

Federal financing for research is plentiful of late, hospital heads acknowledge. But they point out that the government expects hospitals to subsidize 10 or 15 percent of that research, and they must also provide important support for researchers still too junior to win grants.

A similar argument for slack in the system comes with teaching. Teaching hospitals are pressing their faculties to take on greater loads of patients to bring in more money, said Dr. Daniel D. Federman, dean for medical education of Harvard Medical School. A doctor under pressure to spend time in a billable way, Federman said, has less time to spend teaching.

''Good teaching stops to ask the question 'Why?—Why is this patient anemic?'—and explore the science,'' Federman said. ''That gets squeezed now.

''If you don't ask 'Why?,' nothing moves forward,'' he added.

The Boston teaching hospitals generally deny that the money squeeze is affecting patients' quality of care, students' quality of education or research. But they say that if the current losses swell as expected, deterioration in all three will inevitably follow.

The Boston hospitals' plight may be partly their fault for competing so hard with each other, driving down prices, some analysts say. Though some hospitals have merged in recent years, Boston is still seen as having an oversupply of beds, and virtually all hospitals are teaching hospitals here.

Whatever the causes, said Stuart Altman, professor of national health policy at Brandeis University and past chairman for 12 years of the committee that advised the government on Medicare prices, ''the concern is very real.''

''What's happened to them is that all of the cards have fallen the wrong way at the same time,'' Altman said. ''I believe their screams of woe are legitimate.''

Among the cards that fell wrong, begin with managed care. Massachusetts has an unusually large quotient of patients in managed-care plans. Managed-care companies, themselves strapped, have gotten increasingly tough about how much they will pay.

Boston had also gone through a spate of fat-trimming hospital mergers, closings and cost cutting in recent years. Add to the troubles some complaints that affect all hospitals: expenses to prepare their computers for 2000, problems getting insurance companies and the government to pay up, new efforts to defend againt charges of billing fraud.

But the back-breaking straw, hospital chiefs say, came with Medicare cuts, enacted under the 1997 balanced-budget law, that will slash more each year through 2002. The Association of American Medical Colleges estimates that by then the losses for teaching hospitals could reach $14.7 billion, and major teaching hospitals will lose something about $150 million each. Nearly 100 teaching hospitals are expected to be running in the red by then, the association said last month.

For years, teaching hospitals have been more dependent than any others on Medicare. Unlike some other payers, Medicare has consistently compensated them for their special missions—training, sicker patients, indigent care—by paying them extra.

For reasons yet to be determined, Altman and others say the Medicare cuts seem to be taking an even greater toll on the teaching hospitals than had been expected. Much has changed since the 1996 numbers on which the cuts were based, hospital chiefs say; and the cuts particularly singled out teaching hospitals, whose profit margins used to look fat.

Frightening the hospitals still further, President Clinton's next budget proposes even more Medicare cuts.

Not everyone sympathizes, though. Complaints from hospitals that financial pinching hurts have become familiar refrains. Critics say the Boston hospitals are whining for more money when the only real fix is broad health-care reform.

Some propose that the rational solution is to analyze which aspects of the teaching hospitals' work society is willing to pay for, and then abandon the Byzantine old Medicare cross-subsidies and pay for them straight out, perhaps through a new tax.

Others question the numbers.

Whenever hospitals face cuts, said Alan Sager of Boston University, ''they claim it will be teaching and research and free care of the uninsured that are cut first.''

If the hospitals want more money, Sager argued, they should allow independent auditors to check their books rather than asking Congress to rely on a ''scream test.''

For many doctors at the teaching hospitals, the screaming is preventive medicine, meant to save their institutions from becoming ordinary.

Medical care is an applied science, said Dr. Allan Ropper, chief of neurology at St. Elizabeth's Hospital, and strong teaching hospitals, with their cadres of doctors willing to spend often-unreimbursed time on teaching and research, are essential to helping move it forward.

''There's no getting away from a patient and their illness,'' Ropper said, ''but if all you do is fix the watch, nobody ever builds a better watch. It's a very subtle thing, but precisely because it's so subtle, it's very easy to disrupt.''

A TRIBUTE TO MARCY VACURA SAUNDERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Marcy Vacura Saunders, the first woman to serve as Labor Commissioner in the State of California. Ms. Saudners' much deserved appointment to this position is an important milestone for working people and to Californians, and a tribute to her remarkable career and lifelong commitment to organized labor.

Ms. Saunders began her professional life as a flight attendant, and achieved the esteemed rank of Acting Chairperson of the Independent Federation of Flight Attendants. She led a successful National Boycott of Conscience against TWA's Carl Icahn. In 1987, Ms. Saunders joined the Building and Trades Council of San Mateo County. In 1993, she became the first and only woman in the United States to be elected Business Manager of a building trades council.

Mr. Speaker, Ms. Saunders' tireless and unwavering efforts on behalf of the Council membership have assured the gainful employment of countless Californians and improved the quality of life of many Bay Area families. In 1994, under Ms. Saunders' leadership, the Building and Trades Council stimulated a stagnant economy in the City of East Palo Alto through the formation of the East Palo Alto Building & Trades Alliance. In 1996, she helped to obtain resolutions from 12 cities and the County of San Mateo supporting California's prevailing wage laws.

Mr. Speaker, Ms. Saunders has demonstrated a tireless commitment to our community through her extraordinary volunteer service to organizations such as the United Way, the San Mateo County Convention & Visitors Bureau, the San Mateo County Exposition & Fair Association Board, the San Mateo County Commission on the Status of Women, the Redwood City Library Foundation, the San Mateo County/Redwood City Chamber of Commerce, the Soroptimist International, the San Mateo County Economic Vitality Partnership, the Shelter Network, LEADERSHIP San Mateo/Foster City/Burlingame/Hillsborough, START (San Mateo Recruitment and Training), and the Private Industry Council.

Ms. Saunders has been recognized for her selfless service as the recipient of the Soroptimist International's Women Helping Women Award, the Woman Of Economic and Social Development Award, the San Mateo County Labor Council C.O.P.E. Award, the United Way Labor Leadership Outstanding Volunteer Award, and the Mary Moshey Outstanding Community Volunteer Award. In 1994, Ms. Saunders was inducted into the San Meteo County Women's Hall of Fame as a tribute to her extraordinary achievements.

Mr. Speaker, in recognition of Marcy Vacura Saunder's exemplary professional and personal accomplishments, Governor Gray Davis selected her as the Golden State's top advocate for working people. I commend and pledge my continued support to a most remarkable woman, whom I am honored to call my friend, and whom San Mateo County is proud to call its own—California State Labor Commissioner, Marcy Vacura Saunders.

TEACHER APPRECIATION WEEK

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. UNDERWOOD. Mr. Speaker, it is with great pride that I speak in honor of our nation's teachers, especially in appreciation for the teachers of our children in Guam. In addition to being our children's instructors, they are also our children's counselors, mentors, and friends.

Teachers run in my family's blood. My father was a teacher, and so is my mother. My wife and I are teachers, and my daughter is also a teacher.

It is a vocation with such truthful and honorable intent that it attracts a diverse following. We have teachers who are idealists and strive to continually engaging young minds in mental, social and cultural challenges to teachers who are realists secure in their knowledge that for our nation to progress, our children must be provided the best books and resources possible.

Teachers are a hardy lot. They experience setbacks such as budget cuts, increasing class sizes, decrepit school buildings and outdated textbooks, yet they persevere.

In a way, all of us are teachers. In our daily lives we are constantly showing our children or our colleagues how to accomplish certain tasks or how to view certain issues. But it takes a special person to make teaching their

life's vocation. You must have a buoyant spirit, a gentle touch and an infinite amount of patience.

I would like to take this opportunity to especially congratulate one of these exemplary individuals on Guam, Ms. Barbara Gilman. She is Guam's 1999 Teacher of the Year and provides her excellent skills to the students of John F. Kennedy High School as their Physical Education instructor. It is not enough that Ms. Gilman has been featured in publications and the media, she has also won numerous awards on Guam such as the 1998 Outstanding Pacific Educator and a Resolution from the 24th Guam Legislature. Ms. Gilman's experiences are diverse. She is not only a current member of Phi Delta Kappa, the Guam Track and Field Association and the American Alliance for Health, Physical Education, Recreation and Dance, she is also involved in staff development leadership activities such as the current chair of the Fifth Guam Teacher Forum, a coordinator and presentor at the 1998 Women in Sports Day, and the 1995–1996 chair of the Governance Committee in Goals 2000. Ms. Gilman is an accomplished teacher and community leader. With 30 years of quality teaching experience under her belt, it is small wonder that she is being honored this year as Guam's Teacher of the Year.

I had a meeting with Ms. Gilman and she expressed to me the concerns teachers from all over the nation have expressed during their conference here in Washington in April. Among their concerns are students' equal access to education resources and funding, the improvement of teaching conditions through reduced class sizes and increasing access to equipment and communications, the encouragement of teacher development and leadership through the creation of teacher forums and mentoring programs, and the promotion of public understanding of involvement in educational issues such as school safety and certification.

The concerns listed by the Teachers of the Year are already addressed by President Clinton's plans to improve our nation's educational system. With the collaboration of Congress and under the leadership of Secretary Richard Riley, one of our nation's foremost educators, the U.S. Department of Education has implemented the first phase of its Class Size Reduction Initiative, a policy that sets out to hire 100,000 new teachers over the next seven years.

In light of the recent rash of school violence, the Safe Schools/Healthy Students Initiative grant program is timely. The program would fund 50 communities for up to three years to link existing and new services and activities into a comprehensive community-wide approach for violence prevention and child development.

The teachers and children on Guam will certainly benefit from these programs, and I will work hard to ensure that Congress will continue to support these programs.

Again, to America's teachers, I congratulate you on this special occasion. To our Guam teachers, you deserve our sincerest gratitude for your leadership and guidance in our island's schools. To Ms. Barbara Gilman, thank you for your dedication to our island's children and for exemplifying the values and talents of a true teacher and mentor.

FIRST BAPTIST CHURCH OF SHEEPSHEAD BAY CELEBRATES CENTENNIAL ANNIVERSARY

HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. WEINER. I rise today to invite my colleagues to pay tribute to the First Baptist Church of Sheepshead Bay on the occasion of its Centennial Anniversary.

The members of the First Baptist Church of Sheepshead Bay have long been known for their commitment to community service and to enhancing the quality of life for all New York City residents.

This is not only a festive happening, it is a chance for all of us to celebrate and pay tribute to a group of individuals who have dedicated their lives to spreading the word of God and to providing spiritual comfort to their friends and neighbors.

Knowing that the men of the Sheepshead Bay Race Track and their families needed a place to worship, Mother Maria J. Fisher held prayer meetings either in her parlor or in the front rooms of charitable community residents. The First Baptist Church of Sheepshead Bay, which was formally incorporated by the State of New York in 1901, was organized on May 21, 1899 by Mother Fisher and the Reverend George O. Dixon of Alexandria, Virginia. Members who attended the Church's organizational session included: Messrs. Joseph Braxton, Tom Greene, William Jackson and Mesdames Edna Adams, Jessie Bogart, Bertha Greene, Anne Johnson, Ida Shaw, Susie Tucker, and Mary Woods. Members who were not already Christians were converted and baptized in the Concord Baptist Church of Brooklyn, New York.

Upon their return to Sheepshead Bay, they joined forces with Mother Fisher to create the First Mission. The site of the Mission was on the corner of Avenue X and East 15th Streets. An old ice box was used for the Pulpit and the members donated lamps and chairs for the Church to use. When it was difficult to meet at the Church, members would convene at the home of Mother Fisher, who lived at 2362 East 15th Street.

Mrs. Lena McMillian served as the Mission's first organist while Mesdames Sarah Lowe, Alice Robinson, Fannie Winston, Bertha Greene, Fannie Brown and William Forehand raised their voices to the Lord in the Mission's first choir. While serving as the Church's first Sunday School Superintendent, Mrs. Fannie Winston started the tradition of providing area youngsters with the moral precepts that they would need to grow into law-abiding adults.

The members of the First Baptist Church of Sheepshead Bay have long been known as innovators and beacons of good will to all those with whom they come into contact. Through their dedicated efforts, they have each helped to improve my constituents' quality of life. In recognition of their many accomplishments on behalf of my constituents, I offer my congratulations to the First Baptist Church of Sheepshead Bay on the occasion of its Centennial Anniversary.

CENTRAL NEW JERSEY CONGRATULATES JOHN STEMLER III, EWING KIWANIS POLICE OFFICER OF THE YEAR

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HOLT. Mr. Speaker, I rise today to recognize John Stemler III of Ewing Township, who is being honored by the Ewing Kiwanis Club as the Police Officer of the Year on Friday, May 7, 1999.

This award is bestowed upon him by his peers in recognition of his constant willingness to go above and beyond the call of duty.

In February of 1994, he began his employment with the Ewing Police Department as a Communication Operator. After graduating from the Trenton Police Academy Basic Training Course, he was sworn in on August 16, 1994.

After being sworn into office, Officer Stemler was assigned to the Patrol Bureau where he rose to become a Field Training Officer. Officer Stemler is also a member of the Police Department Tactical Response Team. He has excelled with many letters of commendation for his outstanding work as a police officer.

Officer Stemler is a graduate of the Ewing Public School system and a lifelong resident of Ewing Township.

Mr. Speaker, Officer Stemler is a great example for Central New Jersey. I ask all my colleagues to join me in recognizing him.

INTRODUCTION OF THE YOUTH VIOLENCE PREVENTION PACKAGE

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. DEFAZIO. Mr. Speaker, I am proud to introduce legislation today to help combat the growing problem of youth violence in America. I began this effort last year in response to the needs identified following shooting at Thurston High School, in my hometown of Springfield, Oregon.

This legislation is designed to prevent youths from turning to violence by providing adequate crisis intervention and support services and to limit opportunities for troubled kids to obtain firearms. Politicians talk a lot about helping kids, but when it comes to putting money on the table, programs that invest in our children continue to go underfunded. We must do better, or we will continue to see tragedies like those in Littleton, Springfield, Jonesboro, Edinboro, West Paducah, and Pearl. My package will boost funding for prevention and intervention programs that have a proven track record for helping at-risk kids and families in crisis.

Following the Thurston shootings, community leaders, educators, law enforcement and medical professionals as well as Thurston students and their families worked to develop an action plan identifying several grant programs that address specific needs in our communities. However, to develop new initiatives

using these grants, or to expand existing programs, an increase in overall funding is essential. This package would provide this much needed funding for services to foster strong and healthy children, families and communities.

The causes of youth violence are extremely complex and there is no panacea. This package doesn't include everything communities may need, but it certainly addresses some of the key concerns our community has identified.

Youth Violence Prevention Act:

Increases funding for early childhood intervention programs such as Head Start.

Increases funding for juvenile justice delinquency prevention programs including court schools.

Increases funding for child abuse prevention programs focusing on community-based family preservation and crisis intervention programs.

Expands the National Guard's successful Youth Challenge program for troubled high school dropouts.

Provides incentive grants for states to implement a 72-hour hold for juveniles caught with a firearm on school grounds.

Authorizes expansion of the instant criminal background check system so a person who sells a firearm but is not a licensed dealer can check to see if a prospective purchaser is eligible to purchase a firearm.

Provides for a tax credit of up to $250 for the purchase of safe storage devices for firearms.

Requires manufacturers to provide trigger locks for all purchases of new firearms.

Requires safe storage of firearms.

MY SERVICE TO AMERICA

HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PETERSON of Minnesota. Mr. Speaker, each year the Veterans of Foreign Wars (VFW) and the VFW Ladies Auxiliary conducts the "Voice of Democracy" broadcast script writing contest. This years contest theme was "My Service to America". It is my pleasure to announce today that Bria Knorr, from Moorhead, Minnesota, is one of fifty-four national scholarship winners. Ms. Knorr reminds us that the spirit of service to our country remains strong among our nation's youth, and that individuals can make a difference. At this point, I'd like to enter Ms. Knorr's essay into the CONGRESSIONAL RECORD.

MY SERVICE TO AMERICA

(By Bria Knorr)

3,536,341 square miles, 2,807 miles from sea to shining sea, and populated by 270 million people. It's America and it's big. So large, in fact, that many people find it incomprehensible to think they could serve a country of such vast dimensions. It causes a person to wonder whether or not they can make a difference in a community of so many. However, if we page backwards through the history of our country, we find countless examples of single individuals changing America forever through their dedicated service.

One such man, traveling across the country as a doctor for Native Americans and settlers moving west was John Chapman. He is more commonly associated with the trail of apple trees he left where ever he went. To this day we hear of slightly legendized tales of the heroic self-sacrificial acts of a man committed to helping settle this great nation. Not only was he serving America in the eighteenth century, but also the many generations who would come to love his apple trees and his legends.

Another guide, traveling south and north rather than east and west, embodied the idea of advocating a principle through the liberation of peoples. Under the cover of darkness Harriet Tubman repeatedly risked her life to bring slaves out of servitude and into freedom. Her development of the underground railroad improved the lives of hundreds of runaway slaves.

The powerful motivator and leader, Dr. Martin Luther King Junior, chose to serve his country by speaking out against the hypocritical idea that all men were created equal but should not be treated that way. Through peaceful protest, this passionate man drew the attention of the country to the injustice of segregation. His service did not end when his life did, but goes on through the idea of equality he brought to the United States.

Single individuals can and have made a difference throughout the course of our history. But these greats are few and far between. Most of us never have the opportunity to render our services on such a scale. Are we worthless to our country? How can we serve this nation, this body of people?

I'd been regulating pumps for six hours and now it was in the dead of night; the purring of the pumps and the swish of water being mopped down the drain droned on monotonously as it had all night. When my family and I had gotten here, this couple had been manning their pumps 'round the clock for four days just to keep the rising flood waters from filling their basement. Their cistern would fill and need to be pumped out every fifteen minutes and water was running into the room through cracks in the cement floor. I was tired and uncomfortable and the air was cold. One more hour and my shift would be over. My thoughts drifted upstairs to the exhausted couple who were getting the first real sleep tonight that they'd had in days. I thought that tonight I might have been home in my warm bed. Instead, I was in a clammy basement, fighting off sleep to flip a switch every fifteen minutes and mop up water that would cover the floor just as soon as you finished pushing the last batch down the drain. I thought of Dr. Martin Luther King Junior, of Harriet Tubman, of John Chapman. I wasn't aiding anyone to freedom, I wasn't risking my life for an ideal, I wasn't improving the United States on a grand scale. But maybe this was grand for these people whose home I was protecting. I was doing something grand for some small part of the country. Perhaps that is what defines my service to America. For what is one foot in the 5,280 that make up a mile? Except that it wouldn't be a mile without it . . ."

RECOGNITION OF THE FIRST ANNUAL MEMORIAL DAY FOR THE GAY, LESBIAN, BISEXUAL AND TRANSGENDER COMMUNITY

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. NADLER. Mr. Speaker, I rise today in recognition of the first annual Memorial Day for the Gay, Lesbian, Bisexual and Transgender community. This special day has been established to remember the many who have lost their lives due to killings, beatings, and suicides that have resulted from the homophobic attitude prevalent in our society and throughout history.

Every year, on the anniversary of the Warsaw ghetto uprising, the world commemorates Yom Hashoah or the Day of Remembrance for the Holocaust. Although several museums throughout the United States and Europe include exhibits recalling the homosexual experience during the Nazi era, most Yom Hashoah services fail to mention that part of Hitler's reign of terror was the systematic attempt to eliminate homosexuals from Germany. It is estimated that, under his plan, tens of thousands of homosexuals were arrested and thousands were confined to death camps along with others he deemed "undesirable." Today's solemn remembrance is part of an effort to remove the veil of silence about this tragic history of persecution and killing, underscore the seemingly endless chain of hate crimes, and provide education aimed at eradicating intolerance and violence against gay, lesbian, bisexual and transgender persons.

I salute Congregation Beth Simchat Torah, the Church of the Holy Apostles, the International Association of Lesbian and Gay Children of Holocaust Survivors and the many other religious and community organizations that have joined in coalition to cosponsor today's solemn commemoration of the many lives lost as a result of a national reaction to homophobia. May their lives serve as reminders of the horrors of prejudicial acts of this kind. Let us honor their memory by committing ourselves to ending bigotry toward all people regardless of who they are or who they love.

TRIBUTE TO PETER MARONE

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PALLONE. Mr. Speaker, on Friday, May 7, 1999, the Ocean County, NJ, Democratic Party will pay tribute to Peter A. Marone on the occasion of his retirement as Assistant Supervisor and Investigations Coordinator of the Ocean County Board of Elections. Mr. Marone has served in this post since 1979.

Peter Marone has been a leader in political, civic and community affairs in Ocean County for as long as most area residents can remember. He was a member of the Point Pleasant Borough Governing Body for three decades (the 1970's, 1980's and 1990's), including a term as mayor from 1979–1982, and

two periods of service as a Councilman, from 1974–78 and 1989–91. He also was a member of the Point Pleasant Planning Board from 1979–82, and he served as Acting Administrator of the Borough from 1979–82. In 1976, he was appointed by former New Jersey Governor Brendan Byrne to the Open Access Public Beaches Study Commission. He has been a loyal and active member of the Ocean County Democratic Committee, serving as Treasurer and Sergeant-at-Arms from 1985–1999. He also currently serves as a New Jersey State Committeeman.

Peter Marone's service to his community and our country goes back decades. A New Jersey native, Mr. Marone served in the Korean War from 1948–52, and is a Life Member of the Disabled American Veterans. He is a member of the Chosin Few (Korea–1950) Exclusive Fraternity, and has been decorated with the Japan Occupation Ribbon and the Korean Campaign Ribbon with five bronze stars. A past Senior Vice Commander of the Veterans of Foreign Wars, he is a member of VFW Post 4715, and American Legion Post 196. He is also a member of the Loyal Order of Moose.

Peter and Doris Marone have been married 42 years, and they have three children. A communicant of St. Martha's Roman Catholic Church in Point Pleasant, Peter enjoys a number of activities besides politics—but he enjoys nothing more than his seven grandchildren.

As his friends and colleagues in the Ocean County Democrats pay tribute to Peter Marone, I want to add my voice to all those wishing him well and thanking him for so many years of steadfast service, solid leadership and true dedication to his town, county, state and nation.

CONSTITUENT COMMENTS ON CHANNEL ONE

HON. VAN HILLEARY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HILLEARY. Mr. Speaker, one of my primary concerns, as a member of the House Education and the Workforce Committee, is the education of our children. In this regard, we are always looking for new creative ways to improve our educational system. More and more, the private sector is providing teachers and schools with these creative ways to help our children learn.

I am pleased to commend the informative feedback given by one of my constituents as a result of his first hand observation of the Channel One experience in Manchester, TN. Gary Dyer is the Director of Accountability and Technology of the Manchester City Schools. His letter to Mr. Jeff Ballabon, Executive V.P. for Public Affairs for the Channel One Network, is as follows:

DEAR MR. BALLABON: It is my pleasure to write to you concerning this school district's experience with Channel One. We have been a part of the Channel One family at Westwood Junior High School since 1991. During this time, our experience with the Channel One Network has been very positive. As Director of Accountability/Technology, I have had the opportunity to be in the school on numerous occasions during the Channel One broadcast. I have personally observed that the students are very attentive during this broadcast and that the teachers have used the broadcast material to supplement and enrich their instruction over these years. I have not heard of one negative comment about Channel One from students, teachers, or parents. In addition to providing televisions for most of our classrooms, Channel One has provided hours of current, relevant, and timely information. Channel One is an excellent program, and the Manchester City School District is pleased to be a member of the Channel One family.

Sincerely,

GARY W. DYER
DIRECTOR OF ACCOUNTABILITY/TECHNOLOGY.

READING TOGETHER USA AND READING TOGETHER ADULT TUTORS PROGRAMS IN NORTH CAROLINA

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. ETHERIDGE. Mr. Speaker, as the former North Carolina Superintendent of Schools and the Second District's Congressman, I rise today to call the attention of the Congress to the Reading Together USA Program and its extension by the proposed Program Reading Together Adult Tutors in North Carolina.

Reading Together USA is a peer tutoring reading program launched to improve the reading fluency and comprehension skills of second grade students with the help of fifth grade tutors. The program was collaboratively developed by University of North Carolina—Greensboro, Guilford County Schools, and the National Council of Jewish Women Institute for Education and Innovation at Hebrew University in Jerusalem. Materials used are developed by the reading research literature, an institutional framework that has proved to be a well developed support system.

Highly acclaimed by students and tutors, parents and educators, Reading Together USA is a systematic and cost effective program to improve reading and comprehension skills of youngsters. The program received governmental funding in the amount of $750,000 both in 1998 and 1999. Reading Together USA consists of nine training sessions for the fifth grade tutors who work with the students in thirty tutorial sessions. The students and tutors meet twice a week for 35 to 45 minute sessions. Furthermore, to determine the effectiveness of a session, the tutors meet their students twice a week to plan and prepare for the next session.

The response to Reading Together USA has been very positive as students have gained positive reading experience at a level that helps them to develop fluency and reading comprehension. Their tutors have also developed leadership, organization and human relation skills.

Because of enormous success of the program and to meet the growing demand for tutors the extension of Reading Together USA by Reading Togehter for Adult Tutors has been proposed. This program builds on Reading Together USA but features adult tutors targeting especially parents tutoring students at home and volunteers working with youngsters in schools in after school programs. The estimated cost of the two programs is $2 million annually.

Study after study has demonstrated that sound reading skills are essential to a student's academic achievement. Students who learn to read well gain the ability to excel in other subjects and enhance their overall educational performance. Reading is a particular important ingredient for success in the Information Age and Congress must support innovative efforts to improve reading.

Mr. Speaker, I commend the great achievements of Reading Together USA and strongly support its proposed extension Reading Together Adult Tutors. Education holds the key to our nation's future. Education leads to progress. One of the most important responsibilities we have as a society is to provide quality education for all of our children that is crucial to succeed in a competitive global environment.

I encourage my collagues to join students and tutors, parents and educators to support both Reading Together USA and Reading Together Adult Tutors and to allocate the necessary fund for the Fiscal Year 2000.

EXPRESSING SENSE OF HOUSE IN SUPPORT OF AMERICA'S TEACHERS

SPEECH OF

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1999

Mr. LAMPSON. Mr. Speaker, I rise today to pay tribute to the thousands of men and women who help our children learn during National Teacher Appreciation Week.

As a former high school teacher, who is married to a special ed teacher, I know both the joys and challenges teachers face every day.

I remember the sense of excitement my students shared with me when we watched Neil Armstrong step onto the moon in 1969. I will never forget the gleam in their eyes and their new-found enthusiasm about space and science.

I also know about the challenges. My wife, Susan, faces children with not only physical and developmental disabilities, but also emotional problems and mental illness. But, special ed teachers aren't the only educators who face emotional and behavioral problems.

Unfortunately, many of our children suffer from physical and emotional abuse, or live in homes wrought with substance abuse and violence. Teachers, alone, cannot solve all of society's ills. We, as a broader community, must help our teachers reinforce the lessons taught in school by getting involved with their education.

In closing, Mr. Speaker, on behalf of parents and grandparents everywhere, I'd like to thank

our nation's teachers for helping the next generation succeed.

MASSACHUSETTS CONGRESSIONAL DELEGATION WELCOMES THE INTERNATIONAL REGATTA

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. MOAKLEY. Mr. Speaker, on behalf of the Massachusetts Congressional Delegation, I am submitting the following statement that welcomes an international regatta of spectacular sailing ships that will visit the Commonwealth of Massachusetts and the city of Boston on July 11–16 in the year 2000. We anticipate a fantastic event and look forward to welcoming the world to Massachusetts and Boston.

SAIL BOSTON 2000

(July 11–16)

The Commonwealth of Massachusetts and the City of Boston officially welcome you to join with us in celebrating the New Millennium with a magnificent gathering of Tall Ships from all over the world from July 11–16 in the Year 2000.

The entire Massachusetts House Delegation in the United States Congress, Governor Paul Cellucci, both houses of the Massachusetts Legislature, and the Mayor of Boston, Tom Menino, are delighted to welcome the World's Tall Ships to Boston and to accept the American Sail Training Association, and International Sail Training Association invitation to serve as the Official Race Port for the Millennium Transatlantic Regatta Sailing from Boston to Halifax, Nova Scotia, and on to Amsterdam.

On July 11–16, in the Year 2000, the City of Boston and port cities and towns in Cape Cod and along the coast of Southeastern Massachusetts will host an international regatta of sailing ships to culminate in a Parade of Sail led by the U.S.S. Constitution, the oldest commissioned war ship in the United States Navy.

In 1992, when Boston hosted the most majestic and most successful Tall Ship event in the United States, over 150 sailing ships, and representative warships from over thirty-five nations graced the port of Boston with grand, international good will. Thousands of crew members mixed with over 7 million visitors from all over the world over a six day period, celebrating Boston's unique maritime history and cultural diversity.

From all accounts, Sail Boston 2000 will surpass the success of its predecessor in 1992. We have, to date, secured commitments from over eighty Sailing Ships and continue to work in conjunction with the United States Government and the international sailing community to once again share our magnificent harbor with the world.

FIRST TIME HOMEBUYERS ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. GOODLING. Mr. Speaker, today I am introducing the, First Time Homebuyers Act, which will make the American Dream of owning a home a reality for thousands of renters and low income families. Today renters often pay as much for rent as many homeowners pay for a monthly mortgage payment. It is not surprising that a recent Fannie Mae National Housing Survey found that 60% rank homeownership as their top priority in life.

To many Americans, homeownership means financial, psychological and familial security. This is especially true for minorities, younger Americans and those with lower incomes. Homeownership means a stronger economy, after neighborhoods and a better quality of life. Mr. Speaker, given such an optimistic view of homeownership, why do so many individuals continue to rent? According to the Fannie Mae survey, renters cite the expense of a down payment as the major obstacle in their ability to afford a home.

Several years ago, I visited a home builder in York, PA, located in my Congressional District, who developed a unique and innovative arrangement in which moderately priced single-family homes are constructed for purchase with no down payment. A local financial institution finances 80 percent of the loan, while the builder the remaining 20 percent as a second mortgage. This creative financing plan makes the purchase of a home affordable for financially responsible, hard-working people who want to buy a home, but can not afford the down payment.

However, the Tax Code penalizes builders who finance the down payment on behalf of the purchasers. Currently, the Tax Code limits a builder's ability to finance second mortgages because it assumes that the buyers are paying the entire balance of their tax obligations in the year the property is purchased. The law also requires builders to pay taxes on the entire amount of the of the income received from a mortgage in the year the purchase is made. For a builder, it becomes almost impossible to pay these taxes, not having cash on hand to do so until received at a future date. In other words, the Tax Code prohibits a builder from using the installment method to calculate their tax liability. This situation places a builder in a financial bind and jeopardizes the future of this and similar housing programs.

The First Time Homebuyers Act will enable a builder to use the installment method to calculate their tax liability under certain specific circumstances. This bill applies to any one family, owner-occupied unit. The purchasers must be a first time homebuyer who qualifies for 100 percent of the loan. Further, the legislation directs that a second mortgage on the property be no more than 20 percent of the sale price and applies only to single-family homes costing no more than 75 percent of the median home price for newly constructed one-family residential real property in a given area.

Mr. Speaker, I urge my colleagues to cosponsor this legislation which is specifically geared to helping those who need the most assistance buying a new home. With your support the First Time Homebuyers Act, can make the American Dream an American reality.

HONORING JACK C. HAYS HIGH SCHOOL REBEL BAND

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PAUL. Mr. Speaker, the Jack C. Hays School Rebel Band of Buda, Texas, recently earned the distinct honor of being selected for the 1999 "Sudler Flag of Honor" award from the John Philip Sousa Foundation. This award is the highest recognition of excellence in concert performance that a high school band can receive. During the 17 years the award has been in existence, only 39 bands from the entire United States and Canada have been selected for the Flag of Honor award. Conductor Gerald Babbitt and his Rebel band deserve our praise and recognition on the occasion of receiving this prestigious award.

The John Philip Sousa Foundation designed this award to identify and recognize high school concert band programs of very special excellence at the international level. To be eligible for nomination, a band must have maintained excellence over a period of many years in several areas including concert, marching, small ensemble and soloists. The director must have been the conductor of the band for at least the previous seven consecutive years including the year of the award.

Each recipient receives a four-by-six foot "Flag of Honor" which becomes the property of the band. The flag is designed in red, white and blue and bears the logo of the John Philip Sousa Foundation. The conductor receives a personal plaque and each student in the band receives a personalized diploma.

Mr. Speaker, it is indeed an honor to have such an outstanding high school band in the 14th Congressional District. I am delighted to extend my hearty congratulations to them. Their hard work and dedication is an inspiration to us all.

STATEMENT ON THE NATIONAL DAY OF PRAYER

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HAYES. Mr. Speaker, I begin with the following quote: "Without the assistance of the Divine Being who ever attended him, I cannot succeed. With that assistance I cannot fail. Trusting in Him who can go with me, and remain with you, and be everywhere for good, let us confidently hope that all will yet be well."—Abraham Lincoln as he began his inaugural journey from Illinois to Washington, D.C., February 11, 1861.

Mr. Speaker, throughout the history of our Nation, leaders have turned to prayer for guidance and inspiration. Our Founding Fathers built this country on the principle that its citizens had a God-given right to freedom, liberty and the pursuit of happiness.

Since that time, America has been a beacon for millions in search of religious freedom.

The first Thursday of May of each year is set aside as the National Day of Prayer. This

day serves to recognize the important role of prayer in our nation's past, present and future.

We recognize today, Thursday, May 6 as the National Day of Prayer. Because of the recent events here at home and abroad, I believe this day has a special significance this year.

The recent events in Yugoslavia and Colorado have sharply reminded us that life is fragile and sometimes fleeting. While our nation is troubled by the senseless death and destruction that surrounds the war in Europe and the shooting in Littleton, we can take comfort in the fact that our nation is also actively working to repair and heal itself.

As a new member of Congress, I have been thrust into the middle of the many policy debates that shape our nation. Often times there are tough choices to be made, and I am comforted by the fact that I have the ability and the freedom to turn to prayer as a source of guidance.

I hope that we as a nation will make time everyday for a period of prayer and reflection.

PLEDGING SUPPORT FOR THE TRUTH IN ROCK ACT

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. HINCHEY. Mr. Speaker, I rise today in support of legislation authored by my friend and colleague, Mr. KUCINICH of Ohio. The Truth in Rock Act would protect rock and roll's early heroes from the victimization of imitators by changing the trademark laws that allow the imposters to get away with it.

Under current trademark law, the original members of performing groups cannot use the names that made them famous without risking copyright infringement. But the original artists can be replaced by imposter performers who make recordings and sell concert tickets under their names.

You can buy a concert ticket to see the Drifters or the Coasters perform this summer. You'll be surprised to see on stage performers who are not the original Drifters or Coasters. You won't be listening to the memorable voices of those legendary artists; you'll be listening to their imitators.

The law allows the imposters to perform as the Drifters or the Coasters. Under that same law, the original members of the Drifters and the Coasters cannot mention their past affiliation with these bands.

This is a widespread practice that takes advantage of recording artists and consumers. The Truth in Rock Act corrects this inequity by permitting original recording artists to seek damages from the imposters. More importantly, it gives the original members of rock bands the right to advertise their ties to the groups they founded.

Tomorrow night I'll be joining a group of legendary recording artists who have been victimized by the trademark laws. These musicians are working hard to raise awareness on this issue and I'm proud to join them. They deserve the support of this Congress.

150TH ANNIVERSARY OF THE STATE OF MINNESOTA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. VENTO. Mr. Speaker, I rise today to recognize the 150th anniversary of the territory of Minnesota and the counties of Dakota, Washington and Ramsey, the St. Paul Pioneer Press, the Minnesota Historical Society and Gibbs Farm in Falcon Heights, Each of these institutions have contributed to the culture and societal foundation of our great state!

The Saint Paul Pioneer Press has been a reliable source of information and communication for St. Paul and the surrounding communities. I commend them on their objectivity and thorough coverage of important events throughout Minnesota and the world and for spawning many rival newspapers, especially the Minneapolis Star Tribune.

The Gibbs Farm serves as a reminder of the origins of Minnesota. The original fabric of the Gibbs Farm, now in an urban setting, continues to teach and entertain our citizens with weekly events, and acts as a window into history. This is an unique and valuable resource for many citizens in the urban area.

The Minnesota Historical Society has become an icon in Minnesota; a treasure of information and preservation advocacy about who we are and where we have come from Exhibit symbolize important events of our past, and educate us on the importance of the future. Several exhibits planned for the fall will be centered around the sesquicentennial celebrations.

Even as a territory, Minnesotas' first counties took shape before the formation of our state. The lines that were drawn established more than boundaries. The community spirit we feel today was forged in the early years of our existence and these first counties—Ramsey, Dakota, and Washington—reflect our leaders heritage and geographic governance, then and now.

As a former teacher, i understand the importance of learning from history. The origins of our great state are important to our citizens today, and these institutions have played an important role in shaping and crafting the state. Physical reminders and symbolic entities encapsulate the heart and soul and the essence of what it is to be a Minnesota, As we employ the inspiration and lessons from our past, may we put them to such a good use as our antecedents.

Mr. Speaker, I submit for the RECORD an article from the April 25th edition of the St. Paul Pioneer Press highlighting this historical landmark.

150TH ANNIVERSARIES CELEBRATE HERITAGE, SPUR OPTIMISTIC DISCUSSIONS OF FUTURE

(By Heather Johnson)

Twin Cities native Leah Otto was intrigued that St. Paul's designation as territorial capital 150 years ago in 1849 helped spur a boom that more than tripled the city's population in five years—from 1,358 in 1850 to 4,716 in 1855.

That tidbit was among the facts she gleaned while doing research for the city's sesquicentennial.

Such trivia is what Otto, assistant director of marketing and promotions for St. Paul, hopes will be shared throughout the year as the city celebrates its history as the capital of, first, the Minnesota Territory and, since 1858, the state of Minnesota.

Since that initial burst of growth, she said, the city has kept thriving, a sign residents continue to feel St. Paul's pull.

St. Paul isn't alone in pausing this year to reflect on accomplishments and goals with explorations of the past, assessments of the present and optimistic discussions about the future. 1999 also marks the 150th anniversary of the organization of the Minnesota Territory and Washington, Ramsey and Dakota counties, as well as the Minnesota Historical Society, Gibbs Farm in Falcon Heights and the St. Paul Pioneer Press.

''There's a lot to commemorate,'' said Priscilla Farnham, executive director of the Ramsey County Historical Society, speaking of the Gibbs historic site and the other sesquicentennial celebrators.

While they all share a common thread—growing together—each has had a distinct role in Minnesota history. The sesquicentennial is the perfect time, say celebration organizers, to educate people about those rules.

''It gives us an opportunity or an excuse to look back on the past,'' said Brian Horrigan, curator for ''Tales of the Territory Minnesota 1849–1958,'' an exhibit that will open this fall at the historical society's Minnesota History Center. ''It's important for people to understand the connection between the present and the past.''

One goal is to dispel common misconceptions about the state's heritage, he said.

''I think people think in polar terms, that here were white settlers and Indians, when in fact there was a mix of people here,'' Horrigan said.

Also, he said, not all Minnesotans see the 150th anniversary of the Minnesota Territory as worthy of celebration.

''It was like an earthquake or a tidal wave—it was catastrophic for the Indians,'' he said of the population boom in the mid-1800s.

Recognizing such perspectives is part of a new way of viewing history, Horrigan said. It recognizes that ''Minnesota'' existed before it had its name, he said.

We're trying to bring Minnesota more in line with this new Western history, looking at the history of settlement not as history of triumphant conquering of the land. This is a much more complex story,'' he said.

While paying tribute to the territory, the society also is celebrating its creation, which preceded the state it serves by nine years.

Gibbs Farm this year is attempting something similar as it focuses on the Dakota Indians.

''Most people don't have a clue what sort of society they had,'' Farnham said. ''It was a very fine culture. They had the very highest standards of workmanship. They were very efficient gardeners . . . I think it's just we plain don't know, and that's part of what I see our role is in commemorating the 150th anniversary.''

Gibbs Farm, established by Jane BeDow Gibbs and her husband, Herman Gibbs, is open May 1 through Oct. 31 and features special events each weekend.

''One of the things we are going to be doing this summer is breaking ground to build a replica of the original sod house, which was built in 1849,'' Franham said. An interpretation of Jane Gibbs' association with the Dakota Indians will also be added, she said and

the creation of a Dakota bark lodge will demonstrate Dakota heritage.

St. Paul and the three East Metro counties are also showcasing their heritage.

''We're celebrating our distinguished past and our promising future,'' said St. Paul's Otto. ''We're celebrating what we have. We're celebrating what brings personality and charm to St. Paul.''

That includes hosting, along with the Pioneer Press, 150 Pioneer Parties throughout the city. Events will span the whole year and include the city and surrounding area.

The Pioneer Press' role shows its continuing commitment to the community, said Marti Buscaglia, Pioneer Press vice president for market development.

''We have had a relationship with the community for 150 years and have been very much a part of that community, both in forming it and being its voice and its mirror,'' Buscaglia said. ''As we go forward, it's important for us to continue that relationship with the community and to really serve as the local paper for St. Paul and the surrounding suburbs . . . to get to know our customers better, find out what their needs are and be able to give them what it is they want from their newspaper and from the newspaper as a corporate citizen.''

At the county level, Ramsey is encouraging residents to volunteer at events.

Ramsey County is very community oriented,'' said Ramsey County Commissioner Victoria Reinhardt. ''There's nothing more community oriented than celebrating your history.''

Residents can learn a lot along the way, she said.

''A lot of people are surprised—It's like '150 years? Really?'1A'' she said.

As for the future, ensuring that St. Paul and Ramsey County remain economically strong is a goal, Reinhardt said.

In Washington County, organizers are celebrating the area's opportunities as well as its past, said Washington County Commissioner Dick Stafford.

''We can drive, in a few miles, from lakes and streams to oil refineries and moderate to million-dollar homes,'' Stafford said. ''We've got every kind of industry you can imagine and every kind of recreation you can imagine . . . You've got every ethnic background you can think of, you've got every profession you can think of. It's probably a great microcosm of America.''

Dakota County's sesquicentennial is ''a work in progress,'' said Patrice Bataglia, county commissioner and co-chair of the project. Besides celebrating, the county hopes to educate residents, she said.

''What's so important is that it's the fastest-growing county,'' Bataglia said, citing the thousands of people who move to the area each year. ''So many people who are moving to Dakota County are looking for an identify with Dakota County.''

Reinhardt believes everyone can benefit from 150th anniversary celebrations.

''You really need to look back in order to know how you got to where you are and figure out where you want to be,'' said the Ramsey County commissioner.

''It's a celebration of our ancestors and our history, but more important than that, it's looking at how far we've come.''

BANKRUPTCY REFORM ACT OF 1999

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 833) to amend title 11 of the United States Code, and for further purposes:

Mrs. MINK of Hawaii. Mr. Chairman, I rise to express my opposition to the passage of H.R. 833, the Bankruptcy Reform Act of 1999. I will vote 'No' on final passage, not because I believe that the bankruptcy system doesn't need reformulation, but because H.R. 833 is an unbalanced piece of legislation which does not offer the flexibility to accommodate the diverse circumstances confronted by debtors and bankruptcy courts.

The American Bankruptcy system was designed to give individuals who found themselves in insurmountable debt the chance to start over again. H.R. 833 threatens the promise of a fresh start by forcing the myriad situations debtors face into a narrow, rigid formula. The strict, Internal Revenue Service ''means test'' used to calculate the average monthly expenses for all debtors does not even account for regional income and cost of living differences. In my own state of Hawaii, the cost of living is high. This provision will unjustly penalize my constituents who seek bankruptcy relief because their actual, higher living costs will be ignored. H.R. 833's proponents consistently refused proposals to create a more flexible means test.

H.R. 833 strips bankruptcy judges of the power to determine that exceptional circumstances exist in certain cases and adjust monthly expense allowances to accommodate such situations. Instead of seeking to find the best course of action to help debtors become solvent, H.R. 833, as amended, allows bankruptcy trustees who transfer their clients' petitions from Chapter 7 to Chapter 13 to be paid for doing so. This is bad, lop-sided policy.

H.R. 833 rewards credit card companies' practice of pushing easy credit on debt heavy clients. They are the only winners in this debate. The policy to force more debtors from Chapter 7 bankruptcy into Chapter 13 bankruptcy benefits only those creditors whose debts are dischargeable in Chapter 7 and not under Chapter 13: Credit Card Companies. H.R. 833 makes credit card debt nondischargeable under Chapter 13 and puts these debts in the same category as child support and alimony payments.

I believe that people should be held personally accountable for their debts. I voted Yes on the substitute bill offered by Congressman NADLER, which would have reformed bankruptcy provisions in a fair, balanced manner. I regret that Mr. NADLER's restructuring substitute did not pass. I voted to pass the amendment offered by the Chairman and Ranking Member of the Judiciary Committee, Congressman HENRY HYDE and Congressman JOHN CONYERS which created a flexible method of computing a debtor's monthly living expenses by providing guidelines to account for extenuating circumstances. This bipartisan amendment balanced a creditor biased bill. The Hyde-Conyers amendment also failed.

As the bill stands, I am unable to vote for it.

HONORING SPRAGUE HIGH SCHOOL

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. HOOLEY of Oregon. Mr. Speaker, I stand before you this morning to salute Sprague High School in Salem, Oregon, which has been named a 1999 ''Grammy Signature School, Gold Award.''

I want all my colleagues in Congress, everyone involved in the Sprague Music Department, and everyone who cares about kids and music to know how proud I am of them and of this accomplishment.

The Grammy Signature School Program is a special part of the Grammy Awards that recognize professional artists. We've all seen the Grammy Awards on television, and this Signature School Program is a special part of that prestigious recognition that singles out excellent high school music programs.

I am delighted to congratulate Sprague High School as one of sixteen schools across the country to receive the inaugural Grammy Signature School Program award.

Salem's Sprague High School is known world-wide as a high school that is committed to fine music. Whether it is the orchestra winning world-wide awards in Europe, the choir taking top national honors, or the band setting toes to tapping across the continent, Sprague teachers and students have worked hard together to make music that inspires.

These days, it's not easy teaching things that some people think are ''extras,'' and music programs are often the first to land on the budget chopping blocks.

But anyone who has seen children in an orchestra practice, or heard the voices of a high school choir warming up in harmony, or delighted to the improvised rhythms of a high school jazz ensemble, knows that music and the arts aren't ''extras'' at all.

Those are essential elements not only of critical thinking and intellectual discipline, but also important places of physical and emotional refuge for students who are inspired by the arts. We are all too keenly aware of the need for students to have a sense of belonging in their schools, and by honoring the arts, we honor those students who thrive in the arts, and by encouraging them our culture is enriched.

So I am proud today to stand before you to honor the parents, teachers, music directors, principal Mark Davalos, and especially the students who pour their hearts and souls into creating music that brings joy to all.

IN SUPPORT OF AN AMENDMENT TO THE SUPPLEMENTAL APPROPRIATIONS BILL PROVIDING COMPENSATION TO THE FAMILIES OF THE RON BROWN PLANE CRASH IN CROATIA

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. NORTON. Mr. Speaker, after much soul searching, the families of the victims of the military plane carrying Commerce Secretary Ron Brown that crashed in Croatia on April 3, 1996, have allowed us to introduce this amendment. It would provide up to $2 million in compensation for each of the families of the tragic accident. This amendment is not what the families requested, nor is it what I sought when I first introduced the Ron Brown Tort Equality Act on April 15, 1997. Although this amendment would close the books on the accident, it would not render complete justice to the families; would do nothing to assure that there would not be similar victims of military aircraft in the future; and would have no deterrent effect to ward off serious negligence in the future. Yet surely this amendment is what is minimally required.

The Ron Brown Tort Equality Act had nearly fifty cosponsors in the last Congress and we are on our way to that and more now. This is a notably bipartisan bill in no small part because the victims originated in 15 states and the District of Columbia. The Ron Brown Act would allow federal civilian employees or their families to sue the federal government but only for gross negligence by its officers or employees and only for compensatory damages. Because there will be few instances where gross negligence can be shown, this is a small change in our law. There also were non-federal employees on that fated plane for whom no compensation is possible today. Astonishingly, federal law does not allow compensation when private citizens are killed or injured overseas. Yet, private citizens can sue under the Act for the same injuries when they occur in this country. The Ron Brown Act would allow individuals who do not work for the federal government, or their families, to sue the United States for negligent or wrongful acts or omissions that occur in a foreign country.

This tragic accident yielded great sorrow and mourning by the nation and members of this body. The mourning period is over, colleagues. It is time now to compensate the families.

NEW DIRECTION FOR OUR NATION'S HEALTH CARE

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Ms. SCHAKOWSKY. Mr. Speaker, "The crisis in American health care is real and getting worse." Those words appeared in an editorial today in The Washington Post, written by two distinguished scholars, former U.S. Surgeon General C. Everett Koop and John C. Baldwin, vice president for health affairs at Dartmouth College.

I hope my colleagues will take a few minutes to read about the state of health care in our nation. Dr. Koop and Dr. Baldwin pointedly stress that universal access to health care must become a national commitment and will require a national investment. As important, they argue against the idea that health care should be treated as a commodity, saying that "(w)e must rid ourselves of the delusion that it is a business, like any other business."

At a time when 16 percent of Americans have no health insurance, health care costs are skyrocketing, and medical decisions are made by HMO executives beholden to shareholders, bold solutions are needed. As Dr. Koop and Dr. Baldwin state, "(o)ur problem is a failure of distribution, a failure to extend care to all of those who need it and a failure to recognize the importance of applying scientific rigor to the problems of broad-based health care delivery. If state-of-the-art American medicine were offered to our citizens in a comprehensive way, our levels of public health would be unexcelled."

They also recognize that we can not continue on our current path, to spend more than any industrialized nation in the world while providing less. Correctly, they conclude that "the movement over the past few years to turn health care into a 'business' through health maintenance organizations and other stratagems has not worked to the satisfaction of most Americans." Indeed, it is time for a new direction.

The crisis in American health care is real and getting worse. A record 16 percent of Americans now have no health insurance—a grave situation that will not be solved by conventional business models. Indeed, the movement over the past few years to turn health care into a "business" through health maintenance organizations and other stratagems has not worked to the satisfaction of most Americans.

Frustrated, legislators across the political spectrum pursue the notion that legislative tinkering will solve the problems. But since the derailment of President Clinton's health reform plan in his first term—and particularly since the elections of 1994—the country has slipped or been lulled into a false sense of confidence that the real and worsening crisis in American health care can somehow be solved by implementation of "reforms" based on such euphemistic concepts as "gatekeepers," "pathways," "preexisting conditions," "risk pools" and other impediments to access—all disguised as tools of efficient management.

To be sure, health care costs have risen too rapidly in the past 20 years. Highly paid providers and administrators and exceedingly profitable health care corporations have played a role, though their contributions to rising costs have been less important than the effects of an aging population and the continual introduction of new technologies. But we must not abrogate our responsibility to make difficult choices in the vain hope that a "free market," profit-based system somehow will solve the problem for us without our doing anything.

If health care were a business, it would be a strange one indeed—one in which many sectors of the "market" could never be profitable. People with AIDS, most children with congenital, chronic or catastrophic illness, poor people, old people and most truly sick people could never pay enough to make caring for them profitable.

Over the past few years, nevertheless, we have often heard that "health care is like any other product; you buy what you can afford." Most proponents of this idea quickly add that of course "basic" health care should be provided. But what does this mean? Suppose two children, one in an uninsured family and one in a well-insured one, both developed leukemia, a treatable and often curable illness. What is the basic level of care each child is entitled to?

HMO executives properly emphasize that their responsibility is to shareholders. That responsibility is defined in terms of profit and stock price. The volume and market-share considerations in this "business" require aggressive pricing. Sustained profits, in turn, require aggressive cost-cutting. This results, inevitably, in restriction of access and withholding of care.

Both these things may well be necessary to improve efficiency and cut costs. But do we really want to relegate such decisions to analysts within the health care industry, or should we assert the public interest in these crucial ethical, societal and medical issues?

We nod our heads when we are told that the percentage of our GNP spent on health care is "too high" and that inefficiency, the "fat" in the system, results in its providing less effective care than is available in other industrialized nations that spend a lesser percentage. But this argument is specious. The American biomedical research endeavor, supported in the main by the taxpayers, had led the world for more than 30 years and continues to do so. Attendance at any medical scientific meeting anywhere in the world confirms this hegemony and affirms the enormous respect the rest of the world has for American medicine.

Our system is not a failure. The dramatic decline in deaths from heart disease is salient evidence for the phenomenal success of technologically advanced American medical care for those who can afford it. Our problem is a failure of distribution, a failure to extend care to all of those who need it and a failure to recognize the importance of applying scientific rigor to the problems of broad-based health care delivery. If state-of-the-art American medicine were offered to our citizens in a comprehensive way, our levels of public health would be unexcelled.

Like education (also, in important ways, not a business), the public health is a national investment and a crucial one. Could we justify a "privatized" educational system that denied access to slower learners unable to pay—i.e., the children who need help the most? When you consider that we spend more on leisure than on health care (22 percent more just on recreation, restaurant meals, tobacco and foreign travel), is the percentage of the GNP we spend on health care really so inappropriate?

The failure in distribution of health care is the product of our tacit acquiescence in the notion that health care access rightly depends on ability to pay. This idea has become, for

many, a point of philosophical and ideological zeal.

It is long past time we acknowledged that broad-based access to health care will be an exceedingly expensive proposition. We must rid ourselves of the delusion that it is a business, like any other business.

The problem can be fixed. Forming a public consensus on this matter is a mighty and politically perilous challenge, requiring leadership and the courage to state that adequate health care is an appropriate goal for this country and a vital national investment. These are, indeed, treacherous waters. Can we get away from the clichés about ''socialized medicine'' and the hackneyed references to overly bureaucratized, centralized, inefficient postwar European health systems?

As world leaders in science, business and organizational management, we are capable of something new. We should maintain our commitment to the advancement of biomedical science for the public good and couple it with the management skills that have created our vibrant, competitive economy, and apply both in creating a national policy of investment in health.

John C. Baldwin is vice president for health affairs at Dartmouth College and dean of its medical school. C. Everett Koop is senior scholar at the Koop Institute there and a former U.S. surgeon general.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. BECERRA. Mr. Speaker, due to a commitment in my district on Wednesday, May 5, 1999, I was unable to cast my floor vote on rollcall numbers 108 through 115. The votes I missed include rollcall vote 108 on Approving the Journal; rollcall vote 109 on Ordering the Previous Question; rollcall vote 110 on the Hyde amendment to H.R. 833, the Bankruptcy Reform Act; rollcall vote 111 on the Moran amendment to H.R. 833; rollcall vote 112 on the Conyers amendment to H.R. 833; rollcall vote 113 on the Watt amendment to H.R. 833; rollcall vote 114 on the Nadler substitute amendment to H.R. 833; and rollcall vote 115 on passage of H.R. 833.

Had I been present for the preceding votes, I would have voted ''yes'' on rollcall votes 108, 110, 111, 112, 113, and 114. I would have voted ''no'' on rollcall votes 109 and 115.

PRIVATIZATION: THE WRONG PRESCRIPTION FOR MEDICARE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. STARK. Mr. Speaker, several Members have touted the idea that Medicare should be turned over to the private sector. Although they say that privatization will save the program, their true motivation is to irreparably damage Medicare to the point that there is nothing left to salvage. In the words of former speaker Newt Gingrich, they want Medicare to ''wither on the vine.''

Republicans have always intended to destroy Medicare. While they have found new ways to disguise their message over the years, their intention remains the same: get government out of health care no matter what the cost. ''Privatization'' is just another one of their ploys.

The truth is that the private sector cannot provide high quality health services to disabled and elderly Americans. Especially not at a lower cost.

Medicare was originally created to fill in the gap of health insurance coverage for older Americans, and later the disabled. Before Medicare, the private sector either refused to provide insurance coverage to the elderly, or made the coverage so expensive that seniors could not afford to pay the premiums. Lack of health coverage meant having to pay for health care out of their limited retirement incomes. This left many elderly poverty stricken.

Today the health coverage problem for older Americans is getting worse, not better. The fastest growing number of uninsured are people age 55–62, an even younger group than when Medicare was first established. Rather than extending coverage to this uninsurable group, Republicans insist on doing nothing, even though the President's Medicare early-buy proposal would have cost nothing.

Why should we believe that private sector insurers will put their financial interests aside and compete to provide coverage for an older, sicker population when evidence suggests that they will not? Especially as costs for the chronically ill continue to rise.

Republicans have also claimed that the private sector will save money for Medicare. This is simply not true. Over the past thirty years, Medicare's costs have mirrored those of FEHBP and the private sector, even though Medicare covers an older, sicker population. Recent evidence shows that private sector costs are now rising faster than Medicare's.

Last fall Medicare+Choice plans abandoned 400,000 Medicare beneficiaries claiming that the Medicare rates were too low to cover this population. This suggest that health plans will charge ever more than we currently pay them, not less.

Privatizing Medicare will not improve quality, either. Paul Ellwood, the ''father of managed care,'' recently stated that the private sector is incapable of improving quality or correcting for the extreme variation in health services across the country and that government intervention is necessary and inevitable. In his words, ''Market forces will never work to improve quality, nor will voluntary efforts by doctors and health plans. . . . Ultimately this thing is going to require government intervention.'' Why would we want to encourage more people to enroll in private health plans given the managed care abuses igniting the Patient's Bill of Rights debate?

Medicare is the primary payer for the oldest elderly, chronically ill, disabled, and ESRD patients—all very complex and expensive groups to care for. Private managed care plans, which primarily control costs by restricting access to providers and services, simply do not meet the health care needs of everyone in this population. For the most part, Medicare+Choice plans have enrolled only the healthiest beneficiaries, while avoiding those most in need of care. There is no way of knowing whether or not private health plans are able to provide quality care to the sickest population.

Medicare beneficiaries will have significant difficulties making decisions in a market-based system. This is potentially the most disastrous consequence of moving to a fully privatized Medicare program. Many Medicare beneficiaries are cognitively impaired. Thirty percent of Medicare beneficiaries currently enrolled in managed care plans have low health literacy. That is they have difficulty understanding simple health information such as appointment slips and prescription labels. Now we're discovered that health plans often fail to provide critical information to potential enrollees. How can we expect senior citizens and the disabled to participate as empowered consumers in a free-market health care system, especially without essential information?

Medicare reform cannot be based solely on private sector involvement. More than 11 million Medicare beneficiaries—30% of the population—live in areas where private health plans are not available, and because of the limited number of providers probably never will be available. A comprehensive, viable, nationally-based fee-for-service program must be maintained for people who either cannot afford to limit their access to services in private managed care plans, or who are incapable of participating in a free market environment.

Unfortunately the debate surrounding privatizing Medicare is grounded in ideology, not fact. While I understand the need to improve and expand the choices available to Medicare beneficiaries—the Medicare+Choice program was created in recognition of this—we also have an obligation to preserve the promise of guaranteed, affordable health insurance for the people who need it most. The private sector is not a panacea for our problems. Historical experience proves that alternative solutions are necessary for our elderly and disabled citizens. Before we move to an entirely new system, we should attempt to improve the existing infrastructure, one that has served elderly and disabled citizens effectively for over thirty years.

ARIZONA ANTI—DEFAMATION LEAGUE HONORS DANIEL R. ORTEGA, JR.

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PASTOR. Mr. Speaker, I rise before you today to proudly bring tribute to a fellow Arizonan who has long exemplified the meaning of leadership, community, and good citizenship. He is a well-respected leader in Arizona and Phoenix, and someone whom I'm proud to call my friend—Mr. Daniel R. Ortega, Jr.

In my home state, Danny recently received the Leader of Distinction Award from the Arizona Region of the Anti-Defamation League.

This award was established to honor extraordinary individuals for their successful professional and philanthropic achievements. It recognizes people who have truly made a difference in the lives of Arizonans through their strength, courage, creativity, individuality and motivation, whether professionally or in their personal pursuits.

I can attest that Danny is one of the most revered individuals In Phoenix when it comes to community. He has been a dauntless voice, particularly for the Latino community, when no other voice was there to champion their causes. Whether he is fighting for the rights of migrant farm workers, advising elected officials on community issues, or advocating for his clients, he has guided decision-making with wisdom and moral purpose.

An attorney by profession, Danny has served on the board of directors of numerous national organizations. He sits on the boards of the Federal Home Loan Bank of San Francisco, National Council of La Raza, and the Los Abogados Hispanic Bar Association. He also serves on the disciplinary Commission of the Arizona Supreme Court, and is a member of the Stewardship Board for the Roman Catholic Church of Phoenix. He is a member of the Arizona State Bar, American Trial Lawyers Association as well as the American and Maricopa County Bar Associations.

Previously, he was a member of the Board of Directors of the Mexican American Legal Defense and Education Fund, the Arizona Trial Lawyers Association, Valley of the Sun United Way, Arizona State Alumni Association and Chicanos Por La Causa, Inc. He also served on the Arizona Industrial Commission, the Phoenix Aviation Advisory Board, the Maricopa County Commission on Trial Court Appointments and Arizona State Bar Peer Review Committee.

Danny is a 1974 graduate of Arizona State University with a Bachelor of Arts degree in political science. He received his Juris Doctor degree in 1977 from ASU's College of Law. Before going into private practice, he was an attorney with Community Legal Services in Phoenix. Currently, as a partner with the law offices of Ortega & Associates, P.C., he provides legal services in the area of civil litigation, personal injury law, employment law, and government and non-profit agency representation. Mr. Ortega primarily concentrates in the litigation of personal injury and employment matters.

Danny is the oldest of eight children born to Elvira and Daniel Ortega Sr., both of whom ingrained a deep sense of family and community into their children. He has served as a volunteer in many campaign positions including field operations, fund-raising, finance and campaign chair.

Mr. Speaker, as you can surmise, Danny Ortega is an exemplary leader and a profoundly committed individual who is a true role model for the nation. He has effected change that has improved the lives of and broken down barriers for many Arizonans. Therefore, I am pleased to pay tribute to my friend Danny Ortega, and I know my colleagues will join me in thanking him and wishing him great success.

IN RECOGNITION OF VIRGINIA K. GRIFFIN

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. PORTMAN. Mr. Speaker, I rise today to thank and recognize my friend, Virginia Griffin, for her 32 years of gracious public service to the city of Cincinnati, especially to the children of Cincinnati. After 32 years as an elected member of the Cincinnati school board, Mrs. Griffin had decided to retire so she can devote more time to her family. Although her decision to step down is understandable, her departure will create a void that will be very difficult to fill.

A product of the Cincinnati public schools herself, Mrs. Griffin was first elected to the school board in 1967. She led the district through many tumultuous issues, including a contentious desegregation lawsuit shortly after her election, countless curriculum changes, and numerous levy campaigns.

In the early 1980's, she played a key role in the development of the magnet school program to promote both racial balance and innovative, high-quality educational programming. She also is rightfully proud of the district's first alternative school—the German language academy. She has been a staunch protector of the district's magnificent art collection. She led the changes to keep this historic and unique resource intact. In fact, one of her last acts as a member of the school board was to make the Cincinnati Art Club in Mount Adams the caretaker of the collection.

Her expertise in legislative and financial matters over the years made Mrs. Griffin an invaluable member of the Board, and it is in these areas that her departure will be most felt.

Mr. Speaker, Virginia Griffin represents the best of public service. She served the city, especially its schoolchildren, with dignity during her 32 years of service. She deserves our thanks for a lifetime of work well done.

CRISIS IN KOSOVO—REMARKS BY ADM. EUGENE CARROLL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1999

Mr. KUCINICH. Mr. Speaker, on April 21, 1999, I convened the first in a series of Congressional Teach-In sessions on the Crisis in Kosovo. If a peaceful resolution to this conflict is to be found in the coming weeks, it is essential that we cultivate a consciousness of peace and actively search for creative solutions. We must construct a foundation for peace through negotiation and mediation, and through honest diplomacy.

Part of the dynamic of peace is a willingness to engage in meaningful dialogue, to listen to one another openly and to share our views in a constructive manner. I hope that these Teach-In sessions will contribute to this process by providing a forum for Members of Congress and the public to explore alternatives to the bombing and options for a peaceful resolution. We will hear from a variety of speakers on different sides of the Kosovo situation. I will be introducing into the CONGRESSIONAL RECORD transcripts of their remarks and essays that shed light on the many dimensions of the crisis.

First is a presentation by Admiral Eugene Carroll, USN (Ret) who now serves as the Deputy Director of the Center for Defense Information (CDI). Adm. Carroll analyzes the stated objectives of the bombing of Serbia and whether the exercise of military power is capable of realizing those objectives. He also discusses the fundamental character of the Rombouillet plan that was presented to Mr. Milosevic, and the importance of Russian intervention in achieving a durable resolution to the crisis. I commend this excellent presentation to my colleagues.

PRESENTATION BY ADMIRAL EUGENE CARROLL, USN (RET) TO CONGRESSIONAL TEACH-IN ON KOSOVO—APRIL 21, 1999

The conventional wisdom is that war is much too important to be left to generals and admirals. As a result, in a democratic society, the question of going to war and the objectives to be sought in a war are political responsibilities. The objectives are defined in political terms. It is very important at this point that the objectives be attainable by military force. The two must match. And the objective must merit the use of this blunt, destructive, indiscriminate process we call war. The outcome, the achievements, must outweight the damage and destruction and loss occasioned by the war.

Looking at Kosovo we find that the objectives have been a little hard to nail down. But two of them stand out. Deter and degrade the ability of Serian forces to effect ethnic cleansing in Kosovo. And, to compel Serbian compliance with the Rambouillet plan. The first objective, the protection of the Kosovars, was never obtainable by the means employed. The air war cannot protect these abused people. It is impossible to control military and political conditions on the ground with air power alone. The power, the authority, on the ground will control the situation. There is so much evidence of this that it is simply undeniable. We have the ability to punish, we can destroy, we can kill. But to control the situation, and protect the Kosovars? No. The means of air warfare alone did not match the objective. What does the destruction of the Socialist Party headquarters in Belgrade do to mitigate the conditions of Kosovars in Kosovo?

The second objective, namely compelling compliance with the Rambouillet plans, was also unattainable by air power. Rambouillet was a demand for total capitulation by the Milosevic government. The capitulation did not just apply in Kosovo. I don't think this is entirely understood. It was far broader than that. Appendix B of the Rambouillet plan spelled out the problem this way. ''NATO personel shall enjoy together with their vehicles, vessels, aircraft and equipment free and unrestricted passage, and unimpeded access, throughout the Federal Republic of Yugoslavia, including associated air space and territorial waters.'' So NATO is to have access to and control of the Federal Republic of Yugoslavia (FRY). NATO is granted the use of airports, roads, rails and ports without payment of fees. This goes on and on. NATO will exercise police power. It will have full use of the electronic spectrum

in the region. It will have immunity from all FRY jurisdiction related to criminal offenses. The plan required total surrender of sovereignty by the FRY.

The terms were presented to the Milosevic government in non-negotiable form—here is the plan, you sign here or we bomb. Obviously, no government could accept such a usurpation of its sovereignty. In human terms, it would have been the end of Milosevic. If someone had designed a plan to be certain that it was going to be refused, they could not have done better than the Rambouillet plan. Thus the second objective fails until military force produces an unconditional surrender, the total collapse of the power and authority of the central government. And that cannot be achieved from the air.

NATO can clearly defeat Serbia on the ground. I don't think that was ever in doubt. But before you make the decision to proceed that way, you have to figure the time required and what will happen during that time. The bombing will go on. The Kosovars will be eliminated because we are talking about a matter of months. The cost in terms of the total destruction in the Serbian-Kosovo region is immeasurable.

We have been bombing for about a month. We've done a lot damage. But we will go a lot further, in terms of wiping out the Serbian economy, if we push troops forward. The cost and difficulties of invading with ground forces, of going to the point of effecting an unconditional surrender by the Serbian government, simply are incalculable. This would constitute total defeat for Milosevic. But does that constitute a NATO victory?

I think it is very important that we distinguish between a Milosevic defeat and a NATO victory. Certainly the Kosovars have already lost. The Serbs have lost already. They have lost lives, property, much of their economy and this will only intensify. In terms of its own stated objectives, even with unconditional surrender, NATO loses. NATO becomes responsible for restoration of a devastated nation and this is a task which will take years and billions of dollars. And a continuing military presence because none of the fundamental problems that produced the violence in the beginning have been addressed or resolved. If anything, many of the factors have been exacerbated. We have inherited a tragedy. We are responsible for it. We cannot call that victory.

Will it bring peace to the Balkans? That's the word being bandied about Washington. We're going to pacify the Balkans and bring stability to Europe. Will it bring peace to the Balkans? No. We can stay there on guard over them with guns and tanks, but we cannot pacify the Balkans when we don't treat the fundamental issues that guide the conflict there.

The solution must ultimately be political and it must be based upon negotiations, not ultimata. You are going to have to come to understandings and agreements and accommodations which have merit and benefit for both sides if you hope to produce any enduring quality to the solution. NATO has to get out of the way. The United Nations must live up to its responsibilities—with American support for a change—financial and otherwise, and the OSCE must step in and play a leading role in attempting to separate the military element of NATO from the people of Serbia. NATO cannot, I believe, be the honest broker in the final resolution of this.

The last point. This is the time and opportunity to bring Russia back into the European security equation. If anyone thinks there can be peace in the Balkans, or peace in Europe indefinitely—stable, cooperative security arrangements—without Russia being part of it, they are very mistaken. Yet what we have done so far in the Balkans is to isolate Russia, to denigrate them, to humiliate them, by ignoring their interests and their concerns. I believe that Russia, under the UN Security Council, can play a leading role as a mediator in bringing about an end to violence in Serbia.

As much as I oppose the bombing as being irrelevant to solving the Balkan situation, I do not at this moment favor a moratorium on the part of NATO. I favor negotiations going forward with the understanding that when there is an unequivocal commitment on both sides—the withdrawal of Serbian forces from Kosovo and the end of bombing—then is when the cease fire would go into effect. There would have to be positive evidence and good faith on both sides to bring about the end of violence in Kosovo.

My message to you: There is no military solution in Kosovo or Serbia.

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